



Arseus NV

(company incorporated with limited liability in Belgium (naamloze vennootschap/société anonyme))

Public offer in Belgium and Luxembourg of

4.75 % Fixed Rate Bonds due 2 July 2017

Issue Price: 101.875 % Gross actuarial return on issue price: 4.325 %
ISIN Code: BE0002180462 /Common Code: 079439495 (the "**Bonds**")

for an expected minimum amount of EUR 100,000,000 and for a maximum amount of EUR 225,000,000

with a guarantee by certain subsidiaries of Arseus NV (the "**Guarantors**"), granted irrevocably, jointly and severally and unconditionally and subject to the limitations contained in the Guarantee Declaration

Application has been made for the Bonds to be listed on NYSE Euronext Brussels and to be admitted to trading on the regulated market of NYSE Euronext Brussels

Issue Date: 2 July 2012

Subscription Period: from 15 June 2012 to 25 June 2012 included (subject to early closing)

Global Coordinator



Joint Lead Managers and Joint Bookrunners



Co-Lead Manager



The date of this Prospectus is 12 June 2012

Arseus NV (the "**Issuer**" or "**Arseus**") intends to issue the Bonds for an expected minimum amount of EUR 100,000,000 and maximum EUR 225,000,000. The Bonds will bear interest at the rate of 4.75 % per annum. Interest on the Bonds is payable annually in arrear on the Interest Payment Dates (as defined below) falling on, or nearest to 2 July in each year. The first payment on the Bonds will occur in 2013, and the last payment on 2 July 2017. The Bonds will mature on 2 July 2017. The Bonds will be irrevocably, unconditionally and jointly and severally guaranteed, subject to the limitations contained in the Guarantee Declaration, by certain Subsidiaries (as defined in the General Terms and Conditions of the Bonds) of the Issuer, and in particular on the Issue Date by ACA Pharma NV, Arseus Capital NV, Arseus België NV, Dutch Biofarmaceutics B.V., Duo-Med NV, Fagron GmbH & Co KG, Fagron B.V., Fagron do Brasil Farmaceutica Ltda, Fagron NV, Pharma Nostra Comercial Ltda, and Spruyt-Hillen B.V.

Fortis Bank NV/SA (having its registered office at Warandeborg 3, B-1000 Brussels and acting under the commercial name of BNP Paribas Fortis) ("**BNP Paribas Fortis**"), ING België NV (having its registered office at Marnixlaan 24, B-1000 Brussels) ("**ING België**") and KBC Bank NV (having its registered office at Havenlaan 2, B-1080 Brussels) ("**KBC Bank**"), are acting as joint lead managers and joint bookrunners (the "**Joint Bookrunners**" and each a "**Joint Bookrunner**" or, the "**Joint Lead Managers**" and each a "**Joint Lead Manager**"), and Belfius Bank NV/SA (having its registered office at Pachecolaan 44, 1000 Brussels) ("**Belfius Bank**") acts as co-lead manager (the "**Co-lead Manager**") for the purpose of the Public Offer of the Bonds in Belgium and the Grand Duchy of Luxembourg (the "**Public Offer**"). KBC Bank has been appointed as exclusive Global Coordinator (the "**Global Coordinator**") for the Public Offer. Deloitte Bedrijfsrevisoren BV CVBA has been appointed as Substitution Supervisor for certain provisions (the "**Substitution Supervisor**").

The denomination of the Bonds shall be EUR 1,000 (the "**Nominal Amount**").

The Dutch version of this listing and offering prospectus (the "**Prospectus**") was approved on 12 June 2012 by the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten) (the "**FSMA**") in its capacity as competent authority under article 23 of the Belgian Law dated 16 June 2006 concerning the public offer of investment securities and the admission of investments securities to trading on a regulated market (the "**Belgian Prospectus Law**"). This approval cannot be considered as a judgement as to the opportunity or the quality of the transaction, nor on the situation of the Issuer. Applications have been made (1) for an approval statement under article 18 of the Prospectus Directive (as defined below), as implemented in Belgium by the Belgian Prospectus Law to be issued by the FSMA to the Commission de Surveillance du Secteur Financier (the "**CSSF**") as competent authority in Luxembourg, and (2) for admission of the Bonds for trading on the regulated market of NYSE Euronext Brussels. References in this Prospectus to the Bonds being listed (and all other related references) shall mean that the Bonds have been admitted to trading on the regulated market of NYSE Euronext Brussels. The regulated market of NYSE Euronext Brussels is a regulated market according to Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. The entire prospectus has been translated into English.

The Prospectus is a prospectus according to Article 5.3 of Directive 2003/71/EC (as amended, the "**Prospectus Directive**"), the Belgian Prospectus Law and the Luxembourg

Law of 10 July 2005 on prospectuses for securities (the "**Luxembourg Prospectus Law**"). The Prospectus intends to give information with regard to the Issuer and the Bonds. The Prospectus contains all information which, according to the particular nature of the Issuer and of the Bonds, is necessary to enable investors to make an informed assessment of the rights attached to the Bonds and of the assets and liabilities, financial position, profits and losses and prospects of the Issuer.

Two full versions of the Prospectus in respectively English and Dutch are available on the website of the Issuer (www.arseus.com) or on the websites of the Joint Lead Managers (www.kbc.be, www.bnpparibasfortis.be (under "Save and Invest"), www.ing.be (Investments - Bonds)) and of the Co-lead Manager (www.belfius.be/arseus).

The Bonds will be issued in dematerialised form in accordance with article 468 of the Belgian Company Code (Belgisch Wetboek van Vennootschappen) (the "**Belgian Company Code**") and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the National Bank of Belgium (Nationale Bank van België) (the "**NBB**") or any successor thereto (the "**Clearing System**"). Access to the Clearing System is available through the participants in the Clearing System whose membership may extend to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers, Euroclear Bank NV ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxemburg**"). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set forth in this Prospectus. Where reference is made to the "**Conditions of the Bonds**" or to the "**Conditions**", reference is made to the "**Terms and Conditions of the Bonds**" (Part IV of the Prospectus).

An investment in the Bonds involves certain risks. Prospective investors should refer to the section entitled "Risk Factors" on page 28 for an explanation of certain risks of investing in the Bonds.

RESPONSIBLE PERSONS

The Issuer, having its registered office at Textielstraat 24, 8790 Waregem, Belgium, and having a correspondence address at Kralingseweg 207-211, 3062 CE Rotterdam, the Netherlands, and the Guarantors having registered offices as stated on pages 109 and 110 of this Prospectus (the "**Responsible Persons**") are responsible for the full Prospectus and any additions thereto, provided that each Guarantor is only responsible for the information relating to such Guarantor and the Guarantee issued by such Guarantor. The Issuer and the Guarantors (but the latter only with relation to the information for which they are responsible) state that to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information, having taken all reasonable measures to guarantee this.

PUBLIC OFFER IN BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG

This Prospectus has been prepared in connection with the Public Offer (as defined above) and the admission to trading of the Bonds on the regulated market of NYSE Euronext Brussels. This Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), other than offers in Belgium and Luxembourg (the “**Permitted Public Offer**”), will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offer, may only do so in circumstances in which no obligation arises for the Issuer, the Joint Lead Managers or the Co-lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to this Public Offer. Neither the Issuer, nor the Joint Lead Managers, nor the Co-lead Manager have authorised, nor do they authorise, the making of any offer (other than Permitted Public Offer) of Bonds in circumstances in which an obligation arises for the Issuer, the Joint Lead Managers or the Co-lead Manager to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all the documents that are incorporated herein by reference (see “Documents Incorporated by Reference”).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction and/or to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer, the Joint Lead Managers and the Co-lead Manager do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Joint Lead Managers or the Co-lead Manager which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction other than Belgium and Luxembourg where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

For a description of further restrictions on offers and sales of Bonds and the distribution of this Prospectus see “Subscription and Sale” below.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and any information or representation not so contained or inconsistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer, the Joint Lead Managers or the Co-lead Manager. Neither the delivery of this Prospectus nor any sale made in connection herewith shall create any implication that:

- the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs (financial or otherwise) of the Issuer, the Guarantors and the Group since the date of this Prospectus or the date on which this Prospectus has been most recently amended or supplemented;
- there has been no adverse change, or any event likely to involve any adverse change, in the situation (financial or otherwise) of the Issuer or the Guarantors, since the date of this Prospectus or, if later, the date on which this Prospectus has been most recently amended or supplemented; or
- the information contained in this Prospectus or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Joint Lead Managers, the Co-lead Manager, the Global Coordinator, the Issuer and the Guarantors expressly do not undertake to review the situation (financial or otherwise) of the Issuer, the Guarantors and the Group during the life of the Bonds.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation with regard to the Issuer or the Guarantors or (b) should be considered as a recommendation by the Issuer, the Guarantors, the Joint Lead Managers, the Co-lead Manager or the Global Coordinator that any recipient of this Prospectus and/or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial situation, the affairs, and the creditworthiness of the Issuer and the Guarantors. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Guarantors, the Joint Lead Managers or the Co-lead Manager to any person to subscribe for or to purchase any Bonds.

Save for the Issuer and the Guarantors, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers, the Co-lead Manager or the Global Coordinator as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Issuer, the Guarantors or the offering of the Bonds. The Joint Lead Managers, the Co-lead Manager and the Global Coordinator do not accept any liability, whether arising in tort or in contract or in any other event, in relation to the information contained or incorporated by reference in this Prospectus or any other information in connection with the Issuer, the Guarantors, the offering of the Bonds or the distribution of the Bonds.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or with the securities commission of any state or other jurisdiction of the United States. Subject to some exceptions, the Bonds may not be offered or sold in the United States. The Bonds are being offered and sold solely outside the United States on the basis of Regulation S under the Securities Act (**Regulation S**). For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, see "Subscription and Sale" below.

Neither the offering and sale of the Bonds nor the Bonds have been approved or rejected by the Securities and Exchange Commission of the United States, the securities commission of any state in the United States or any other regulatory authority in the United States, nor has any such authority judged on or confirmed the merits of any offering of the Bonds, or the accuracy or the adequate nature of this Prospectus. Any declaration to the contrary is a criminal offence in the United States.

All references in this document to “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

WARNING

The Prospectus has been prepared to provide information on the Public Offer. When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer, the Guarantors and the Conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the Public Offer itself. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, bookkeeper or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

In the event of important new developments, material errors or inaccuracies that could affect the assessment of the Bonds, prior to the Issue Date, the Issuer shall publish a supplement to the Prospectus containing this information. Such important new developments, material errors or inaccuracies should be considered when they occur or are identified between the time of the approval of the Prospectus and the final closing of the Public Offer, or, if applicable, the time at which trading on a regulated market commences. This supplement will

be published in compliance with at least the same regulations as the Prospectus, and will be published on the websites of the Issuer (www.arseus.com), the websites of Belfius Bank (www.belfius.be/arseus), BNP Paribas Fortis (www.bnpparibasfortis.be (under "Save and Invest")), ING België (www.ing.be (Investing – Bonds)), KBC Bank (www.kbc.be), and on the website of the FSMA (www.fsma.be). The Issuer must ensure that this supplement is published as soon as possible after the occurrence of such new significant factor.

Investors who have already agreed to purchase or subscribe to Bonds before the publication of the supplement to the Prospectus, have the right to withdraw their agreement during a period of two Business Days commencing the day after the publication of the supplement.

FURTHER INFORMATION

For more information about the Issuer or the Guarantors, please contact:

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PART I: SUMMARY

*This summary must be read as an introduction to the listing and offering prospectus dated 12 June 2012 (the “**Prospectus**”) and any decision to invest in the 4.75 % fixed rate Bonds due 2 July 2017 (the “**Bonds**”) should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. No civil liability will attach to anybody solely on the basis of the summary of the Prospectus or the translation thereof, unless its content is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. A full version of the Prospectus is available on the website of the Issuer (www.arseus.com), the websites of the Joint Lead Managers (www.bnpparibasfortis.be, www.ing.be (under "Save and Invest"), www.kbc.be (Investments - Bonds)) or the website of the Co-lead Manager (www.belfius.be/arseus). Where a claim relating to information contained in this Prospectus is brought before a court, the plaintiff may, under the national legislation of the State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.*

Words and expressions defined in “**Conditions of the Bonds**” shall have the same meanings in this summary.

RISK FACTORS

The risk factors associated with the Issuer, the Guarantors and the Bonds are set out in the section of the Prospectus entitled “Risk Factors”. The most significant risk factors follow below. This list does not include all the potential risks and consequently, prospective investors should read carefully the complete description of the risk factors contained in the section of the Prospectus called “Risk Factors” and reach their own conclusions prior to making any investment decision. In the event of the realisation of one or more of the risk factors, you run the risk that the amounts to which you would be entitled will not be returned to you and that you may lose the invested capital.

Risk factors that could have an impact on the ability of the Issuer and the Guarantors to meet their obligations with respect to the Bonds.

- ***Strategic risk in connection with market and growth.*** The Group may possibly have to deal with an unfavourable market situation or competition that develops unfavourably. It is also possible that incorrect strategic decisions are made.
- ***Risks in connection with the buy-and-build strategy of the Group.*** When acquiring entities, the Group is exposed to risks associated with the integration of these entities.
- ***Risks of dependence on products, geographic markets and clients.*** Unfavourable economic circumstances, increased competition or any other reason can lead to a reduction of the sales volume or a reduction of the margin of specific products of the Group.
- ***Risks in connection with regulations.*** Additional or amended legislation, including tax, environmental and safety laws and regulations, could result in the Group being restricted in its growth and/or operation or being confronted with additional investments or costs.

