



Regulated information
Consolidated results for the first half of 2009



REBITDA GROWS DOUBLE-DIGIT AND FASTER THAN TURNOVER

RECURRING NET PROFIT PER SHARE UP 11.1% TO €0.40

MANAGEMENT CONFIRMS OUTLOOK FOR 2009

Waregem (Belgium), 21 August 2009 - Today, Arseus publishes its results for the first half of 2009 in a separate document which is attached to this press release and has been posted on the company's website www.arseus.com. This press release contains the key figures and explanatory notes.

Consolidated turnover in the first half of 2009 increased by 11.6% to €190.1 million, while REBITDA increased 12.0% to €25.4 million. Net profit was 5.1% lower, mainly due to higher depreciation and amortisation and the recognition of the revaluation of the financial derivatives, a non-cash item, in the income statement. Recurring net profit increased 7.9% to €12.1 million, while recurring net profit per share was 11.1% higher at €0.40.

Ger van Jeveren, CEO van Arseus: *'Although economic conditions are still difficult, Arseus can look back on a successful half-year, with double-digit growth in both turnover and REBITDA. Turnover was up 11.6% at €190.1 million, while REBITDA grew 12.0% to €25.4 million. Organic growth turned out at 4.0%. All Arseus divisions played a part in this strong performance. These results are in line with our earlier outlook for the full year, with REBITDA growing faster than turnover in 2009.'*

The cost-reduction programme announced in early 2009 is on track and is already starting to bear fruit. We shall continue with the cost-saving programme in the second half, without jeopardising our long-term strategic objectives. Despite the economic crisis, we are making targeted investments in 2009 to optimise the organisation and further consolidate our leading market positions in Europe.

We are confident about the future and we confirm our earlier full-year outlook for 2009.'

INCOME STATEMENT (x 1,000 euro)	H1 2009	H1 2008	Change
Net sales	190,173	170,456	+11.6%
Gross margin	90,108	79,701	+13.1%
<i>Gross margin as % of net sales</i>	<i>47.4%</i>	<i>46.8%</i>	
Operating costs	-64,687	-57,000	+13.5%
EBITDA before corporate costs and non-recurring result	25,421	22,701	+12.0%
<i>As % of net sales</i>	<i>13.4%</i>	<i>13.3%</i>	
Corporate costs	-2,662	-2,406	+10.7%
EBITDA before non-recurring result	22,758	20,295	+12.1%
<i>As % of net sales</i>	<i>12.0%</i>	<i>11.9%</i>	
Non-recurring result	-1,807	-1,584	+14.1%
EBITDA	20,951	18,711	+12.0%
<i>As % of net sales</i>	<i>11.0%</i>	<i>11.0%</i>	
Depreciation and amortisation	-5,642	-3,556	+58.7%
EBIT	15,309	15,155	+1.0%
<i>As % of net sales</i>	<i>8.1%</i>	<i>8.9%</i>	
Financial result excluding revaluation of financial derivatives	-3,021	-3,226	-6.3%
Revaluation of financial derivatives	-1,345	-	
Profit before taxes	10,943	11,929	-8.3%
Taxes	-1,548	-2,031	-23.8%
Net profit	9,396	9,898	-5.1%
Recurring net profit ¹	12,102	11,212	+7.9%
Net profit per share (in €)	0.31	0.32	-3.1%
Recurring net profit per share (in €)	0.40	0.36	+11.1%
Average number of shares	30,208,308	30,931,956	

BALANCE SHEET (x 1,000 euro)	30-06-2009	31-12-2008
Intangible assets	210,231	201,126
Property, plant and equipment	35,319	34,473
Deferred tax assets	18,236	16,598
Other non-current assets	1,934	2,018
Operational working capital	72,344	64,159
Other working capital	-15,202	-15,696
Equity	185,941	185,530
Provisions	3,668	3,855
Financial instruments	5,307	3,961
Deferred tax liabilities	4,234	4,941
Net financial debt	123,712	104,391

¹ Recurring net profit is defined as net profit before non-recurring items and revaluation of financial derivatives after taxes at the group's effective tax rate.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Income statement

Consolidated **turnover** for the first half of 2009 amounted to €190.1 million, an increase of 11.6% compared with the first half of 2008. Organic growth was 4.0%. More detailed information on the development of turnover is given in the press release dated 14 July 2009, which can be found at www.arseus.com.

Gross margin increased 13.1% to €90.1 million. Compared with the first half of 2008, gross margin as a percentage of turnover was 62 basis points higher at 47.4%. In the current economic conditions, this represents a very encouraging trend. The improvement is a result of our strategy of supplying our customers with products and concepts offering high added value.

REBITDA² grew faster than turnover, adding 12.0% to €25.4 million.

Corporate costs as a percentage of turnover remained unchanged at 1.4%.

The **non-recurring result** was €1.8 million negative, consisting mainly of reorganisation expenses relating to the cost-reduction programme announced in January 2009 and the ongoing process of integrating acquisitions.

