



Regulated information
Consolidated results for the financial year 2009



2009: AN EXCELLENT YEAR FOR ARSEUS

NET PROFIT INCREASED 32% AT TURNOVER GROWTH OF 10%

STRUCTURAL IMPROVEMENT IN CASH FLOW (+42%)

Waregem (Belgium) / Rotterdam (Netherlands)¹, March 2, 2010

Key points 2009:

- Turnover growth of 10.3% to € 391.3 million
- REBITDA increases 10.7% to € 52.7 million
- Net profit increases 31.8% to € 19.6 million
- Operational working capital decreases 170 basis points to 15.6% of turnover
- Cash flow from operating activities very strong: +42.4% to € 39.5 million
- Proposed dividend 2009: € 0.36 per share; an increase of 20% compared to 2008
- 2010 outlook: Turnover growth of between 5% and 10% and a REBITDA that is expected to grow faster than turnover
- The Board of Directors appointed Sabine Sagaert, Mario Huyghe and Dirk Van Lerberghe to Arseus' Executive Committee
- Arseus is included in the Amsterdam Small Cap Index of NYSE Euronext as of March 2, 2010

Ger van Jeveren, CEO of Arseus: “We can look back on an excellent year. Arseus proved resilient enough to deal with the challenging market conditions of 2009 and deliver excellent results. Our main focus has been the structural improvement of cash flow, resulting in an increase of 42%. Our healthy financial situation means we can further strengthen Fagron's leading market position in 2010 and consider add-on acquisitions for Arseus Dental, Arseus Medical and Corilus as suitable opportunities arise. Based on the current view and the existing portfolio, we are expecting turnover growth of between 5% and 10% in 2010 and a recurring EBITDA that is expected to grow faster than turnover.”

¹ This press release was sent out by Arseus NV and Arseus BV.

INCOME STATEMENT (x 1,000 euro)	H2 2009	H2 2008	2009	2008	Change
Net sales	201,142	184,050	391,315	354,506	+10.3%
Gross margin	95,806	85,940	185,914	165,641	+12.2%
<i>As % of net sales</i>	<i>47.6%</i>	<i>46.7%</i>	<i>47.5%</i>	<i>46.7%</i>	
Operating costs	-68,559	-61,052	-133,246	-118,052	+12.9%
EBITDA before corporate costs and non-recurring result	27,247	24,888	52,668	47,589	+10.7%
<i>As % of net sales</i>	<i>13.5%</i>	<i>13.5%</i>	<i>13.5%</i>	<i>13.4%</i>	
Corporate costs	-2,993	-2,557	-5,655	-4,963	+13.9%
EBITDA before non-recurring result	24,255	22,331	47,013	42,626	+10.3%
<i>As % of net sales</i>	<i>12.1%</i>	<i>12.1%</i>	<i>12.0%</i>	<i>12.0%</i>	
Non-recurring result	-2,681	-1,739	-4,488	-3,323	+35.1%
EBITDA	21,574	20,592	42,525	39,303	+8.2%
<i>As % of net sales</i>	<i>10.7%</i>	<i>11.2%</i>	<i>10.9%</i>	<i>11.1%</i>	
Depreciation and amortisation	-6,341	-5,714	-11,983	-9,269	+29.3%
EBIT	15,233	14,878	30,542	30,033	+1.7%
<i>As % of net sales</i>	<i>7.6%</i>	<i>8.1%</i>	<i>7.8%</i>	<i>8.5%</i>	
Financial result excluding revaluation of financial derivatives	-3,064	-4,860	-6,085	-8,085	-24.7%
Revaluation of financial derivatives	-6	-3,961	-1,351	-3,961	-65.9%
Profit before taxes	12,164	6,058	23,107	17,987	+28.5%
Taxes	-1,920	-1,055	-3,468	-3,087	+12.3%
Net profit	10,243	5,003	19,639	14,900	+31.8%
Recurring net profit ²	12,414	9,723	24,516	20,935	+17.1%
Net profit per share (in €)	0.34	0.16	0.65	0.48	+35.4%
Recurring net profit per share (in €)	0.41	0.32	0.81	0.68	+19.1%
Average number of shares	30,221,206	30,552,487	30,214,757	30,680,209	

BALANCE SHEET (x 1,000 euro)	31-12-2009	31-12-2008
Intangible assets	229,455	201,126
Property, plant and equipment	38,631	34,473
Deferred tax assets	19,205	16,598
Other non-current assets	2,241	2,018
Operational working capital	63,336	64,159
Other working capital	-28,827	-15,696
Equity	196,352	185,530
Provisions	4,222	3,855
Financial instruments	5,312	3,961
Deferred tax liabilities	4,232	4,941
Net financial debt	113,923	104,391

² 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 FINANCIAL STATEMENTS 2009

Income statement

Consolidated turnover in 2009 amounted to € 391.3 million (2008: € 354.5 million), an increase of 10.3% compared with 2008. Organic growth was 4.1%. More detailed information on the development of turnover is given in the press release dated January 15, 2010, which can be found at www.arseus.com.