- **Staff risks.** The Group depends on its employees to be able to offer high quality service and products. In a tight labour market, the recruitment and retention of good managers and employees in all segments of the Group with the necessary knowledge and experience can lead to increased wage costs.
- **Risks in connection with reporting.** The Group has drawn up reporting directives based on IFRS and the internal information requirements. Non-compliance with these reporting directives can result in reporting shortcomings.
- **Competition.** Existing competitors may challenge the position of the Group, or new competitors may enter the markets in which the Group is active. This can have a considerable influence on the market position, the turnover and profitability of the Group.
- **Risks in connection with intellectual property.** The retention of intellectual property rights is expensive, time-consuming and uncertain. The Group cannot guarantee that it will be successful in preventing the misuse of its intellectual property rights.
- **Risks in connection with our suppliers.** Important disturbances in the activities of our suppliers, or of our relationship with them, can have a material impact on the activities of the Group, resulting in a reduction of turnover.
- **Risks of price fluctuations on the market.** It cannot be ruled out that the products purchased by the Group will become considerably more expensive.
- **Inventory risks.** The retention of stocks involves the risk of full or part obsolescence of the products and the risk of price reductions.
- **Product risks.** Production errors can lead to serious problems, such as taking a product or brand off the market, loss of market share, temporary unavailability of products, claims or product liability.
- **Product liability risk.** The Group has entered product liability insurance within reasonable limits, but cannot confirm that such insurance will in all cases sufficiently cover the risks in connection with product liability.
- **Changes in creditworthiness and liquidity of debtors.** The creditworthiness of debtors changes through the cycle. This is a risk for the Group that may introduce costs due to the inclusion of provisions or the writing off of bad debts.
- **Innovation risks.** In the event that the Group is unable to maintain a high rate of innovation and does not succeed in creating innovative solutions that are required to meet the needs and wishes of the market, its company activities, financial position, prospects and/or operating results could be affected in a considerably negative manner.
- **Cyclical nature and seasonal character of the company's activities.** The Group's turnover in a certain quarter can fluctuate considerably in comparison with previous or similar quarters of previous financial years, which complicates the predictability of the Group's results for the year.

- ***Risks of impairment of goodwill.*** Depending on market circumstances and developments in the Group, it may be necessary to make a downward value adjustment of goodwill, which has a negative effect on the results and the capital of the Group.
- ***ICT risks.*** Many functions and processes of the activities of the Group depend on information systems that are developed and maintained by internal experts or external suppliers.
- ***Risks of reduced brand recognition or negative brand image.*** The position of the Group can be considerably negatively impacted if brand recognition would reduce substantially or if the Group's leading brands incur reputational damage.
- ***Risk in connection with reputation.*** The reputation of the company is an important asset. An assault on the reputation of a company can lead to weakened competitive powers.
- ***Financial risks.*** The Group is subject to various financial risks. The Group controls the cash and financing flows and associated risks by means of a treasury policy at Group level.
- ***Credit risk.*** This concerns the risk that a debtor or other counter-party cannot meet its payment obligations. The Group uses an active credit control policy and has strict procedures to manage and control credit risks.
- ***Interest risk.*** The Group regularly assesses the mix maintained between financial debts with a fixed and with a variable interest. Interest changes can have a negative effect on the Group.
- ***Currency risks.*** The Group reports its financial results in euro and is, due to the international spread of its activities, subject to currency influences.
- ***Fair value risk.*** The Group uses financial derivatives to cover interest risks. In accordance with IAS 39, financial derivatives are included at the fair value.
- ***Activities via Subsidiaries.*** As the Issuer develops its activities mainly via Subsidiaries, the redemption rights of the Bondholders are structurally subordinated to the other debts of the Subsidiaries of the Issuer. However, certain Subsidiaries in their capacity of Guarantor will guarantee the payment obligations of the Issuer under the Bonds.
- ***The Issuer's ability to clear its debts depends, among other things, on its ability to receive income and dividends from its Subsidiaries.*** The Issuer's main assets are direct and indirect interests in the Subsidiaries. If the Issuer in one way or another cannot guarantee the continuous transfers of dividends or other income from Subsidiaries, its ability to clear its debts will be limited.
- ***Financial situation of the Group.*** The Issuer may decide in the future to increase its burden of debt, which could make it difficult to meet its obligations in connection with the Bonds, or could lead to a reduction of the value of the Bonds.

- ***The Bonds are undertakings of the Issuer that are not guaranteed by collateral.*** The rights of the Bondholders to receive payment on the Bonds are not covered by collateral. However, certain Subsidiaries in their capacity of Guarantor will guarantee the payment obligations of the Issuer under the Bonds.
- ***It is possible that the Issuer and/or Guarantors are not able to redeem the Bonds.*** The ability of the Issuer to redeem the Bonds will depend on the financial situation of the Issuer at the time of the requested redemption, and may be limited by law, by the conditions of its debts and by the agreements that it has entered on or before that date, that could replace, supplement or change its existing or future debts.
- ***No credit rating.*** The Bonds, the Issuer and other companies of the Group do not have a credit rating, and the Issuer does not have future plans to apply for a credit rating for the Bonds, the Issuer or other companies of the Group, which could make it difficult to determine the price of the Bonds.
- ***Credit risk.*** An investor who purchases the Bonds must trust the creditworthiness of the Issuer and the Guarantors, and does not have any rights towards any other person.

Factors that are of importance to assess the market risk with respect to the Bonds

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- ***It is possible that the Bonds are not a suitable investment for all investors.*** Each potential investor in the Bonds should determine whether such an investment is suitable in view of his own circumstances.
- ***No active market for the Bonds exists.*** The absence of liquidity can have a considerably negative effect on the market value of the Bonds.
- ***Risk of interest fluctuations.*** The Bonds are subject to the risk of interest fluctuations.
- ***Inflationary risk.*** The actual proceeds of an investment in the Bonds are reduced by inflation. The higher the rate of inflation, the lower the actual proceeds of a Bond will be. If the rate of inflation is equal to or higher than the nominal proceeds of the Bonds, the actual proceeds will be equal to zero or could then even be negative.
- ***Market value of the Bonds.*** The market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors.
- ***Early redemption.*** Early redemption of the Bonds may be possible (among other things in the event of a change of control or for tax reasons).
- ***The Bonds may be affected by turbulences on the worldwide credit markets.*** Potential investors must be aware of the turbulences on the worldwide credit markets that have resulted in a general absence of liquidity on the secondary markets for instruments similar to the Bonds.
- ***Changes of the Conditions of the Bonds.*** A change of the Conditions of the Bonds may be imposed on all Bondholders subject to approval by stipulated majorities of Bondholders.
- ***Exchange rate risks and exchange rate controls.*** The Bonds may be exposed to exchange rate risks and exchange rate controls.

- ***Eurozone crisis.*** Potential investors must ensure that they have sufficient information with regard to the Eurozone crisis, the worldwide financial crisis and economic situation and prospects, so that they can make their own assessment of the risks of an investment in the Bonds.
- ***EU Savings Directive.*** Some payments with respect to the Bonds may be affected by the EU Savings Directive.
- ***Payments with respect to the Bonds may be subject to Belgian withholding tax.*** If the Issuer is obliged to deduct a levy at source for all current or future taxes, with regard to a payment in connection with the Bonds, the Issuer shall make this payment after deduction of this levy at source, and shall inform the competent authorities of the amount deducted at source.
- ***Taxes or other documentary charges and levies.*** Potential buyers and sellers of the Bonds may be obliged to pay taxes or other documentary charges and levies in accordance with the laws and practices of the country to which the Bonds are transferred or other jurisdictions.
- ***Changes in existing legislation.*** Changes in the existing legislation may lead to changes of certain Conditions of the Bonds.
- ***Transactions by the Issuer, Guarantors, Agent, Calculation Agent, Substitution Supervisor, Joint Lead Managers and Co-lead Manager.*** The Issuer, the Guarantors, the Agent, the Calculation Agent, the Substitution Supervisor, the Joint Lead Managers and the Co-lead Manager may be involved in transactions that have a negative impact on the interests of the Bondholders. The Calculation Agent does not have any fiduciary or other obligations with respect to the Bondholders, and in particular is not obliged to make arrangements for the protection of their interests. The Joint Lead Managers and the Co-lead Manager are lenders under the Existing Credit Agreement and the Joint Lead Managers are also expected to be Lenders under the credit agreement that the Group is currently negotiating. As a result thereof, they may have interests that are different from or conflict with the interests of the Bondholders.
- ***The Guarantees possibly do not cover the full amount of the principal and interests.*** The obligations of the Guarantors shall be limited by the guarantee limitations as contained in Article 8 (Guarantee Limitations) of the Guarantee Declaration. As a result of these guarantee limitations, it is possible that the total amount payable by the Guarantors if necessary, is smaller than the amount of the principal and interests due at the time of such payment.
- ***Guarantors may become a party to the Guarantee Declaration, and may be discharged from their obligations under the Guarantee Declaration.*** The Guarantee Declaration contains a mechanism in accordance with which certain Subsidiaries can become Guarantor after the Issue Date. Furthermore, the Guarantee Declaration also contains provisions in accordance with which Guarantors can be discharged from their obligations under the Guarantee Declaration under certain conditions. Therefore, the Prospectus does not contain information about all Subsidiaries that can possibly become Guarantor under the Guarantee Declaration. Accessions to the Guarantee Declaration and the discharge of Guarantors from their obligations under the

Guarantee Declaration are under the control of the Substitution Supervisor (see article 10 (Change of the Guarantors) of the Guarantee Declaration and Condition 11 (Substitution Supervisor)), and can therefore take place without permission from the Bondholders. Investors are strongly advised to verify on the website of the Issuer which Subsidiaries are Guarantor at a certain time.

- ***Installment buying – Debt financing.*** If a Bondholder uses a credit facility to finance the purchase of the Bonds and the Bonds are subject to an event of default, or if the trading price of the Bonds reduces significantly, the Bondholder may possibly not only be faced with a loss of his investment, but will also have to repay the credit and the interests on this.
- ***Risk of withdrawal or cancellation of the Public Offer.*** Under certain circumstances, there is a risk of withdrawal or cancellation of the Public Offer.
- ***Changes in the existing legislation may lead to changes of certain Conditions of the Bonds.*** The Conditions of the Bonds are based on the Belgian legislation that is in force on the date of this Prospectus. No guarantee can be given about the impact of a judicial ruling or change in Belgian legislation or in the official application, interpretation or administrative practices that take place after the date of this Prospectus.
- ***Belgian, Dutch, German, Brazilian and other solvency laws.*** The Belgian, Dutch, German, Brazilian and, if necessary, other insolvency laws that apply to certain Guarantors, may have a negative impact on the recoverability by the holders of the amounts that are payable by virtue of the Bonds.
- ***Nature of the Guarantee of the Bonds under Brazilian law.*** In the event that a Brazilian court becomes involved in a dispute with regard to the Guarantee Declaration, the possibility exists that it will not recognise the nature of the Guarantee of the Bonds as a guarantee on first demand.

BUSINESS DESCRIPTION OF THE ISSUER AND OF THE GROUP

Arseus NV is a limited liability company (*naamloze vennootschap/société anonyme*) under Belgian law, having its registered office at Textielstraat 24, 8790 Waregem (Belgium). The Issuer is registered in the Belgian Company Register under number 0890.535.026 (RPR Kortrijk). Since 5 October 2007, Arseus NV is listed on NYSE Euronext Brussels and on NYSE Euronext Amsterdam. The share is included in the BEL MID index and the Amsterdam Small Cap Index (AScX). The operational activities of the Group are driven by the Dutch company Arseus BV. Arseus B.V.'s head office is located in Rotterdam (The Netherlands).

Arseus (www.arseus.com) supplies products, services and total solutions with substantial added value to professionals and institutions in the healthcare sector in Europe, the United States, Brazil and Argentina. The activities are subdivided into four divisions. Fagron is the worldwide market leader in products and concepts for magistral preparations. Arseus Dental supplies dental products and concepts to dentists and dental laboratories in the Benelux, France, Germany and Switzerland. Arseus Medical supplies medical and surgical products and concepts with added value to specialists, nursing homes, homecare nurses and hospitals in the Benelux. Corilus supplies ICT total solutions for medical specialists in Belgium, the

Netherlands and France. The clients of the Group can be classified under ‘professionals in the healthcare sector, such as pharmacists, dentists, surgeons, cardiologists, ophthalmologist, veterinary surgeons and nurses.

The Group wants to achieve sustainable growth with the consolidation and further development of its leadership position in selected segments of professional healthcare sector, with a focus on offering solutions that allow its customers to focus more on the provision of optimum patient care.