EBITDA increased in the first half of 2009 by 12.0% (€2.2 million) to €21.0 million. The operating margin (EBITDA as a percentage of turnover) remained unchanged at 11.0%.

Depreciation and amortisation in the first half of 2009 amounted to €5.6 million, significantly higher than in the first half of 2008, when these charges included a number of non-recurring items. Depreciation and amortisation in the first half of 2009 were in line with those in the second half of 2008.

EBIT amounted to €15.3 million, up 1.0% compared to the first half of 2008. The modest increase in EBIT reflects the higher depreciation and amortisation in the first half of 2009 compared to the same period in 2008.

The **financial result**, excluding revaluation of financial derivatives, was €3.0 million negative, an improvement of €0.2 million on the first half of 2008 mainly reflecting the net effect of significantly lower interest rates and the increase of net financial debt.

The €1.3 million negative **revaluation of financial derivatives** reflects the lower market value of interest-rate hedges that do not qualify for hedge accounting in accordance with IAS 39. As a non-cash item, it has been deducted from the financial result and is shown separately in the income statement.

The **effective tax rate** as a percentage of the profit before taxes was slightly lower in the first half of 2009 at 14.1%.

² EBITDA before corporate costs and non-recurring result.

Net profit was 5.1% lower at €9.4 million (€0.31 per share), mainly due to the higher depreciation and amortisation and the revaluation of the financial derivatives in accordance with IAS 39.

Recurring net profit amounted to €12.1 million, an increase of 7.9% compared with the same period last year. The recurring net profit per share amounted to €0.40, an increase of 11.1% compared with the first half of 2008.

Balance sheet

The main changes at balance-sheet level can be summarised as follows.

Intangible assets increased by €9.1 million, mainly due to the recognition of goodwill relating to acquisitions and the R&D activities of Corilus and Owandy.

Operational working capital³ was 12.8% higher compared with year-end 2008, at €72.3 million. This increase reflected the combined effect of strong turnover growth and acquisitions.

Net financial debt⁴ increased in the first half of 2009 to €123.7 million, from €104.4 million at 31 December 2008. The increase related primarily to acquisitions, investments and the dividend distribution. At 30 June 2009, the net financial debt/annualised REBITDA ratio was 2.58, fully in compliance with the covenant under the credit facility, which sets a maximum ratio of 3.5.

Operational capex⁵ amounted to €7.4 million or 3.9% of turnover in the first half of 2009, higher than the earlier forecast of a maximum of 3% of turnover in 2009 but lower than the 5.3% recorded in the first half of 2008. Despite the economic crisis, Arseus is continuing its programme of targeted investment in R&D, software and IT in 2009, with the aim of optimising the organisation and further consolidating its leading market positions in Europe. Arseus estimates that operational capex will amount to around 4% of turnover in 2009 over the full year, due to additional investment both in the faster international roll-out of Navision and in the wheelchair fleet in response to the success of the rental concept.

³ Operational working capital is the sum of inventories, trade receivables and trade payables.

⁴ Net financial debt is the sum of long-term and short-term financial borrowings less cash (excluding financial instruments) and cash equivalents.

⁵ Operating capex is defined as intangible assets, property, plant and equipment that have been acquired or produced (excluding acquisitions).

KEY FIGURES BY DIVISION

FAGRON

(x 1,000 euro)	H1 2009	H1 2008	Change
Turnover	73,342	66,605	+10.1%
REBITDA ⁶	13,101	11,709	+11.9%
REBITDA margin	17.9%	17.6%	

Fagron continued to consolidate its European market leadership in the first half of 2009. Turnover grew 10.1% to €73.3 million and REBITDA increased 11.9% to €13.1 million, with organic growth of 3.6%. The greenfield operation started in the United Kingdom in 2007 moved into profit in the first half of 2009.

Fagron's objective is to further roll out the Fagron premium brand, extend its European market leadership by pursuing an active buy-and-build strategy in Europe, setting up greenfield operations and driving organic growth. In line with this strategy, Fagron started a greenfield operation in Poland in the first half of 2009.

By investing continuously in innovation and product development, Fagron ensures that there is an ample supply of new products and concepts in the pipeline which it can roll out on the European market. In July 2009, Fagron launched a comprehensive new range of creams and ointments on the German market. Fagron's Derma Concept, which offers a unique total solution for tailor-made dermatological consultancy, was launched in the Netherlands at the end of 2008 and will be rolled out in the rest of Europe in the second half of this year.

Fagron has entered into a distribution agreement with Evonik Industries in Germany relating to the transfer of customers in the nutraceuticals and pharmaceutical industry which buy raw materials. As a specialist in pharmaceutical raw materials, Fagron will also offer other products from its own extensive range. Fagron expects to complete the phased transfer of these customers in the first quarter of 2010.