Gross margin grew from € 165.6 million to € 185.9 million, an increase of 12.2%. Compared with 2008, gross margin as a percentage of turnover was 79 basis points higher at 47.5%. This improvement is a result of Arseus' strategy of focusing on total solutions with substantial added value to the healthcare sector.

Operating costs increased by 12.9% from € 118.1 million in 2008 to € 133.2 million in 2009. The cost-saving programme, which focused on Arseus Dental, was fully implemented in 2009, and its effects are expected to become visible in 2010. In 2009, Arseus continued investing in improving the organisation, raising the quality of the middle and senior management and marketing its innovative own products. Operating costs have also increased due to acquisitions.

REBITDA³ grew faster than turnover, adding 10.7%, to € 52.7 million.

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

The non-recurring result was € 4.5 million negative, consisting mainly of restructuring costs at Arseus Medical and Arseus Dental as well as integration costs following acquisitions. In addition, an additional provision of € 0.75 million has been made for a 2002 conflict with a customer regarding the payment of delivered products.

EBITDA increased by 8.2% to € 42.5 million. The operating margin (EBITDA as a percentage of turnover) decreased from 11.1% in 2008 to 10.9% in 2009.

Depreciation and amortisation amounted to € 12.0 million. The increase compared with 2008 was partly caused by the writing down of inventory at Arseus Medical as a result of the cessation of a number of distribution agreements.

The financial result, excluding the revaluation of financial derivatives, amounted to € 6.1 million, a decrease of € 2.0 million compared with 2008, mainly reflecting the net effect of a further decrease in the interest rates in 2009 and a limited increase in the net financial debt.

The revaluation of financial derivatives amounted to € 1.4 million and 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 had 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 and amounted to 15.0% in 2009.

³ EBITDA before corporate costs and non-recurring result.

Net profit amounted to € 19.6 million (€ 0.65 per share), an increase of 31.8%. **Recurring net profit** amounted to € 24.5 million, an increase of 17.1% compared with 2008. The recurring net profit amounted to € 0.81 per share.

Balance sheet

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

Intangible assets increased by € 28.3 million, mainly due to the recognition of goodwill and other intangible assets relating to acquisitions and the R&D activities of Corilus and Owandy.

Property, plant and equipment increased € 4.2 million, which was caused by the assets of acquisitions and by investments in IT as well as in Fagron's production facilities in the Netherlands.

Operational working capital⁴ as a percentage of turnover improved structurally in 2009 and decreased 170 basis points to 15.6%. Despite turnover growth of 10.3% and December's very strong turnover, the working capital decreased 1.3% to € 63.3 million. This structural improvement is primarily the result of an ongoing focus on tight stock and trade receivables management.

Net financial debt⁵ increased in 2009 by € 9.5 million to € 113.9 million. With the strong improvement in the operating cash flow, Arseus was nearly able to finance acquisitions, investments and the 2009 dividend payment autonomously. At year-end 2009, the net financial debt/annualised REBITDA ratio was 2.19, fully in compliance with the covenant under the credit facility, which sets a maximum ratio of 3.5.

In 2009 **net operational capex**⁶ amounted to € 16.3 million or 4.2% of turnover; approximately 65% of which was expansion capex. Arseus decided to continue investing in the organisation during the economic crisis. In 2009 additional investments were made in the European rollout of the central ERP system. Furthermore, there was targeted investment in areas that Arseus expects to grow substantially in the years ahead, such as clean rooms, R&D, software and wheelchairs. Arseus estimates an operational capex of around 4% of turnover again in 2010.

⁴ Operational working capital is the sum of stock, trade receivables less trade payables.

⁵ Net financial debt is the sum of long-term and short-term financial borrowings, less cash (excluding financial instruments) and cash equivalents.

⁶ Net operational capex is defined as intangible assets, property, plant and equipment that have been acquired or produced (excluding acquisitions), less assets sold.