The core elements of the Group’s strategy to achieve this objective are the following:

- Focus on total solutions
- Operational excellence
- Buy-and-build strategy
- Continuous strengthening of market positions
- Development of own brand products

DESCRIPTION OF THE BONDS

Issuer:	Arseus NV
Guarantors:	ACA Pharma NV, Arseus Capital NV, Arseus België NV, Duo-Med NV, Dutch Biofarmaceutics B.V., Fagron GmbH & Co KG, Fagron B.V., Fagron do Brasil Farmacêutica Ltda, Fagron NV, Pharma Nostra Comercial Ltda, and Spruyt-Hillen B.V., or other such guarantors that may be designated from time to time in accordance with the conditions contained in the Guarantee Declaration.
Description of Bonds:	Expected minimum issue of EUR 100,000,000 and maximum EUR 225,000,000 4.75 % Bonds due on 2 July 2017.
Subscription Period of the Bonds:	From 15 June 2012 at 9.00 am until 25 June 2012 at 4.00 pm (early closing possible), (Brussels time).
Joint Bookrunners:	Applications for subscription of Bonds can be made through the branches of, via Phone Banking or via home/computer banking of KBC Bank (including CBC Banque S.A.)

acting as Joint Bookrunner and Global Coordinator, BNP Paribas Fortis (including the branches that are active under the trading name Fintro) and ING België acting as Joint Bookrunners, and of Belfius Bank, acting as Co-lead Manager.

Domiciliary Agent and Paying Agent (the Agent): KBC Bank NV

Listing Agent: KBC Bank NV for the purposes of the listing of the Bonds on NYSE Euronext Brussels and the admission to trading of the Bonds on the regulated market on NYSE Euronext Brussels.

Calculation Agent: KBC Bank NV, but only with regard to an early redemption in accordance with Condition 6(c) (Redemption at the option of the Bondholders in the event of a Change of Control).

Substitution Supervisor: Deloitte Bedrijfsrevisoren BV CVBA

Public Offer Jurisdictions: Belgium and Luxembourg

Issue Date: 2 July 2012

Issue Price: 101,875 %

Currency: Euro

Aggregate Nominal Amount: Expected minimum amount of EUR 100,000,000 and maximum EUR 225,000,000.

The final Aggregate Nominal Amount shall be published as soon as possible after the end (or the early closing) of the Subscription Period on the websites of the Joint Lead Managers, the Co-lead Manager and the Issuer.

The final Aggregate Nominal Amount shall be

determined based on the criteria listed under the heading "Aggregate Nominal Amount" of Part XII (Subscription and Sale) of the Prospectus.

The maximum Aggregate Nominal Amount shall be EUR 225,000,000.

Nominal Amount/Specified Denomination per Bond: EUR 1,000 per Bond.

Minimum Subscription Amount: The Bonds may only be traded in a minimum multiple of one Bond (corresponding with a Nominal Amount of EUR 1,000).

Maturity Date: 2 July 2017

Interest: 4.75 % fixed interest rate (or a gross amount of EUR 47.5 per Nominal Amount of EUR 1,000).

Interest on the Bonds is payable annually in arrear on the Interest Payment Dates falling on, or nearest to 2 July in each year and for the first time on 2 July 2013.

Yield: 4.325 % gross actuarial on an annual basis calculated on the basis of the Issue Price for Retail Investors (as defined under "Part XIII – Subscription and Sale").

Redemption Amount at Maturity Date: The Bonds will be redeemed at 100% of the Nominal Amount, except in the event of Early Redemption as a result of a Change of Control as set out in Condition 6(c) (Redemption at the option of the Bondholders in the event of a Change of Control)

Early Redemption: The Bonds may be redeemed early following an event of default as set out in Condition 9 (Events of Default). Bonds will also be redeemable at the option of the Issuer prior to

maturity for reasons set out in Condition 6(b) (Redemption for tax reasons) and at the option of the Bondholders prior to maturity upon a Change of Control as set out in Condition 6(c) (Redemption at the Option of the Bondholders in the event of Change of Control). The early redemption amount in respect of each Bond is set out in Condition 6.

Events of Default:

Events of Default under the Bonds include the situations as defined under Condition 9 (Events of Default) and relate, among other things, to: the non-payment of the principal or interest with respect to the Bonds within 5 Business Days after the maturity date, the non-observance or non-performance of other provisions, agreements or undertakings with respect to the Bonds, events of default with respect to other Debts, security enforced, insolvency, unsatisfied judgments, illegality and the Guarantee failing to come into force.

Negative Pledge and Cross Default:

Applicable as set out in Condition 4 (Negative Pledge) and Condition 9(c) (Events of Default with respect to other Debts).

Form:

Dematerialised form under the Belgian Company Code – no physical delivery.

Status of the Bonds:

The Bonds constitute direct, unconditional, unsubordinated and (without prejudice to Condition 4 (Negative Pledge)) unsecured obligations of the Issuer, rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding and and subject to any rights of set-off that could be exercised by the Issuer..

Guarantees:

Certain Subsidiaries of the Issuer have, as a result of the Guarantee Declaration, that is included in the annex to the Conditions and that forms an integrated part of the Conditions,

have jointly and severally, unconditionally and irrevocably guaranteed the full and timely payment of all amounts that are payable from time to time by the Issuer in connection with the Bonds. The Guarantee of the Bonds forms the joint and several, direct, (without prejudice to Article 8 (Guarantee Limitations) of the Guarantee Declaration), unconditional, unsubordinated and (without prejudice to Condition 4 (Negative Pledge) hereinafter) unsecured obligation of each Guarantor, and shall at any time rank pari passu among all other existing and future unsecured and non-subordinated securities of such Guarantor, save for certain obligations required to be preferred by law that are generally applicable, and subject to any rights of set-off that could be exercised by such Guarantor.

Role of the Substitution Supervisor: The Substitution Supervisor was appointed to perform certain tasks with respect to the Guarantee of the Bonds and in particular with respect to the accession or discharge of Guarantors under the Guarantee Declaration. The tasks of the Substitution Supervisor are limited to the tasks that are expressly awarded to the Substitution Supervisor in the Conditions and the Guarantee Declaration.

General Meetings of Bondholders: The Conditions of the Bonds contain provisions for calling general meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Withholding Tax and Additional Amounts: All payments by or on behalf of the Issuer of principal and interest on the Bonds will be made without deduction of Belgian withholding tax for the Bonds held by certain eligible investors in an X-account with the Clearing System. In the event that Bonds are held in a non-exempt N-account, Belgian withholding tax will in principle be applicable

to the interest on the Bonds at the current rate of 21% on the gross amount.

The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Bondholder in respect of the Bonds, after withholding for any taxes imposed by tax authorities in Belgium upon payments made by or on behalf of the Issuer in respect of the Bonds, will equal the amount which would have been received in the absence of any such withholding taxes, except that no such additional amounts shall be payable in respect of any Bond in the cases described in Condition 8 (Taxation), which cases include, amongst other things, payments to individuals who are Belgian residents for tax purposes.

Governing Law and Jurisdiction: The Bonds will be governed by and construed in accordance with Belgian law. The Courts of Brussels shall have exclusive jurisdiction for the benefit of the Bondholders.

Listing and admission to trading: Application has been made to NYSE Euronext Brussels for the listing of the Bonds on Euronext Brussels and admission to trading on the regulated market of NYSE Euronext Brussels.

Relevant Clearing Systems: Clearing System operated by the National Bank of Belgium, Euroclear and Clearstream, Luxembourg.

No Ownership by U.S. persons: Regulation S, Category 2; TEFRA C is applicable, as further described under the section of the Prospectus entitled "Subscription and Sale".

Conditions to which the Public Offer is subject The Public Offer is subject to the conditions set out in the section of the Prospectus entitled "Subscription and Sale".

Step-Up:

In the event that no later than 1 October 2012 (the "Long Stop Date"):

- (i) the Change of Control Decisions (as defined in the Conditions) were not approved or accepted by a general meeting of shareholders of the Issuer; or
- (ii) the Change of Control Decisions were not filed with the commercial court registry in Kortrijk;

then, commencing from the Interest Period (as defined in the conditions) starting on the first Interest Payment Date (as defined in the Conditions) following the Long Stop Date, the amount of the interest payable in respect of the Bonds shall be increased by 0.5% per annum, up to and including the last day of the Interest Period during which the Change of Control Decisions were approved by a general meeting of shareholders of the Issuer and were filed with the commercial court registry in Kortrijk.

Allocation:

Each Joint Lead Manager is entitled to place an amount of EUR 50,000,000 (namely 22.2% of the Aggregate Nominal Amount) of the Bonds to be issued with Retail Investors, and the Co-lead Manager is entitled to place an amount of EUR 25,000,000 (namely 11.1% of the Aggregate Nominal Amount) of the Bonds to be issued with Retail Investors (these amounts of EUR 50,000,000 and EUR 25,000,000, respectively, are also referred to as the "**Basic Allocation**") and all these Bonds that are placed with Retail Investors are referred to as the "**Retail Bonds**"). Furthermore, the Joint Lead Managers are jointly entitled to place an amount of EUR 50,000,000 of the Bonds to be issued with others distributors or Qualified Investors (the "**QI Bonds**"). The amounts stated in this section are based on an Aggregate Nominal Amount of EUR 225,000,000, and shall be reduced proportionally if the Aggregate Nominal Amount would be less than EUR 225,000,000. This allocation structure can only be changed in an agreement between the Issuer

and the Joint Lead Managers, on the understanding that a change to the Basic Allocation of the Co-lead Manager also requires the permission from the Co-lead Manager.

As soon as a Joint Lead Manager or the Co-lead Manager has placed his Basic Allocation, he will inform the Issuer and the other Joint Lead Managers of this immediately. All subscriptions that were validly submitted by Retail Investors to a Joint Lead Manager or the Co-lead Manager before the end of the Minimum Sale Period (as defined above) must be accepted (on the understanding that in the event of over-subscription, a reduction may be applicable, i.e. the subscriptions will be converted proportionally, with an allocation of a multiple of EUR 1,000 and, to the extent possible, a minimum nominal amount of EUR 1,000, which corresponds with the denominations of the Bonds). From the end of the Minimum Sale Period, each Joint Lead Manager and the Co-lead Manager are entitled to publish a notification on their website to inform their clients that they will no longer accept subscriptions, and they shall send the same notification to the other Joint Lead Managers and the Issuer, who shall publish this notification on its website and as soon as possible. This process shall ensure that potential investors know where a possibility for subscription on the Bonds still exists.

At the end of the first Business Day (as defined in the Conditions of the Bonds) of the Subscription Period, if (i) one or more Joint Lead Managers or the Co-lead Manager have not placed their Basic Allocation (the thus remaining Bonds, the "**Unplaced Bonds**"), and (ii) one of the Joint Lead Managers has fully placed his Basic Allocation, then, after notification to and subject to consent from the Issuer, the Joint Lead Managers who did place their Basic Allocation (or in case that none of the Joint Lead Managers placed their Basic Allocation, all Joint Lead Managers) shall be entitled, but not be obliged, to place the Unplaced Obligations themselves with Retail Investors or with distributors or other Qualified Investors, proportionately to the

demand for Retail Bonds placed by such Joint Lead Managers and/or the demand for the issued QI Bonds.

If at the end of the first Business Day of the Subscription Period, all QI Bonds are placed, the allocation of such QI Bonds to distributors and other Qualified Investors shall take place, taking into account the provisions in the previous section, and regardless when the Subscription Period is closed.

If at 5:30 pm on the first Business Day of the Subscription Period, not all QI Bonds are placed, then, after notification to and subject to permission from the Issuer, each Joint Lead Manager shall be entitled, but not be obliged, to each place an equal part of the unplaced QI Bonds with Retail Investors.

If on any day of the Subscription Period (except on the first day) (i) one or more Joint Lead Managers or the Co-lead Manager have not placed their Basic Allocation, and (ii) one of the Joint Lead Managers has fully placed his Basic Allocation, then, after notification to and with the permission from the Issuer, the Joint Lead Manager(s) who did place their(his) Basic Allocation, shall be entitled, subject to approval by the Joint Lead Manager(s) involved, to place the Unplaced Bonds himself/themselves with Retail Investors in proportion to the demand for Retail Bonds placed by such Joint Lead Manager(s).

The Subscription Period shall only be closed early in the event that all Joint Lead Managers and the Co-lead Manager have placed their Basic Allocations of Bonds (as increased or after the redistribution as explained herein).

Therefore, different reduction percentages can be applied to the subscribers, depending on the Joint Bookrunner or the Co-lead Manager through whom they have subscribed.

The Joint Lead Managers and the Co-lead Manager shall in no way have any further responsibility for the conversion and allocation

criteria that are to be applied by other financial intermediaries. Accordingly, different reduction percentages can be applied to the subscribers, depending on the financial intermediaries with whom they have subscribed.

In the event of early closing, the investors shall be informed about the number of Bonds that were allocated to them as soon as possible after the date of early closing of the Subscription Period. In general, it will be pointed out to the investors that it is possible that they may not be allocated the full amount on which they have subscribed, but that their subscription will be reduced.

Any payment on Bonds made by a subscriber in connection with the subscription on Bonds that are not allocated, shall be refunded within 7 Business Days (as defined in the Conditions of the Bonds) after the date of payment in accordance with the arrangements made between the relevant subscriber and the relevant financial intermediary, and the relevant subscriber shall not be entitled to any interest with regard to these payments.

The earliest possible closing of the Subscription Period is 15 June 2012 at 5:30 pm (the minimum subscription period is referred to as the "**Minimum Sale Period**") (this is the third Business Day in Belgium after the day on which the Prospectus was made available on the website of the Issuer, the Joint Lead Managers and the Co-lead Manager (including the date on which the Prospectus was made available)). This means that the Subscription Period will remain open for at least one Business Day until 5:30 pm.

For further details, reference is made to the section of the Prospectus entitled "Subscription and Sale".