ARSEUS DENTAL

(x 1,000 euro)	H1 2009	H1 2008	Change
Turnover	79,586	68,709	+15.8%
REBITDA ⁶	7,174	6,665	+7.6%
REBITDA margin	9.0%	9.7%	

Arseus Dental's turnover increased 15.8% to €79.6 million and REBITDA was 7.6% higher at €7.2 million. The REBITDA margin was 0.7 percentage points lower compared with the first half of 2008, but 0.8 percentage points higher than in the second half of 2008. Arseus Dental posted organic growth of 3.9%. The modest decline in the REBITDA margin can be attributed mainly to lower turnover in the industrial activities in Switzerland in the wake of the crisis in the dental implant industry.

⁶ EBITDA before corporate costs and non-recurring result.

The distribution operations in Belgium, France, the Netherlands and Germany performed well. A comprehensive programme has been launched to raise operating efficiency within the various companies. In that context, René Benninger, formerly General Manager of Hader in Switzerland, has been appointed Chief Operating Officer at Arseus Dental.

Arseus Dental's growth strategy is based on offering high-quality innovative total solutions for dentists and dental laboratories and consolidating its leading market positions with acquisitions and organic growth.

When buying dental equipment, people tend to stay loyal to the brands they used during their education. Arseus Dental is laying the foundations for future growth by signing distribution agreements with leading brands and consolidating its market position by supplying those brands to dental colleges and universities in the Netherlands, Belgium, France and Germany. In the first half of 2009, Arseus Dental won a contract in France to supply 64 A-dec simulators to the universities of Marseille and Rennes, for delivery in the second half of 2009. Arseus Dental already supplies treatment units to over 50% of French dental faculties.

In 2008, Arseus Dental won a European tender for the supply of 248 A-dec dental treatment units, including a long-term service contract, to the Academic Centre for Dentistry Amsterdam (ACTA), one of the biggest investments ever in dental care in the Benelux. Delivery of the 248 units has been postponed until the second and third quarters of 2010 because completion of ACTA's new buildings has been delayed until September 2010.

ARSEUS MEDICAL

(x 1,000 euro)	H1 2009	H1 2008	Change
Turnover	23,157	22,374	+3.5%
REBITDA ⁷	1,430	1,176	+21.6%
REBITDA margin	6.2%	5.3%	

Arseus Medical recorded organic growth of 3.5%, taking turnover to €23.2 million, while REBITDA grew 21.6% to €1.4 million. Arseus Medical has made good progress in the past half-year with the implementation of the strategic plan adopted in early 2009. At the strategic level, Arseus Medical is focusing on providing first-class total solutions with substantial added value, achieving operational excellence and developing a strong market-driven organisation.

Arseus Medical's signature of an exclusive agreement with Wiegand Switzerland for the distribution of medication management systems in Belgium was the signal for Arseus Medical to start work with Fagron and Corilus on developing a medication management system for care homes. The Arseus Medication Management Solution (AMMS) is an integrated total solution for the delivery of medication from the pharmacy to the patient in the care home.

⁷ EBITDA before corporate costs and non-recurring result.

CORILUS

(x 1,000 euro)	H1 2009	H1 2008	Change
Turnover	14,088	12,769	+10.3%
REBITDA ⁸	3,715	3,151	+17.9%
REBITDA margin	26.4%	24.7%	

Corilus' turnover increased 10.3% to €14.1 million and REBITDA was 17.9% higher at €3.7 million, with organic growth of 6.8%.

An important strategic objective is the roll-out of the Corilus software applications in Europe following their success in Belgium. Cinnaber, the veterinary practice management system, will shortly be launched in the Netherlands following its introduction in France. Softalmo, the software package for ophthalmologists, has been adapted to meet local needs and successfully launched on the French market in recent months. Corilus has signed a contract with a French hospital for the supply and installation of Softalmo and negotiations on a similar contract with a second hospital have reached an advanced stage.

STATEMENT BY THE STATUTORY AUDITOR

Full interim financial information in accordance with IAS 34 and the unqualified statement by the statutory auditor can be found at www.arseus.com.

OUTLOOK⁹

Against the background of the general economic downturn and on the basis of the existing Arseus portfolio, the management expects, thanks to many new projects, new distribution agreements, synergies and the strengthened management structure, to generate turnover growth of between 5% and 10% in 2009.

Thanks to the positive contribution expected to accrue from greenfield operations, integration exercises, production optimisation and the cost-saving programme, recurring EBITDA is expected to grow faster than turnover in 2009.

CONFERENCE CALL

Ger van Jeveren (CEO) and Jan Peeters (CFO) will provide further information on the results for the first half of 2009 in a conference call today, starting at 09:30 CET. Lines will open 15 minutes before the start. Call +31 10 713 7295 (Netherlands) or +32 24 040 334 (Belgium).

⁸ EBITDA before corporate costs and non-recurring result.

⁹ Disclaimer: This press release contains forward-looking statements based on current internal estimates and expectations and market forecasts. These forward-looking statements involve inherent risks and are valid only as of the date they are made. The actual results may differ materially from those mentioned in such forward-looking statements.

FINANCIAL CALENDAR

Arseus will publish the trading update for the third quarter of 2009 at 7:30 on Tuesday, 13 October.

This is a translation of the Dutch press release. In the event of any discrepancy, the Dutch version will prevail.

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