KEY FIGURES BY DIVISION

FAGRON

(in millions of euros)	H2 2009	H2 2008	Change	2009	2008	Change
Turnover	77.4	70.3	+10.1%	150.7	136.9	+10.1%
REBITDA ⁷	15.0	12.7	+18.1%	28.1	24.4	+15.2%
REBITDA margin	19.4%	18.1%		18.6%	17.8%	

2009 was an outstanding year for Fagron. Turnover increased by 10.1% to € 150.7 million while REBITDA increased 15.2% to € 28.1 million. Organic growth was 5.6%. This result confirms the success of Fagron's strategy to continuously invest in innovation and product development. As a result, Fagron always has a well-filled pipeline of new products and concepts ready to be launched in the European market. The increase in the REBITDA margin by 80 basis points to 18.6% is a remarkable result given the start-up losses at the greenfields in France and Poland. The greenfield in the United Kingdom was already profitable in 2009.

ARSEUS DENTAL

(in millions of euros)	H2 2009	H2 2008	Change	2009	2008	Change
Turnover	81.6	75.5	+8.1%	161.2	144.2	+11.8%
REBITDA ⁷	5.8	6.2	-6.5%	13.0	12.9	+0.8%
REBITDA margin	7.1%	8.2%		8.1%	8.9%	

Despite the difficult economic conditions, Arseus Dental's turnover increased in 2009 by 11.8% to € 161.2 million, which is however lower than expected in early 2009. Organic growth amounted to 3.1%. The REBITDA margin dropped by 80 basis points to 8.1% in 2009. This decrease was mainly caused by a lower than expected turnover - especially in the second semester of 2009 - slight pressure on the gross margin and a weaker demand for precision components for the dental orthopaedic industry. As a result, turnover at Switzerland-based Hader decreased approximately 25% in 2009. The decrease in turnover at Hader impacted the 2009 REBITDA for approximately € 1 million. The activities of the dental technology laboratories also suffered in 2009 from a declining demand for expensive prosthetics that are frequently not reimbursed. The cost-saving programme launched in early 2009 was implemented on schedule and has resulted in an 8% decline in the number of FTEs at Arseus Dental on a like-for-like basis. The cost-saving programme is expected to favourably impact Arseus Dental's 2010 results.

⁷ EBITDA before corporate costs and non-recurring result.

ARSEUS MEDICAL

(in millions of euros)	H2 2009	H2 2008	Change	2009	2008	Change
Turnover	27.5	24.9	+10.4%	50.6	47.3	+7.0%
REBITDA ⁸	2.1	1.9	+10.5%	3.5	3.1	+12.9%
REBITDA margin	7.6%	7.6%		6.9%	6.6%	

Good progress was made in 2009 with the implementation of Arseus Medical's growth strategy, whereby the focus lies on providing total solutions with substantial added-value to the healthcare sector. As part of the new strategy, the products being offered were subjected to a critical review. Activities with low gross margins, such as the sale of hospital beds, were wound down. New exclusive distributions with substantial added value were added to the product range to replace the phased out activities. Owing to the implementation of the growth strategy and the resulting organisational changes, Arseus Medical's growth in 2009 was 7.0%, of which 2% was organic growth. REBITDA increased 12.9% to € 3.5 million.

CORILUS

(in millions of euros)	H2 2009	H2 2008	Evolution	2009	2008	Evolution
Turnover	14.7	13.4	+9.7%	28.8	26.2	+9.9%
REBITDA ⁸	4.4	4.1	+7.3%	8.1	7.2	+12.5%
REBITDA margin	29.9%	30.6%		28.1%	27.5%	

Corilus can look back on an excellent year. New customers, an increase in the number of maintenance contracts, the launch of innovative software packages developed by Corilus itself and the European rollout of software packages all contributed to the division's annual turnover growth of 9.9%. Organic growth was 6.3%. Just like in 2008, Corilus' profitability increased faster than turnover. REBITDA increased 12.5% to € 8.1 million.

APPOINTMENTS TO THE EXECUTIVE COMMITTEE

On March 1, 2010, the Board of Directors of Arseus decided to appoint Sabine Sagaert, Mario Huyghe and Dirk Van Lerberghe as members of Arseus' Executive Committee for terms of four years. With these appointments, all of Arseus' divisions are represented in the Executive Committee.