Selling Restrictions:

Restrictions apply to offers, sales or transfers of the Bonds in various jurisdictions. See

"Subscription and Sale". In all jurisdictions offers, sales or transfers may only be effected in accordance with the local legislation. The distribution of the Prospectus or of its summary may be restricted by law in certain jurisdictions.

ISIN Code /Common Code:

ISIN Code: BE0002180462

Common Code: 079439495

Use of Proceeds:

The net proceeds from the Issue will be applied for a repayment under the new revolving facility that shall be entered by the Issuer, and for working capital needs, capital expenditure and general operational purposes of the Group, including further organic growth and growth by means of acquisitions. On the date of this Prospectus, the Issuer is unable to predict with certainty all the specific purposes of the proceeds of the Public Offer, nor the amounts that will actually be spent on or allocated to specific purposes. The amounts and timing of the actual expenditure will depend on various factors. The Board of the Issuer shall have a large amount of flexibility in the use of the net proceeds of the Public Offer and may change the distribution of these net proceeds on the basis of these and other circumstances.

PART II: RISK FACTORS

Risk management is important to the Group in order to safeguard the long-term objectives and the value creation of the Group. The policy of the Group is aimed at identifying the most important risks, at developing plans for the prevention and management of these risks, and at providing measures to limit the consequences in the event that these risks would actually occur. Nevertheless, the Issuer and the Guarantors cannot rule out that these risks could not occur or that they would be without consequences if they did occur.

The risk factors that are associated with the Issuer, the Guarantors and the Bonds are set out below. The Issuer and the Guarantors believe that the list of risk factors as included below represents the most important risks that are associated with investing in the Bonds. Nevertheless, it is possible that the inability of the Issuer or any Guarantor to meet its obligations to pay principal, interest or other amounts on or in connection with the Bonds may occur for other reasons, which may not be considered significant risks by the Issuer and the Guarantors based on information currently available to them or which they may not currently be able to predict or anticipate. In the event of the realisation of one or more of the risk factors, you run the risk that the amounts to which you would be entitled will not be returned to you and that you may lose the invested capital.

*Terms defined in the "Terms and Conditions of the Bonds" (the "**Conditions**") shall have the same meaning where used below.*

RISK FACTORS THAT MAY AFFECT THE ABILITY OF THE ISSUER AND/OR THE GUARANTORS TO MEET THEIR OBLIGATIONS UNDER THE BONDS.

Strategic risk in connection with markets and growth

The strategic risk in connection with market and growth consists in that the Group may have to deal with an unfavourable market situation or competition that develops unfavourably. It is also possible that incorrect strategic decisions are made. Examples of this are: technological progress allowing the development of competitive alternative products, the possible failure of success of a new product, wrong composition of the pipeline, scarcity of pharmaceutical raw materials, reduced demand in the markets where the Group is active as a result of the introduction of new laws and/or regulations, changes to health insurers' policies, events that influence the purchasing behaviour of the most important clients, or an imbalance between supply and demand on the markets where the Group is active.

Risks in connection with the buy-and-build strategy of the Group

The Group wishes to achieve sustainable growth by consolidating its leadership position in selected segments of the professional healthcare sector by means of organic growth, and by extending this further via an active buy-and-build strategy. Moreover, the active acquisition policy enables the Group to achieve synergy advantages and to increase efficiency. When the Group acquires entities, it is exposed to the risks that are usually associated with the integration of these entities. For example, the risk exists that acquired entities do not meet expectations. The Group reduces this risk as much as possible with a continuous process of international market research, and by subjecting possible acquisition candidates to thorough acquisition research. After acquisition, the Group integrates the acquired entity as quickly and as much as possible, both in the strategic and management policy.

Risks of dependence on products, geographic markets and clients

Unfavourable economic circumstances, increased competition or any other reason can lead to a reduction of the sales volume or a reduction of the margin of specific products of the Group.

Risks in connection with regulations

Additional or amended legislation, including tax legislation, could result in the Group being restricted in its growth and/or operation or being faced with additional investments or costs.

The professional healthcare sector is subject to strict regulatory controls on a national and international level. Although the Group has well-defined operational rules and principles to ensure that the regulations of the national and international authorities are observed, the possibility cannot be ruled out that risks in connection with the current legislation or the regulatory framework, in the event that they occur, could have an adverse effect on the Group.

In the markets where the Group is active, regulation by governments can play a role. Regulation by governments usually arises from the political wish to reduce healthcare costs. It is possible that the market circumstances and the margins of the Group structurally change due to regulation. The Group limits the possible negative effects of these risks as much as possible by continuously investing in high quality services and innovation.

In the area of tax legislation, the Group uses the possibilities offered by tax, law and legislation, without running unnecessary risks. The Group is assisted in this by external tax advisers.

The activities of the Group are subject to environmental and safety laws and legislation, the costs of which for compliance can evolve continuously.

Staff Risks

The Group depends on its employees to be able to offer high quality service and products. In a tight labour market, the recruitment and retention of good managers and employees in all segments of the Group with the necessary knowledge and experience can lead to increased wage costs. In addition, the Group's inability to recruit employees with the required specific skills, to retain important employees, or to ensure effective planning for the succession of critical functions, can have a significant negative effect on the financial results.

Risks in connection with reporting

Adequate and reliable financial reporting is extremely important both for management reporting and for external reporting. For this purpose, the Group has drawn up reporting directives based on IFRS and the internal information needs. Non-compliance with these reporting directives can result in reporting shortcomings.

All entities of the Group draw up business plans, budgets and interim prognoses, periodically at fixed times. Periodic meetings take place with the management of the entities about the general state of affairs, including the realisation and feasibility of the issued prognoses and strategic choices.

Competition

It cannot be ruled out that existing competitors will challenge the position of the Group or that new competitors enter the markets in which the Group is active. This can have a considerable influence on the market position, the turnover and profitability of the Group.

Risks in connection with intellectual property

The safeguarding of intellectual property rights is costly, time-consuming and uncertain. The Group cannot guarantee that it will be successful in the prevention of misuse of its intellectual property rights.

Risks in connection with our suppliers

Important disturbances in the activities of our suppliers, or of our relationship with them, can have a material impact on the activities of the Group, resulting in a reduction of turnover. The products that are sold by the Group and its subsidiaries originate from a wide selection of domestic and foreign suppliers. The provisioning by these suppliers is subject to elements over which the Group has no control, such as political and economic instability in the countries where the suppliers are based, their financial instability, and other circumstances that result in them no longer being able to supply to the Group. If these factors affect the suppliers of the Group and the access to products, this can lead to a reduced product range, supply interruptions and higher product costs, which could have a negative impact on the activities and financial results of the Group.

Risks of price fluctuations on the market

It cannot be ruled out that the products purchased by the Group will become considerably more expensive. If these higher purchase prices cannot be charged on to the clients of the Group, this can have a considerable negative impact on the profitability of the Group.

Inventory Risks

As distributor and producer the Group holds stocks of (a part of) its product portfolio. However, the retention of stocks also involves the risk of full or part obsolescence of the products and the risk of price reductions. It is expected that the policy introduced by the Group to optimise the supply chain and to reduce the operational working capital will lead to a reduction of stocks.

Product risks

Production errors can lead to serious problems, such as taking a product or brand off the market, loss of market share, temporary unavailability of products, claims or product liability. In addition, developments in the legal framework, such as applies for the various aspects of the activities of the Group, can make the commercialisation of one or more of its products difficult or impossible or impose restrictions on the marketing material with regard to communication of some of its products.

Product liability risks

The product portfolio of the four divisions of the Group is subject to possible product liability risks. In order to protect itself against these risks, the Group has very strict requirements on the quality of its products and processes, and the Group continuously makes great efforts to ensure that all business units observe both internal and external regulations. However,

product liability risks can never be completely ruled out. It concerns both risks of a general nature and risks inherent to pharmaceutical products and medical and dental products and services. The Group has entered product liability insurance within reasonable limits, but cannot confirm that such insurance will in all cases sufficiently cover the risks in connection with product liability.

Changes in creditworthiness and liquidity of debtors

The creditworthiness of debtors changes through the cycle. This is a risk for the Group that may introduce costs due to the inclusion of provisions or the writing off of bad debts.

Innovation risks

In the event that the Group is unable to maintain a high rate of innovation and does not succeed in creating innovative solutions that are required to meet the needs and wishes of the market, its company activities, financial position, prospects and/or operating results could be affected in a considerably negative manner.

Cyclical nature and seasonal character of the company activities

Purchasing decisions for (expensive) investment goods to some extent have a connection with the overall economic climate. The introduction of government measures in the area of the repayment of healthcare can also have an influence on the timing of the purchasing decisions by clients. In particular for dental equipment, it appears from experience that a seasonal effect exists. The Group's turnover in a certain quarter can fluctuate considerably in comparison with previous or similar quarters of previous financial years, which complicates the predictability of the Group's results for the year.

Risks of impairment of goodwill

Depending on market circumstances and developments in the Group, it may be necessary to make a downward value adjustment of goodwill, which has a negative effect on the results and the capital of the Group.

ICT risk

The activities of the Group for many functions and processes depend on ICT systems developed and maintained by internal experts or external suppliers. Failure of these systems could possibly cause interruptions in the operations of the Group, which can affect turnover and profitability. The Group has business plans to take the necessary measures to minimize the negative impact of failures on its operations. To avoid potential risks in the field of information and communication technology, the Group uses the latest proven hardware and software solutions. Although the Group has taken strict precautions in the field of their security and reliability on its IT systems, incidents involving backup recovery, viruses and international network connections that may affect the operations of the Group can occur.

Risk of reduced negative brand recognition or negative brand image

The financial success of the Issuer is largely based on the recognition and positive image of the subsidiaries, as well as the brands and products of the companies in the Group. It could be that the commercial activities, financial position, prospects and / or operating results of the Group may be significantly affected in a negative way if the brand recognition would

significantly reduce, if the leading brands of the Group's reputation are damaged as a result of actual or perceived quality problems or if any other factor would have a negative impact on the reputation or image of the companies and / or brands of the Group.

Risk related to reputation

Risk related to reputation arises from exposure of the Group to a deterioration of its reputation with the various stakeholders. Damage may be caused by the occurrence of any of the above-mentioned risks and the publication of the results thereof. Also, damage can result from any event or action associated with the name of the Group which constitutes a violation of ethics, laws or principles of corporate governance and, in general, fall short to the expectations of the stakeholders of the Group. Reputation damage can be accelerated and amplified by the Internet and social networks. The reputation of a company is an important asset. An attack on the reputation of a company can lead to competitive disadvantage. The risk associated with the reputation lies with the subjective perception in its many facets that the partners have of the Group. Trust is simply an essential component of the reputation of a company.

Financial risks

Besides the aforementioned strategic and operational risks the Group is also subject to various financial risks. For the purpose of operating performance, the Group has ample credit facilities. The main credit of 300 million has a term until 30 August 2012. The Group is currently negotiating with its banks for a refinancing of this loan, which would acquire credit guarantee for the next five years. There can be no assurance that these negotiations will lead to an effective refinancing before 30 August 2012.

As of 31 December 2011, net financial debt / annualized recurring EBITDA ratio was 2.48 within the conditions agreed in the credit agreement (a ratio up to 3.25 per 31 December 2011).

The Group manages the cash and financing flows and the resulting risks through a treasury policy at Group level. In order to optimize the capital and to minimize the related interest costs, the cash flows of the companies are centralized as much as possible in a cash pool.

Credit risk

Credit risk is the risk when a debtor or other party fails to meet its payment obligations to the Group, resulting in a loss for the Group. The Group has an active credit policy and has strict procedures to manage and limit credit risk. There are no individual customers who are an important part of sales, or outstanding receivables. The Group has an active policy to reduce the working capital, from this perspective, the group aims to reduce the accounts receivable.

Interest rate risk

The Group regularly assesses the mix of financial liabilities with fixed and variable rate. Currently the financing is largely based on a euro denominated floating rate ranging from 1 to 6 months. It is expected that the conditions of the new credit facility will be comparable. A higher Euribor rate by 10 basis points would have had a negative effect on the variable interest charges of about 183 (thousand) euros after tax. For financing amounting to 70 million, the interest rate risk of the variable interest rate is hedged with financial derivatives.

Currency Risk

The exchange rate risk is the risk on results caused by fluctuations in exchange rates. The Group reports its financial results in euros and is, through the international spread of its operations, subject to currency fluctuations which may affect the outcome. The foreign exchange risk arises partly because a number of entities of the Group work in a functional currency other than euro and partly because the buying and selling prices of the Group have a foreign currency as reference. The risk relating to the Group entities that operate in a different functional currency other than euros, relates to entities operating in Czech krona, Swiss franc, British pound, Danish krone, Polish zloty, U.S. dollar and Brazilian real. These entities together in 2011 accounted for just over 18% of consolidated sales and over 29% of operating profit of the Group. Foreign exchange risk arising from translation of assets and liabilities of foreign subsidiaries are not hedged to the euro.

Some proceeds of the Group were realized in currencies other than the euro, as in Brazil and the United States. The hypothetical effect of additional strengthening (weakening) of 10% of the euro against the Brazilian real would have an effect on the income of 0.599 million euros (0.732 million euros), while the effect on equity would be 6.190 million (7.565 million euros). If the euro is strengthened (weakened) with 10% against the U.S. dollar, then the effect on profit is 0.123 million euros (0.150 million euros) respectively. The effect on equity would be 0.481 million euros (0.588 million euros). (To clarify, in this section, the first numbers each time indicate the effect of a strengthening of the euro, while the figures in brackets indicate the effect of a weakening of the euro).