As of March 2, 2010, Arseus' Executive Committee is composed as follows:

Ger van Jeveren, Chairman and CEO Fagron

Jan Peeters, CFO

Frank Verbakel, Group Controller

Sabine Sagaert, CEO Arseus Dental

Mario Huyghe, CEO Arseus Medical

Dirk Van Lerberghe, CEO Corilus

⁸ EBITDA before corporate costs and non-recurring result.

Mario Huyghe (47 years) has been responsible for the Arseus Medical division since January 1, 2009. Mario began his career at the Belgian distribution group Meda (now Acertys). The past nine years, Mario has held a number of leading positions within General Electric Healthcare, where he was responsible for the “Life Support Anesthesia-Carestation” division from 2005 to 2008. Mario graduated as an engineer from the Catholic University of Leuven and obtained an MBA from the Vlerick Leuven Ghent Management School.

Dirk Van Lerberghe (47 years) has been responsible for the Corilus division since May 25, 2009. Dirk started his career at Sycron in Sales and climbed up the ranks, eventually becoming General Director for Belgium, the Netherlands and France. Sycron was later absorbed by Real Software, where Dirk Van Lerberghe was a member of the Executive Committee. Dirk is highly experienced in developing international customer networks. He also gained extensive experience in the medical sector through the creation and development of an application for automating surgical operating departments. Dirk studied at the EHSAL in Brussels.

Sabine Sagaert (43 years) has been responsible for the Arseus Dental division since September 1, 2009. She held a number of positions at CBR Cementbedrijven before joining AB InBev in 1998. In early 2005, Sabine was appointed General Manager of AB InBev in France. This was followed by an appointment to Business Unit President for Belgium and Luxembourg in early 2006. Sabine graduated as a commercial engineer and obtained an MBA from the Catholic University of Leuven.

DIVIDEND

A gross dividend of € 0.36 per share will be proposed to the annual general meeting of shareholders. This represents an increase of 20% compared to € 0.30 per share in 2008. On the basis of the 2009 closing price, the gross dividend yield amounted to 4.5%.

OUTLOOK⁹

Based on the current view and the existing Arseus portfolio, Arseus' management is expecting turnover growth of between 5% and 10% in 2010 and a recurring EBITDA that is expected to grow faster than turnover.

STATEMENT BY THE STATUTORY AUDITOR

The statutory auditor, PricewaterhouseCoopers Bedrijfsrevisoren bcvba, represented by Lieven Adams and Peter Opsomer, has confirmed that the audit of the consolidated balance sheet and income statement, which is substantially complete, has to date not revealed any material misstatement. The auditor also confirmed that the accounting data reported in the press release is consistent, in all material respects, with the consolidated balance sheet and income statement from which it has been derived.

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

INCLUSION IN AMSTERDAM SMALL CAP INDEX

Arseus is pleased to announce that NYSE Euronext has decided to include the Arseus share in the Amsterdam Small Cap Index (AScX) as of today.

CONFERENCE CALL

Ger van Jeveren (CEO) and Jan Peeters (CFO) will provide further details on the 2009 results today in a conference call. The conference call starts at 09:30 hours CET. You can join from 09:15 hours CET onwards by calling +31 10 713 72 95 (Netherlands) or +32 2 404 03 34 (Belgium).

FINANCIAL CALENDAR

15 April	Publication of the annual report
16 April*	Trading update first quarter 2010
10 May 15:00 hours	General Meeting of Shareholders
14 July*	Trading update second quarter 2010
20 August*	Half year figures 2010
15 October*	Trading update third quarter 2010

* Results and trading updates will be published at 07:30 hours CET.

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Arseus at a glance

Arseus is a multinational group of companies that supplies products, services and concepts to professionals and institutions in the European healthcare sector. Arseus is subdivided into four divisions and operates in the markets for pharmaceutical compounding for pharmacies, dental products, medical and surgical products, and medical IT-solutions.

The Belgian company Arseus NV is located in Waregem and is listed on NYSE Euronext Brussels and NYSE Euronext Amsterdam. The operational activities of the Arseus group are driven by the Dutch company Arseus BV. The head office of Arseus BV is located in Rotterdam.

In the event of any discrepancy between the English translation and the original Dutch version of this press release, the latter shall prevail.