There is also an indirect currency risk since a large proportion of purchases in Brazil is in U.S. dollars. This means that the products of the Group for every rise of the U.S. dollar against the Brazilian real, become relatively expensive for the customers of the Group. The risk is difficult to quantify, as such price increases are directly charged to the consumer in full or in part.

Fair value risk

The Group uses financial derivatives to hedge interest rate risks. For financing amounting to 70 million euros, the Group has hedged an interest rate risk of variable interest rate. The group expects to close hedging contracts with respect to the new credit agreement. Under IFRS, all derivatives are justified as either assets or as liabilities. In accordance with IAS 39 financial derivatives are recognized at fair value. Changes in fair value are recognized immediately in the Group profit and loss account as financial derivatives not qualifying as cash flow hedging instrument. As of 31 December 2011, the cumulative revaluation of financial derivatives -3.452 million euros, it is a non-cash item.

Activities through Subsidiaries

Since the Issuer's business primarily develops through Subsidiaries, redemption rights of the Bondholders is structurally subordinated to other debts of the Subsidiaries of the Issuer. Certain Subsidiaries will, however, ensure the payment obligations of the Issuer under the Bonds in their capacity as Guarantor.

The possibilities of the Issuer to pay its debts are among other things dependent on its ability to receive dividends and income of its Subsidiaries

The major assets of the Issuer are direct and indirect interests in Subsidiaries. The continuous transfer of dividends or other income of Subsidiaries to the Issuer may in certain cases be limited by several credit or other contractual agreements and / or fiscal barriers, which may limit such transfer or may make such payments expensive. If such restrictions in the future increase or if the Issuer otherwise cannot guarantee continuous transfers of dividends or other income from Subsidiaries, then its ability to pay its debts will be reduced. Certain Subsidiaries will, however, ensure the payment obligations of the Issuer under the Bonds in their capacity as Guarantors.

Financial situation of the Group

The Issuer may in the future decide to increase its debt, which could make it difficult to meet its requirements regarding obligations with the Bonds or could lead to a reduction in the value of the Bonds. The Conditions of the Bonds shall not impose any restriction on the amount of unsecured debt that the Issuer may enter into. If the Issuer enters into additional debt, this may have important implications for the Bondholders, as it could be difficult for the Issuer to meet its obligations in respect of the Bonds which could lead to a loss of commercial value of the Bonds. The Conditions of the Bonds shall not impose any restriction regarding the provision of securities by the Issuer, subject to the Negative Pledge clause of Conditions 4 (*Negative assurance*).

The Bonds are obligations of the Issuer which are not guaranteed by collateral securities

The right of the Bondholders to receive payment on the Bonds is not covered by collateral securities. The Notes are structurally subordinated to the obligations of the Issuer which are secured by collateral securities. Certain Subsidiaries will, however, ensure the payment obligations of the Issuer under the Bonds in their capacity as Guarantor.

It is possible that the Issuer and / or the Guarantors are not able to pay back to the Bonds

The ability of the Issuer to repay the Bonds will depend on the financial condition of the Issuer at the time of the requested refund, and may be limited by law, by the terms of its debts and the agreements it has entered into or before that date, which can replace, supplement or amend its existing or future liabilities. It could be that the Issuer will not be able to repay the Bonds at their maturity. It could also be that the Issuer has to repay all or part of the Bonds in the Event of Default. If the Issuer would ask the Bondholders for their bonds to be repaid as a result of Event of Default, the Issuer may not be sure that he will be able to fully pay the amount required to pay. The ability of the Issuer to repay the Bonds will depend on the financial condition and creditworthiness of the Issuer at the time of the requested refund, and may be limited by law, by the terms of its debts and the agreements it is entered into on or before that date, which can replace, supplement or amend its existing or future liabilities. The same risks can manifest themselves in the Guarantors, so that they might not be able to fulfil their payment obligations. If the Issuer and the Guarantors will not succeed in repaying the Bonds, this can result in a Event of Default under the terms of any outstanding debts.

No Credit Rating

The Bonds, the Issuer and the other Group companies have no credit rating and the Issuer has no future plans to apply for a credit rating for the Bonds, the Issuer or other Group companies, so it can be difficult to determine the direction of the Bonds.

Credit

An investor who purchases the Bonds must rely on the creditworthiness of the Issuer and the Guarantors and has no rights against any other person. Holders of the Bonds are subject to the risk that the Issuer and / or the Guarantors fail to repay all or part of principal and interests. The worse the solvency of the Group, the higher the risk of loss. When the credit risk establishes itself this may result in partial or total default by the Issuer and the Guarantors to raise capital, to repay capital or pay interest.

FACTORS THAT ARE IMPORTANT TO ASSESS THE MARKET RISK IN RESPECT OF THE BONDS

It is possible that the Bonds are not a suitable investment for all investors

Each potential investor in the Bonds should determine whether such an investment is appropriate in light of his own situation. Each potential investor should in particular:

- (i) have sufficient knowledge and experience to have a meaningful assessment of the Bonds, benefits and risks of an investment in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to and knowledge of appropriate analytical tools to assess an investment in the Bonds and the impact that the Bonds will have on its total investment portfolio in the context of his own financial situation;
- (iii) have sufficient financial resources and liquidity to bear all risks associated with investing in Bonds, including the situation where the currency of capital or interest payments is different from the currency of the potential investor;
- (iv) understand the provisions of the Bonds and be familiar with the behaviour of the relevant financial markets and
- (v) be able to (alone or with advice from a financial adviser) assess possible scenarios on economic, interest rate and other factors that could impact on its investment and its ability to bear these risks.

There is no guarantee to an active market for the Bonds

The Bonds are newly issued financial instruments that may not be widely traded and for which currently no active market exists. The Issuer has requested the admission of the Bonds to trading on the regulated market of NYSE Euronext Brussels. If the Bonds are admitted to trading following their issue, it could be that they are traded at a lower price than their initial offering price, depending on the prevailing interest rates, the market for similar financial instruments, general economic conditions and financial condition of the Issuer or the Guarantors. There is no guarantee that an active market will develop. Hence there is no guarantee regarding the development or liquidity of a market for the Bonds. Consequently, it could be that investors do not or not easily sell their Bonds, or not at a price that gives them a yield comparable to similar investments for which a secondary market has developed. The absence of liquidity may have a material adverse effect on the market value of the Bonds. In case put options are exercised in accordance with Condition 6(c) (*Redemption at the option of the Bondholders in the event of Change of Control*), the liquidity for the remaining bonds will be reduced. There may also be no assurance that once the admission of the Bonds to trading on the regulated market of NYSE Euronext is approved, it is also maintained.

The Bonds are exposed to the market interest rate

An investment in the Bonds involves the risk that subsequent changes in market interest rates can have a negative impact on the value of the Bonds. The further the maturity of the Bonds, the more they are exposed to fluctuations in market interest rates.

Inflation

The inflation risk is the risk of future value of money. The actual yield of an investment in the Bonds is being reduced by inflation. The higher the rate of inflation, the lower the actual yield of a bond will be. If the rate of inflation is equal to or higher than the nominal output of the bonds, then the actual output is equal to zero, or the actual yield will even be negative.

The market value of the Bonds may be affected by the creditworthiness of the Issuer, the Guarantors and a number of additional factors

The value of the Bonds may be affected by the creditworthiness of the Issuer or the Guarantors and by a number of additional factors such as interest and exchange rates and the remaining term to maturity of the Bonds and, more generally, by any economic, financial and political event or circumstance in each country, including any factor that the capital markets in general and the market in which the Bonds will be traded in particular, influences. The Bonds have no credit rating and the Issuer is not currently intending to ask for a credit rating for the Bonds at a later date. This can have an impact on the trading price of the Bonds. The price at which an investor will sell bonds before maturity, may be lower or, where appropriate, significantly lower than the Issue Price or purchase paid by the investor.

The Bonds may be redeemed early

In case (A) an Event of Default occurs (as defined in Condition 9 (*Cases of default*)) or (B) that the Issuer would be required (as set in Condition 8 (*Taxation*)) to pay additional amounts with respect to the Bonds as a result of a change in the Belgian laws, treaties or regulations or laws, treaties or rules of any private or public entities competent to decide on charges or taxes, or due to a change in the official application or interpretation of these laws, treaties or regulations, and where these changes take effect on or after the Issue Date, the Issuer may repay the Bonds in accordance with the Conditions. Bondholders should be aware that in this case the Bonds will be redeemed at an amount lower than the Issue Price.

The Bonds may be redeemed early in the event of a Change of Control

If a Change of Control (as defined in the Conditions) occurs then any Bondholder will be entitled to require the Issuer to repay all or part of its Bonds on the Change of Control Put Date (as defined in the Conditions) at the Put Redemption Amount (as defined in the Conditions).

To exercise this right, the concerned Bondholder, at any time during the Change of Control Put Exercise Period (as defined in the Conditions), has to duly complete and sign notice of exercise in the form attached to the Prospectus (a "**Notice of Exercise of the Change of Control Put**") deposit at the bank or other financial intermediary through which the Bondholder holds the Bonds (the "**Financial Intermediary**") for further delivery to the Agent (with copy to the Issuer) and the Financial Intermediary instruct the relevant Bonds and transfer on behalf of the Agent, provided that the Bondholders should check with their Financial Intermediary, if applicable, when such Financial Intermediary Instructions and Notice of Exercise of the Change of Control Put must be given by the Bondholders to respect the time limits so that such exercise would be timely. Once delivered, a Notice of Exercise of

the Change of Control Put will be irrevocable unless, prior to the Change of Control Put Date, any Bond on which a Notice of Exercise of the Change of Control Put is deposited is immediately redeemable, or if payment is unlawfully withheld. In that case, the Agent may notify the relevant Bondholder at the address of the Bondholder (as specified in the relevant Notice of Exercise of the Change of Control Put).

The Issuer will, on the Change of Control Put Date, repay all Bonds subject of the Notification of Change of Control Performance which are delivered as stated above. Payments relating to these Bonds will be made by transfer to a euro account with a bank in a city where banks have access to the TARGET system as specified by the relevant Bondholder in the relevant Notice of Exercise of the Change of Control Put.

Within 10 Business Days following an event of early redemption, the Issuer will the Bondholders shall notify in accordance with Condition 15 (*Notification*) (a "**Notice of Change of Control**"). The Notice of Change of Control shall include a statement notifying the Bondholders about their right to repayment of their Bonds pursuant to Condition 6(c). Such notice shall be irrevocable.

Neither the agent nor the Substitution Supervisor is obliged to monitor, or take any action, to determine whether a Change of Control or an event that a Change of Control could lead to has occurred or might occur and will not be, with regards to the Bondholders or any other person, responsible or liable for any loss arising from the fact that the Agent or Substitution Supervisor did not do it.

If, due to Condition 6(c), Bondholders submit Notices of Exercise of the Change of Control Put with respect to at least 85 per cent of the total nominal amount of Bonds that is currently outstanding, the Issuer may, on notice of not less than 15 nor more than 30 days repay to the Bondholders in accordance with Condition 15 (*Notification*) (where the notice is irrevocable and the date fixed for redemption mentions), all (but not only some) of the then outstanding Bonds at the Put Redemption Amount. Payment for such Bond shall be as indicated above.

The Bondholders must be aware that exercising the Change of Control Put due to a Change of Control may possibly only have an effect under Belgian law if, prior to the first of the following events (i) the FSMA notified the Issuer of the filing of a takeover bid in respect of the shareholders of the Issuer or (ii) the occurrence of a Change of Control, the general meeting of shareholders of the Issuer has approved the Change of Control decisions and such decisions are filed with the Commercial Court of Kortrijk.

Also, the Bondholders have to be aware that if (a) a Change of Control occurs before the general meeting of shareholders of the Issuer Condition 6(c) approves and the Change of Control Decisions (as defined in the Conditions) is lodged at the competent court of commerce, and (b) Change of Control occurs before the Long Stop Date, the Bondholders possibly may not be able to exercise the right granted by Condition 6(c) nor shall be entitled to the interest increase as provided in Condition 6(c).

Bondholders should be aware that the Bonds may be refunded at an amount lower than the Issue Price.

The Bonds may suffer the impact of turmoil in global credit markets

Potential investors should be aware of the turmoil in global credit markets that led to a general lack of liquidity in the secondary markets for instruments similar to the Bonds. The

Issuer cannot predict if this situation will change if and when the situation changes, there will be no assurance that such conditions will not return in the future.

An amendment to the Conditions of the Bonds may be imposed on all Bondholders subject to approval by set majorities of Bondholders

The Conditions of the Bonds contain provisions for convening general meetings of Bondholders to discuss matters that concern them in general. Under these provisions, the vote of a specified majority binding for all Bondholders including Bondholders who did not attend the meeting and Bondholders that casted a vote different from the majority.

It is possible that the Bonds are exposed to foreign exchange risks and exchange controls

The Issuer, and, if applicable, the Guarantors will pay capital and interest on the Bonds in euros. This can represent certain risks associated with the conversion of currencies if an investor's financial activities are denominated principally in another currency (the **Currency of the Investor**) than the euro. These risks include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Currency of the Investor) and the risk that authorities with jurisdiction over the currency of the Investor exchange controls may impose or modify. An appreciation in the value of the Currency of the Investor in relation to the euro should (1) yield in the Currency of the Investor the equivalent on the Bonds reduction, (2) reduce in the currency of equivalent value of the Investor's capital payable to the Bonds, and (3) in the Currency of the Investor equivalent reduce the market value of the Bonds.

Government and monetary authorities may impose exchange controls (as some have done in the past) that could have a negative impact on the applicable exchange rate. As a result, investors may receive less interest or capital than expected, or even no interest on capital yield.

Eurozone crisis

Potential investors need to make sure that they have sufficient information regarding the Eurozone crisis, the global financial crisis and economic situation and outlook, so that they can make their own assessment of the risks of an investment in the Bonds. In particular, the potential investors need to be aware of the significant uncertainty about future developments in this regard.

Some payments relating to the Bonds may be affected by the EU Savings Directive

Under Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "**EU Savings Directive**") EU member states are obliged to provide details to the tax authorities of other EU Member States on the payments of interest (or similar income) made by a person located in their jurisdiction to, or on behalf of, an individual resident of that other EU Member State or a limited number of types of entities established in another EU Member State. However, Luxembourg and Austria, are during a transitional period, obliged to (unless during that period they prefer otherwise) to apply a withholding tax system to such payments (where the end of the transitional period depends on the closure of a number of other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have introduced similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the EU Savings Directive, which, if they are written, modify or expand the scope of the requirements outlined above.

If a payment would be made or collected through a Member State that selected a withholding tax system and an amount would be payable to, or tax deducted from a payment, neither the Issuer nor the Agent is required to provide additional amounts payable in respect of any bond resulting from the application of such withholding of tax.

Payments with respect to the Bonds may be subject to Belgian withholding tax

If the Issuer, the NBB, the Agent or any other person are required to pay a withholding tax for or on behalf of, any present or future taxes, liabilities or expenses of any nature in connection with the Bonds, the Issuer, the NBB, the Agent or such other person will make this payment after withholding tax and will announce to the competent authorities that the amount was deducted at source.

The Issuer will pay these additional amounts that are necessary for the net payment of each Bondholder that he receives in respect of the Bonds, after deduction of withholding taxes imposed by the tax authorities in Belgium to the payments made by or on behalf of the Issuer in connection with the Bonds, will equal the amount that would be received in the absence of such withholding tax, except that no such additional amounts are payable in respect of a Bond in the circumstances described in Condition 8 (*Taxation*). Such additional amounts will also be payable in case of withholding tax that would result from relocation of office of the Issuer.

Potential buyers and sellers of the Bonds may be required to collect taxes or other documentary charges or levies payable under the laws and practices of the country to which the Bonds are transferred or other jurisdictions

Potential buyers and sellers of the Bonds should be aware that they may be required to collect taxes or other documentary charges or taxes payable in accordance with the laws and practices of the country where the bonds are transferred or other jurisdictions. Prospective investors are advised not to rely on the tax summary in this Prospectus, but to seek advice from a tax advisor regarding their individual tax obligations relating to the acquisition, sale and redemption of the Bonds. Only these advisors are able to consider the specific situation of the potential investor. This investment consideration should be considered in conjunction with the sections in this Prospectus that deal with taxation. Such taxes or other documentary charges could also be due in case of a possible relocation of the office of the Issuer.

Modifications to the existing law can lead to modification of certain conditions of the Bonds

The Conditions of the Bonds are based on the Belgian legislation in effect on the date of this Prospectus. There can be no assurance about the impact of a court judgment or change in Belgian law or in the official application, interpretation or administrative practice, that would occur after the date of this Prospectus.

Relationships with the Issuer

The Issuer (and, if applicable the Guarantors) will perform all notices and payments to the Bondholders in accordance with the Conditions. If a Bondholder does not receive a notice, he could suffer damage, without being entitled to hold the Issuer (or any of the Guarantors) liable in that respect.

The transfer of the Bonds, payments with respect to the Bonds and all communication with the Issuer will proceed via the Clearing System

The Bonds will be issued in the form of dematerialized Bonds within the meaning of the Belgian Company Code, and are not physically available. The Bonds will only be represented by entries in the records of the Clearing System. Access to the Clearing System can be obtained from the participants to the Clearing System whose membership may relate to effects such as the Bonds. Participants to the Clearing System include certain banks, brokerage firms, and Euroclear and Clearstream, Luxembourg. The Bonds will be transferred between the participants to the Clearing System in accordance with the rules and operating procedures of the Clearing System. The transfers between investors will be made according to the rules and operating procedures of the participants to the Clearing System through which they hold their Bonds.

The Issuer, the Guarantors and the Agent are not responsible for the proper performance by the Clearing System or by the participants to the Clearing System of their commitments under the rules and operating procedures that apply to each of them.

Each Bondholder must follow the procedures of the Clearing System, Euroclear and Clearstream, Luxembourg to receive the payments arising from the Bonds. The Issuer or the Guarantors are in no way responsible for the registrations or payments with respect to the Bonds in the Clearing System.

The Issuer will make all payments in connection with the Bonds to the Clearing System.

The Issuer, the Guarantors, the Agent, the Supervisor Substitution, the Joint Lead Managers and Co-lead Manager may be involved in transactions that have a negative impact on the interests of the Bondholders

The Agent, the Joint Lead Managers, Co-Lead Manager and the Supervisor Substitution could have conflicting interests that may have a negative impact on the interests of the Bondholders. Potential investors should be aware that the Issuer and the Guarantors are involved in general trading relationship and / or in specific transactions with the Agent, the Calculation Agent, the Supervisor Substitution, Co-lead Manager and / or each of the Joint Lead Managers and that they could have conflicting interests which may have a negative impact on the interests of the Bondholders. Potential investors should also be aware that the Agent, the Calculation Agent, the Co-lead Manager, Supervisor Substitution and each of the Joint Lead Managers from time to time can hold or trade debt instruments, equities and / or other financial instruments of the Issuer on the secondary market.

On 30 August 2007, the Issuer a "*Multicurrency Revolving Facilities Agreement*" signed (as amended on 10 December 2010) with a syndicate of banks, including each of the Joint Lead Managers and Co-lead manager (the "**Existing Credit Agreement**") whereby the Joint Lead Managers and Co-Lead Manager have obtained certain guarantees.

The Joint Lead Managers and the Co-Lead Manager are lenders under the Existing Credit Agreement and the Joint Lead Managers are also expected to be lenders under the credit agreement referred to on page 138 that the group is currently negotiating. As a result, they may have interests that are different or opposite to the interests of the Bondholders during the term of the Bonds. Such divergent interests may manifest themselves in the event of default under the credit agreement before the expiry of the Bonds or in the event of a mandatory early redemption and can negatively impact the repayment ability of the Issuer and / or the

Guarantors. The Joint Lead Managers and the Co-Lead Manager have, in their capacity as lenders, no obligation to take the interests of the Bondholders into consideration in the exercise of their rights under the credit agreement.

Legal investment restrictions can slow down certain investments

The investment activities of certain investors are governed by the investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments, (ii) Bonds may be used as collateral for various types of loans, and (iii) other restrictions are valid for its purchase or pledge of Bonds. Investors should consult their legal advisers to the proper treatment of the Bonds to be determined under applicable risk-based capital or similar rules.

The Calculation Agent has no fiduciary or other obligations to the Bondholders and is especially not required to make findings to protect their interests

KBC Bank NV will act as the Calculation Agent of the Issuer but only in relation to a possible early redemption pursuant to Condition 6(c) (*Redemption at the option of the Bondholders in the event of Change of Control*). In its capacity as Calculation Agent, KBC Bank NV will act in good faith in accordance with the Conditions of the Bonds and at all times strive to make its decisions on a commercially reasonable manner. Bondholders should be aware, however, that the Calculation Agent does not have fiduciary or other obligations to the Bondholders and that he in particular is not obliged to make findings in order to protect or enhance the interests of the Bondholders.

The Calculation Agent may rely on any information which he reasonably believes is real and comes from the appropriate parties. The Calculation Agent is not liable for the consequences for a person (including bondholders) of any errors or omissions in (i) the calculation by the Calculation Agent of any amount due under the Bonds, or (ii) any determination made by the Calculation Agent with respect to the Bonds or interests, at least in the absence of bad faith or wilful misconduct. Without prejudice to the generality of the foregoing, the Calculation Agent shall not be liable for the consequences for a person (including bondholders) of such errors or omissions resulting from (i) all information provided to the Calculation Agent and found to be inaccurate or incomplete, or (ii) all relevant information that was not provided to the Calculation Agent in time.

The guarantees may not cover the full amount of the principal and interests

The obligations of the Guarantors will be subject to the restrictions contained in Article 8 (*Guarantee Limitations*) of the Guarantee Declaration. Because of these guarantee limitations, the total amount paid by the Guarantors may be less than at the time of such outstanding principal and interest payment.

Guarantors can accede to the Guarantee Declaration, and be discharged of their obligations under the Guarantee

The Guarantee Declaration provides a mechanism according to which certain Subsidiaries may become Guarantors after the Issue Date. The Issuer is required under certain conditions to ensure that such Subsidiaries join the Guarantee Declaration as Guarantee. Furthermore, the Guarantee Declaration also contains provisions with certain conditions under which Guarantors may be discharged of their obligations under the Guarantee Declaration. Hence

the Prospectus does not contain information on all Subsidiaries that could be possible Guarantor under the Guarantee Declaration. Accession to the Guarantee Declaration, as well as discharge of Guarantors of their obligations under the Guarantee Declaration may, under limited supervision of the Supervisor Substitution (see Article 10 (*Modification of the Guarantors*) of the Guarantee Declaration and Condition 11 (*Supervisor Substitution*)), and can happen without the consent of the Bondholders. Investors are strongly advised to check the website of the Issuer which Subsidiaries at any one time are Guarantor.

Risks related to the role of the Supervisor Substitution

Substitution of the Supervisor was appointed to fulfil certain tasks relating to the accession or the exemption of Guarantors under the Guarantee Declaration. The duties of the Supervisor Substitution are limited to those tasks expressly assigned to the Supervisor Substitution in the Conditions and Guarantee Declaration. The Supervisor Substitution occurs only in the interest of the collectivity of the Bondholders and will at no time consider the interest of individual Bondholders. The Supervisor Substitution will not be liable to the Issuer, any Guarantor or the Bondholders for any damage, cost or loss as a result of executing, or attempting to perform or not perform its mission under the Conditions and Guarantee Declaration, excluding any such damages, costs or losses resulting from deception or wilful misconduct. The Issuer shall pay a fee and / or fees to the Supervisor Substitution. The Supervisor Substitution can stop its activities if its fees were not paid on time.

Hire purchase - Debt Financing

If a credit is used by a Bondholder to finance the purchase of the Bonds and the Bonds are subject to a default, or if the trading price of the Bonds is significantly reduced, then the Bondholder might not only be faced with a loss of its investment but he will also have to repay credit and the interest. A credit may increase the risk of a loss significantly. Potential investors should not assume that they will be able to loan (principal or interest on the principal) repayable on the basis of the proceeds of a transaction in the Bonds. Rather, potential investors should assess their financial situation before proceeding with any investment, in particular, they must consider to what extent they are able to repay interest on the loan and to what extent they are able to repay credit on request, and they must also provide that a possible loss may result as a consequence of their investment, instead of the realization of an added value.

Risk of withdrawal or cancellation of the Public Offering

Following the date of this Prospectus and prior to the Issue Date of the Bonds, the Public Offering of Bonds wholly or partially withdrawn in accordance with the provisions of the Arrangement Agreement, provided that the public receive prior notification, in which case the offer of the Bonds will be cancelled.

In this case, investors who paid the bid amount for the Bonds prior to the notification of withdrawal or cancellation of the offer, are not able to enjoy the benefit of interest on the payments which otherwise they could earn if such Subscription Amount for the Bonds had not been paid.

The Belgian insolvency laws and insolvency laws of other jurisdictions to which Guarantors from time to time may be subject can have a negative impact on the recoverability by the holders of the amounts payable under the Bonds

The Issuer and certain Guarantors are established and currently have their headquarters in Belgium. Consequently, the Issuer and such Guarantors are currently subject to Belgian insolvency laws and procedures. Other Guarantors are established and currently have their headquarters in other jurisdictions (on the Issue Date the Netherlands, Germany and Brazil) and are therefore subject to the insolvency laws and procedures of such jurisdictions.

Nature of Guarantee of Bonds under Brazilian law. In case a Brazilian court caught in a dispute concerning the Guarantee, the possibility exists that they do not recognize the kind of Guarantee of Bonds as a guarantee on first demand and will consider the guarantee of the Bonds as an accessory to the principal obligation of the Issuer (and possibly would allow the relevant Guarantor to invoke certain defences with respect to the call of the Guarantor that the Issuer would have with respect to its obligations under the Bonds.

PART III: DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and interpreted in conjunction with the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2010 each with the audit report thereto, the interim report in 2011 ended 30 June 2011, as well as listed below press releases, which have previously been published or are published together with this Prospectus and filed with the FSMA. Such documents are incorporated in and form part of this Prospectus, except that statements contained in a document incorporated by reference herein will be modified or superseded for purposes of this Prospectus to the extent that a statement in this Prospectus modifies or replaces an earlier statement. Similarly modified or replaced statements will not be part of this Prospectus, except as amended or replaced.