Appendices:

Consolidated income statement

(x 1,000 euro)	2009	2008
Operating income	393,624	358,668
Turnover	391,315	354,506
Other operating income	2,309	4,162
Operating expenses	(363,082)	(328,635)
Trade goods	(205,401)	(188,865)
Services and other goods	(62,026)	(55,128)
Employee benefit expenses	(82,030)	(74,950)
Depreciation and amortisation	(11,983)	(9,269)
Other operating expenses	(1,641)	(422)
Operating profit	30,542	30,033
Financial income	554	506
Financial expenses	(7,990)	(12,552)
Profit before income tax	23,107	17,987
Income tax expenses	(3,468)	(3,087)
Profit after income tax	19,639	14,900
Attributable to:		
Equity holders of the company (net profit)	19,553	14,869
Non-controlling interest	85	31
Profit for the period	19,639	14,900
Profit for the period per share (in euro)	0.65	0.48
Diluted profit per share (in euro)	0.65	0.48
Recurring net profit per share (in euro)	0.81	0.68
Diluted recurring net profit per share (in euro)	0.81	0.68

Consolidated balance sheet

(x 1,000 euro)	2009	2008
Non current assets	289,532	254,215
Intangible assets	229,455	201,126
Property, plant and equipment	38,631	34,473
Financial assets	1,228	1,061
Deferred tax assets	19,205	16,598
Other non current assets	1,014	957
Current assets	182,628	163,518
Stock	60,771	62,808
Trade receivables	70,170	65,975
Other current assets	17,403	16,232
Cash and cash equivalents	34,284	18,503
Total assets	472,160	417,733
Equity	196,352	185,530
Shareholder's equity (parent)	202,187	191,666
Treasury shares	(7,881)	(8,120)
Non-controlling interest	2,046	1,984
Non current liabilities	157,097	131,248
Provisions	857	811
Pension obligations	3,365	3,044
Deferred tax liabilities	4,232	4,941
Borrowings	146,305	120,876
Financial instruments	2,339	1,576
Current liabilities	118,711	100,955
Borrowings	1,902	2,018
Financial instruments	2,974	2,385
Trade payables	67,605	64,624
Taxes, remuneration and social security	24,337	20,747
Other current payables	21,893	11,182
Total equity and liabilities	472,160	417,733

Consolidated statement of changes in equity

(x 1,000 euro)	Share capital & share premium	Other reserves	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31 December 2007	317,302	(196,321)		57,244	178,225		178,225
Currency translation adjustments		231			231	(151)	80
Profit for the period				14,869	14,869	31	14,900
Total recognised income for the period	317,302	(196,090)		72,113	193,325	(120)	193,206
Purchase of treasury shares			(8,120)		(8,120)		(8,120)
Dividends relating to 2007 result				(1,833)	(1,833)		(1,833)
Share-based payments		174			174		174
Purchase participation non-controlling interests						2,104	2,104
Balance at 31 December 2008	317,302	(195,917)	(8,120)	70,281	183,546	1,984	185,530
Currency translation adjustments		(104)			(104)	31	(73)
Profit for the period				19,553	19,553	85	19,639
Total recognised income for the period	317,302	(196,021)	(8,120)	89,834	202,996	2,100	205,096
Purchase of treasury shares			239		239		239
Dividends relating to 2008 result				(9,073)	(9,073)		(9,073)
Share-based payments		145			145		145
Purchase participation non-controlling interests						(54)	(54)
Balance at 31 December 2009	317,302	(195,876)	(7,881)	80,761	194,306	2,046	196,352

Consolidated cash flow statement

(x 1,000 euro)	2009	2008
Operating activities		
Profit before income taxes	23,107	17,987
Taxes paid	(5,436)	(4,706)
Adjustments for financial items	7,436	12,046
Total adjustments for non-cash items	11,662	8,623
Total changes in working capital	2,727	(6,210)
Total cash flow from operating activities	39,496	27,741
Investment activities		
Capital expenditures	(16,322)	(19,157)
Investments in existing shareholdings (subsequent payments) and in new holdings	(15,862)	(39,381)
Total cash flow from investing activities	(32,184)	(58,538)
Financing activities		
Purchase of treasury shares	-	(8,120)
Dividends paid	(9,073)	(1,833)
New borrowings	26,031	46,579
Reimbursement of borrowings	(2,589)	(7,065)
Interest received (paid)	(5,922)	(8,085)
Total cash flow from financing activities	8,447	21,477
Total net cash flow for the period	15,758	(9,320)
Cash and cash equivalents - start of the period	18,503	27,789
Gains or losses on exchange on liquid assets	23	34
Cash and cash equivalents - end of the period	34,284	18,503
Change in cash and cash equivalents	15,758	(9,320)