Copies of the documents contained in this Prospectus by reference can be obtained (free) at the registered office of the Issuer and on the website of the Issuer (www.arseus.com).

The table below contains references to the relevant pages for (i) the audited consolidated financial statements for the years ended 31 December 2011 and 31 December 2010 as set out in the annual reports of the Issuer and (ii) the unaudited consolidated financial statements for the six months ended 30 June 2011 as set out in the interim report 2011.

The Issuer confirms that its auditors have received the approval to the reports of the auditor on the consolidated accounts for the financial years ended 31 December 2011 and 31 December 2010 to be included in this Prospectus by reference. The unaudited consolidated financial statements for the six months ended 30 June 2011 as set out in the interim report 2011 are unaudited but have been by the auditor subject to a limited review in accordance to ISRE2410.

Information that is not included in the list but is included in the documents incorporated by reference shall be for information only.

Consolidated audited financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2010

	Annual Report 2011
Corporate governance statement	p. 55-81
Consolidated Balance Sheet	p. 87
Consolidated Income Statement	p. 86
Consolidated statement of comprehensive income	p. 86
Consolidated statement of changes in equity	p. 88
Consolidated cash flow statement	p. 89
Notes to Financial Statements	p. 94-137
Report of the Auditor	p. 138 to 139
	Annual Report 2010
Corporate governance statement	p. 57 to 81
Consolidated Balance Sheet	p. 87
Consolidated Income Statement	p. 86
Consolidated statement of comprehensive income	p. 86
Consolidated statement of changes in equity	p. 88

Consolidated cash flow statement	p. 89
Notes to Financial Statements	p. 94-132
Report of the Auditor	p. 134-135

Half-yearly condensed unaudited financial statements for the six months ended 30 June 2011

	Half Year Report 2011
Consolidated Balance Sheet	p. 4
Consolidated Income Statement	p. 2
Consolidated statement of comprehensive income	p. 3
Consolidated statement of changes in equity	p. 5
Consolidated cash flow statement	p. 6

Periodic press releases and information in 2011

10 January 2011

Trading update fourth quarter and full year 2010
Arseus realizes turnover growth of 9.3%

16 February 2011

Consolidated results for 2010
REBITDA, recurring EBIT and net profit rising double-digit and faster than turnover

8 April 2011

Trading update first quarter 2011
Arseus realizes turnover growth of 15%

8 July 2011

Trading update for the second quarter 2011
Arseus realizes turnover growth of 12.5%

5 August 2011

Interim financial report
REBITDA, EBITDA, EBIT and net profit rising double-digit and faster than turnover

10 October 2011

Trading update third quarter 2011
Arseus realizes turnover growth of 23.0%

Periodic press releases and information in the period 1 January 2012 to 8 June 2012

7 February 2012

Consolidated results 2011
REBITDA, EBITDA, EBIT and net profit rising double-digit and faster than turnover

10 April 2012

Trading update first quarter of 2012
Arseus realizes turnover growth of 17.7%

Occasional press releases and information in 2011

18 February 2011
Exercise of warrants increases capital Arseus

9 May 2011
Annual Meeting of Arseus approves all motions

17 June 2011
Exercise of warrants increases capital Arseus

1 July 2011
Disclosure of received notification

11 July 2011
Acquisition of Brazilian Pharma Nostra by Fagron

29 July 2011
Disclosure of received notification

27 December 2011
Fagron acquires leadership in Poland through the acquisition of Pharma Cosmetic

Occasional press releases published in the period 1 January 2012 to 8 June 2012

16 March 2012
Disclosure of received notification

13 April 2012
Annual Convocation

15 May 2012
Annual Meeting of Arseus approves all motions

18 May 2012
Notice convening Extraordinary General Meeting of Arseus

Notifications regarding significant shareholdings in 2011

23 June 2011
BNP Paribas Investment Partners SA

26 July 2011
Alychlo NV, Couckinvest NV and Marc Coucke

Notifications regarding significant shareholdings received in the period 1 January 2012 to 8 June 2012

16 March 2012 -

Arseus

PART IV: TERMS AND CONDITIONS OF THE BONDS

What follows is the text of the Conditions of the Bonds, except for the italicized paragraphs in square brackets which is to be read as supplementary information.

The 4.75 % fixed-rate bonds due 2 July 2017 (the "**Maturity Date**") for an expected minimum amount of EUR 100,000,000 and maximum of EUR 225 million (the "**Bonds**") of Arseus NV (the "**Issuer**") are issued under the terms and with the benefit of a domiciliary agency agreement on or around June 12, 2012 entered into between the Issuer, certain Subsidiaries (as defined below) of the Issuer and KBC Bank NV acting as including domiciliary agent and paying agent (the "**Agent**", in which this concept covers the successors under the *Domiciliary Agency Agreement*) (such agreement as amended from time to time and / or amended supplemented and / or restated, the "**Domiciliary Agency Agreement**").

The Bonds have the advantage of a limited guarantee due to the Guarantee Declaration dated 12 June 2012 (as supplemented or amended from time to time, the "**Guarantee Declaration**" and a guarantee based on this data, the "**Guarantee of Bonds**") given by certain Subsidiaries (as defined below) of the Issuer. On the Issue Date the guarantors are (each a "**Guarantor**" and together the "**Guarantors**): ACA Pharma NV, Arseus Capital NV, Arseus Belgium NV, Duo-Med SA, Dutch BioFarmaceutics BV Fagron BV, Fagron GmbH & Co. KG.KG, Fagron, SA, Fagron Do Brasil Ltda Pharmaceuticals, Pharma Nostra Commercial Ltda and Spruyt-Hillen BV.

The provisions of these Conditions include summaries of, and are subject to, the detailed provisions of the Domiciliary Agency Agreement and the service agreement relating to the issuance of dematerialized bonds to be entered into on or around 25 June 2012 between the Issuer, the Agent and the National Bank of Belgium NV (the "**NBB**") (as amended or supplemented from time to time, the "**Clearing Agreement**").

The holders of the Bonds (the "**Bondholders**") are bound by, and shall be deemed to have knowledge of, all the provisions of the Guarantee Declaration, the Clearing Agreement and Domiciliary Agency Agreement applicable to them. A copy of the Guarantee Declaration is attached to these Conditions and forms an integral part of these Conditions. Copies of the Clearing Agreement and Domiciliary Agency Agreement are available for inspection by Bondholders during the working hours of the specified office of the Agent Havenlaan 2, 1080 Brussels.

References in these Conditions to a "**Guarantor**" shall include, to the extent that the context allows, as well as any Subsidiary (as defined below) of the Issuer that at some point becomes a Guarantor of the Bonds and accedes to the Guarantee Declaration, but will not refer to any Subsidiary of the Issuer that ceases to be a guarantor of the Bonds, as described in the Guarantee Declaration.

1. **Form, and currency denomination**

The Bonds are issued in the form of dematerialized bonds in accordance with Article 468 and following of the Belgian Companies Code. The Bonds will only be

represented by entries in the records of the clearing system of the NBB or any successor thereof (the "**Clearing System**"). The Bonds have been accepted into the Clearing System and are therefore subject to the applicable regulations, including the Act of 6 August 1993 on transactions in certain securities, the Royal Decrees of 26 May 1994 and 14 June 1994 implementing such act and the Rules of the clearing system of the NBB and its annexes, as issued and amended by the NBB (the laws, royal decrees and regulations constitute the "**Rules of the Clearing System**").

The Bonds may be held by their owners through participants to the Clearing System, including Euroclear Bank SA / NV ("**Euroclear**") and Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg** ") and through other financial intermediaries who in turn hold the Bonds through Euroclear and Clearstream, Luxembourg or other participants to the Clearing System.

The Bonds will be transferred via transfer from account to account. Under these Conditions Bondholders have the right to demand any payment that the Issuer has failed to make directly from the Issuer, and to exercise their vote, and other associative rights (as defined in Article 474 of the Belgian Companies Code) against the Issuer after presentation of a certificate prepared by the NBB, Euroclear or any other participant to the Clearing System that has the authorization to keep accounts of dematerialized securities in Belgium that reflects their interest in the Bonds (or the interest of the financial institution through which their Bonds are held by the NBB, Euroclear or such other member of the Clearing System, in which case a certificate issued by that financial institution will also be required).

The Bonds cannot be converted into bearer shares.

If the Bonds are transferred at any time to another clearing system that is not or only partly dependent on the NBB, the provisions above apply *mutatis mutandis* to such other clearing system and the company on which it depends, or to any subsidiary clearing system and the company on which it depends (any other clearing system, an "**Alternative Clearing System**").

The Bonds each have a nominal value of EUR 1,000 (the "**Specified Nominal Amount**").

2. Definitions

In these Conditions, unless otherwise stated:

"Calculation Agent" means KBC Bank NV, or any other respected investment, business or commercial bank as may be appointed from time to time by the Issuer for the calculation of the Put Redemption Amount, and of which the Bondholders are to be informed in accordance with Condition 15 (*Communication*).

"Extraordinary Resolution" has given meaning to the term "*Extraordinary Resolution*" in the Domiciliary Agency Agreement.

"Change of Control" occurs when an offer is made by a person to all (or, to the extent practicable, quasi-all) Shareholders (or all (or, to the extent practicable, quasi-all shareholders other than the offeror and / or any persons acting in **concert** (as defined in Article 3 § 1, 5° of the Belgian Law of 1 April 2007 on takeover bids (as amended from time to time)), all or the majority of the Ordinary Shares of the Issuer and if (x) the bidder has then acquired Ordinary Shares or other voting rights with respect to the Issuer, or if (y) the bidder, after publication of the results of such an offer by the bidder, shall be entitled to acquire it as a result of such an offer, after its completion, so that the bidder will have the right to exercise more than 50 per cent of the voting rights normally found at a general meeting of the Issuer.

The date the Change of Control will be deemed to have occurred, will be the date of the publication by the bidder of the final results of the offering (after such offer has become unconditional in all respects and after the offer period of such offer has expired) (and, for clarity, before the reopening of any offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on takeover bids).

"Change of Control Resolutions" means one or more decisions validly taken by the general meeting of shareholders of the Issuer approving Condition 6(c) (*Redemption at the option of the Bondholders in the event of Change of Control*).

"Change of Control Put Date" is the tenth Business Day following the Change of Control Put Exercise Period.

"Change of Control Put Exercise Period" means the period commencing on the date of the Change of Control and ending 60 calendar days following the Change of Control or, if later, 60 calendar days following the date a Notice of Change of Control is given to the Bondholders as provided in Condition 6(c) (*Redemption at the option of the Bondholders in the event of Change of Control*).

"Subsidiary" means a subsidiary within the meaning of Article 6, 2° of the Belgian Companies Code.

"Financial Indebtedness" means (without double counting) any indebtedness (other than payment terms granted by suppliers within the ordinary activities of the Group) for or with respect to:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any issue of bonds, notes or any similar instrument;

- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount raised by the issue of redeemable shares which are expressed to be redeemable before the Maturity Date;
- (i) any amount of any liability under an advance or deferred purchase agreement if the primary reason behind the entry into of that agreement is to raise finance, and
- (j) any Personal Security only in relation to an obligation mentioned under paragraph (a) to (i) above.

"Guarantors Coverage Requirement" means the requirement set out in Condition 3(c) (*Guarantors - Coverage Required*).

"Consolidated EBIT" means, for any Relevant Period, the Group's consolidated operating profit from ordinary activities before taxation and:

- (a) before deduction of any Consolidated Net Interest Expense;
- (b) before taking into account any items treated as exceptional or extraordinary items up to to a maximum amount of EUR 5,000,000, and
- (c) after deducting the amount of any profit of any member of the Group which is attributable to minority interests, and

in any case, to the extent added, deducted or taken into consideration, as appropriate, for the purposes of determining the profits of the Group from ordinary activities before taxation.

"Consolidated EBITDA" means for each Relevant Period, Consolidated EBIT before deducting any amount attributable to the amortization of intangible assets (including consolidation difference and goodwill) or the depreciation of tangible assets.

"Consolidated Net Interest Expense" means, for any Relevant Period, the total amount of accrued interest, commissions, fees, discounts, prepayment penalties or

premiums or other finance payments in respect of Borrowings whether paid, payable or capitalised by any member of the Group in respect of that Relevant Period,

- (a) excluding any such obligations to another member of the Group;
- (b) including the interest element of leasing and hire purchase payments;
- (c) including any accrued commissions, fees, discounts and other financial payments payable by a member of the Group under any interest rate hedging agreement;
- (d) excluding any accrued commissions, fees, discounts and other financial payments payable to a member of the Group under any interest rate hedging agreement, and
- (e) deduction of any accrued interest, commissions, fees, discounts, prepayment penalties, premiums or other finance payments received or receivable by a member of the Group of any bank or financial institution.

"Ordinary Shares" means ordinary fully paid shares in the capital of the Issuer.

"Group" means Arseus BV, the Issuer and each of its Subsidiaries from time to time.

"Borrowings" means the outstanding principal amount of any Financial Indebtedness of the Group except for paragraph (g) of the definition of Financial Indebtedness, except that any amount payable by a member of the Group to another member of the Group will not be taken into account.

"Long Stop Date" is 1 October 2012.

"Material Company" means a company whose EBITDA (calculated on the same basis as Consolidated EBITDA of the Group) represents 5 per cent or more of Consolidated EBITDA of the Group.

"Person" includes a natural person, corporation, firm, partnership, joint venture, association, organization, trust, state or government agency (in each case with or without separate legal personality).

"Personal Security" means, with respect to the Financial Indebtedness of any Person, any obligation of another Person to pay such financial indebtedness, including (without limitation):

- (a) any obligation to pay such Financial Indebtedness;
- (b) any obligation to borrow money, to subscribe for shares or other securities or buy or any obligation to purchase assets or services to make available funds for the payment of such debts;

(c) any agreement for compensation with regard to the consequences of the failure to pay such Financial Indebtedness, and

(d) any other agreement to be responsible for such financial liabilities.

"Put Redemption Amount" means an amount per Bond calculated by the Calculation Agent by multiplying the Repayment Base with the Specified Nominal Amount of this Bond and, if necessary, rounding the result to the nearest cent (half a cent will be rounded up) plus all expired but unpaid interest on such Bonds to the Change of Control Put Date (not included).

"Relevant Period" means each period of twelve months ending on the last day of each financial year of the Issuer and each period of twelve months ending on the last day of the first half of each financial year of the Issuer.

"Relevant Debt" means any current or future Financial Indebtedness of the Issuer or another member of the Group in the form of, or represented by, bonds, *notes*, debt instruments or other securities listed or traded or can be on an exchange, *over the counter* market, or any other securities market.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereof.

"Redemption Rate" means the outcome of the following mathematical function:

$\text{MIN} (101\%, 100\% \times \text{Exp} (T \times 0.74720148386 \%))$ and this is rounded to the ninth decimal place.

Where:

"MIN" is the function that selects the lower of the 2 outcomes.

"T" means the time, expressed in decimals of one year, expiring on the Issue Date (inclusive) to the Change of Control Put Date (not included).

For the avoidance of doubt "Exp" indicates the exponential function, which means the function e^x , where e is the number (about 2,718) so that the function e^x is equal to its own derivative.

The Put Redemption Amount which is applicable in the case of a Redemption at the option of the Bondholders in the event of Change of Control as provided in Condition 6(c) will be equal to the amount of the lesser of two possibilities: (i) 101% of the Specified Nominal Amount or (ii) such percentage (greater than 100%) of the Specified Nominal Amount, as results indicate that the gross yield of an investor between the date of issuance and the date of repayment in accordance with Condition 6(c) is not higher than the interest rate plus 0.75 points.

This limitation follows from the application of the Royal Decree of 26 May 1994 on the withholding tax. The Put Redemption Amount which is the result of this formula may be lower than the gross yield on the Issue as stated in the Prospectus.

"Supervisor Substitution" means Deloitte Bedrijfsrevisoren CVBA BV, or any successor thereof as Supervisor Substitution in accordance with Condition 11 (*Supervisor Substitution*).

"U.S. Private Placement" means any form of financing obtained in the United States by an offer and sell of securities using the exemption provided by Section 4(2) of the *Securities Act*.

"Maturity Date" has the meaning of the term given in the preamble of this Agreement.

"Business Day" means a day (other than a Saturday or Sunday) on which the TARGET System is open for the settlement of payments in euro.

"Security" means any mortgage, charge, pledge, lien or any other form of encumbrance or security, including any irrevocable mandate to establish the same sole legal concept similar thereto under the laws of any jurisdiction.

3. Status and Guarantee of the Bonds

- (a) *Status*: The Bonds form direct, unconditional, unsubordinated and (without prejudice to Condition 4 (*Negative assurance*) below) not covered by collateral securities obligations of the Issuer, will rank equally among each other (*pari passu*) and take a rank equally with all other existing and future unrestricted by collateral securities and unsubordinated obligations of the Issuer, with the exception of the commitments secured on the laws of general application and subject to any rights of setoff that may be exercised by the Issuer.
- (b) *Guarantee in respect of the Bonds*: Certain Subsidiaries of the Issuer because of the Guarantee Declaration, which is attached to these conditions and is an integral part of these Conditions jointly and severally, unconditionally and irrevocably are guaranteed the full and punctual payment of all sums (without prejudice to article 8 (*Guarantee Limitations*)) that will be payable from time to time by the Issuer in connection with the Bonds. The Guarantee is the direct (without prejudice to Article 8 (*Guarantee Limitations*)) of the Guarantee Declaration) unconditional, unsubordinated and (without prejudice to Condition 4 (*Negative assurance*) below) unrestricted by collateral securities obligation of each Guarantor and shall at all times rank equally with all other existing and future unrestricted by corporate unsecured and unsubordinated obligations of such Guarantor except the commitments that may be privileged based on the laws of general application and subject to any rights of setoff that may be exercised by the Guarantor.

- (c) *Guarantors - Coverage Required:* The Issuer will ensure that on the date of the Prospectus and at any time until the effective and full repayment of principal and interest on the Bonds, the sum of the individual operating profit before interest, taxes, depreciation and *goodwill* amortization loans (calculated on the same basis as Consolidated EBITDA) of the Guarantors (each calculated on an unconsolidated basis and excluding all intra-group transactions) shall not be less than 70 per cent of Consolidated EBITDA of the Group.
- (d) *Declaration and guarantee of the Issuer with respect to the Guarantee Declaration:* The Issuer undertakes towards the Bondholders to comply with all provisions of the Guarantee Declaration that are applicable to the Issuer.

4. Negative Pledge

- (a) The Issuer undertakes, for the duration of the Bonds and until the effective and full repayment of principal and interest on the Bonds:
 - (i) not to establish any Security with respect to all or any part of its current or future undertaking, assets or revenues (including uncalled capital) to secure any Financial Indebtedness of the Issuer or another member of the Group;
 - (ii) to ensure that no member of the Group establishes, sets, or brings any Security into existence, or allow any Security to continue, with respect to all or any part of its current or future undertaking, assets or income (including uncalled capital) to secure any Financial Indebtedness of the Issuer or another member of the Group;
 - (iii) no to provide any guarantee, warranty or Personal Security with respect to any Relevant Debt or any Relevant Security for Personal Debt of the Issuer or another member of the Group, and
 - (iv) to ensure that no member of the Group provides a guarantee, warranty or Personal Security concerning any Relevant Debt or any Personal Security for any Relevant Debt of the Issuer or another member of the Group,

each unless, at the same time or before (a) such Security or Personal Security is given in equal and granted in equal rank with respect to the Bonds, or (b) such other security, guarantee, warranty or Personal Security is made or given in respect to the Bonds as would be approved by an Extraordinary Resolution of the general meeting of bondholders.

- (b) Paragraphs (i) and (ii) of Condition 4(a) shall not apply with respect to:
- (i) the following existing Security:
 - (A) Arseus Lab BV, bank guarantee, EUR 125,000;
 - (B) Duo-Med SA, mortgage, EUR 247,894;
 - (C) Arseus Devroe BVBA, bank guarantee, EUR 328.953;
 - (D) Hader SA, mortgage, EUR 1,015,667; and
 - (E) Commercial Nostra Pharma Ltda, lien claims, EUR 6.100.50,
 - (ii) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
 - (iii) any lien arising by operation of law and in the ordinary course of business;
 - (iv) any Security over or affecting any asset acquired by a member of the Group after the Issue Date, insofar the debt for which the Security was granted is not entered into or augmented in contemplation of the acquisition of that asset by a member of the Group and insofar such Security, if it relates to an asset having a value in excess of EUR 1,000,000, is removed or discharged within six months of the date of acquisition of such asset;
 - (v) any Security over or affecting any asset of any company which becomes a member of the Group after the Issue Date insofar the debt for which the Security was granted is not entered into or augmented in contemplation of the acquisition of that asset of such company and insofar such Security, if it relates to an asset having a value in excess of EUR 1,000,000, is removed or discharged within six months after the date on which such company became a member of the Group;
 - (vi) any title transfer or retention of title arrangement entered into in the normal course of business;
 - (vii) any Security arising under the standard terms of an ISDA agreement and created in the ordinary course of business (but not as a means of raising secured finance) in respect of a derivative transaction protecting against or benefiting from fluctuations in any rate or price entered into in the ordinary course of business;

- (viii) any Security arising under the general banking conditions of any financial institution as drafted by the *Nederlandse Vereniging van Banken en de Consumentenbond* (except to the extent arising under Article 20 thereof) or other equivalent provision in any other jurisdiction;
 - (ix) any Security created or subsisting in order to secure any obligations incurred in order to comply with the requirements of section 8a of the German Partial Retirement Act (*Altersteilzeitgesetz*) or pursuant to section 7d of the Fourth Book of the German Social Security Code (*SGB IV*); and
 - (x) any Security securing Financial Indebtedness the principal amount of which (when aggregated with the principal amount of any other Financial Indebtedness which has the benefit of Security other than any permitted under paragraphs **Error! Reference source not found.**(i) to (ix) above) does not exceed at any time EUR 30,000,000 (or its equivalent in another currency or currencies).
- (c) Paragraphs (iii) and (iv) of Condition 4(a) shall not apply with respect to any Personal Security provided by the Issuer or a member of the Group for Relevant Debt of the Issuer or a member of the Group if such Relevant Debt is placed in the United States (including, but not limited to, a U.S. Private Placement) for an aggregate amount not exceeding EUR 300 million (or its equivalent in another currency at the time of issuance of the Relevant debt) minus the total nominal amount of the issuance of the Bonds.

5. Interest

Each Bond shall, without prejudice to Condition 6(c)(vii) (*Non-approval of Change of Control Decisions*), bear interest from 2 July 2012 (the "**Issue Date**") at the rate of 4.75 per cent per annum (the "**Interest Rate**"), annually payable after the deadline expired on 2 July of each year (each an "**Interest Payment Date**"), commencing with the Interest Payment Date falling on 2 July 2013.

Each Bond will cease to generate interest from its due date for redemption unless payment of the nominal amount was wrongfully withheld or refused in which case the interest continues to accrue (both before and after any judgment and if necessary to be increased with judicial interest) to the day on which all sums due to that day with respect to the Bonds received by or on behalf of the Bondholder.

The amount of the interest payable on each Interest Payment Date will be EUR 47.5 with respect to each Bond. If interest is payable on any other date, the interest owed can be calculated by the interest rate applied to the Specified Nominal Amount and the product multiplied by the day count fraction and the result rounded off to the nearest cent (half a cent will be rounded up).

In these Conditions:

"Day Count Fraction" means, with respect to a period of time, the number of days in the relevant period from (and including) the first day of such time period up to (and to the exclusion of) the last day of such time period, divided by the number of days in the Regular Period in which the relevant period falls; and

"Regular Period" means each period from (and including) the Issue Date or any Interest Payment Date to (and excluding) the next Interest Payment Date.

6. Redemption and Repurchase

(a) *Redemption at Maturity*: Unless previously redeemed and cancelled or refunded as provided herein, the Bonds will be redeemed at their nominal amount on the Maturity Date.

(b) *Redemption for tax reasons*: The Bonds may at any time (but only if the payments of principal and interest by or on behalf of the Issuer for tax purposes remain from Belgium), at the option of the Issuer in whole (but not in part) be refunded by means of a notice of at least 30 days and maximum 60 days to the Bondholders in accordance with Condition 15 (*Notices*) (where this notice is irrevocable) at their nominal amount (together with interest accrued to the date set for the refund) if:

(A)(a) the Issuer is or will be required to pay additional amounts pursuant to Condition 8 (*Taxation*) or (b) if any Guarantor is obliged to make a payment and for reasons beyond his control cannot make the payment to the Issuer and if he could make the payment himself, he would be required to pay additional amounts, because of (i) a change in the Belgian laws, treaties or regulations or a change in the laws, conventions or regulations in any jurisdiction where a Guarantor is established or because of (ii) a change in the application or interpretation of these laws, treaties or regulations, including changes effective on or after 12 June 2012, and

(B) this obligation can be avoided in a reasonable manner by the Issuer or, where appropriate, the relevant Guarantor,

except that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment on the Bonds would then be due.

Prior to the publication of a notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent:

(A) a certificate signed by two directors of the Issuer, stating that the Issuer has the right for such reimbursement to be carried out and that shows the factual circumstances which show that the conditions relating to the right of the Issuer for repayment are fulfilled, and

(B) an opinion of a respected international law firm stating that the Issuer has or will be required to pay such additional amounts as a result of such amendment or change.

After expiry of the period of such notice as provided in this Condition 6(b) the Issuer will be required to repay the Bonds under this Condition 6(b).

(c) *Redemption at the option of the Bondholders in the event of Change of Control:*

The Bondholders must be aware that the exercise of the option set out in this Condition 6(c) may possibly only have any effect under Belgian law where, prior to the earlier occurrence of (i) notification by the Authority for Financial Services and Markets (FSMA) to the Issuer of the filing of a takeover bid in respect of the shareholders of the Issuer or (ii) the occurrence of the Change of Control, the Change of Control Decisions (a) were approved by the general meeting of shareholders of the Issuer and (b) that such decisions were lodged at the Commercial Court of Kortrijk. There can be no assurance that such approvals will be obtained during the general meeting of shareholders of the Issuer. If a Change of Control occurs prior to such approval and filing then the option under this Condition 6(c) may not be enforceable.

- (i) If a Change of Control occurs each Bondholder will have the right to oblige the Issuer to repay all or part of its Bonds on the Change of Control Put Date to the Put Redemption Amount.
- (ii) To exercise this right, the concerned Bondholder, has to deposit at any time during the Change of Control Put Exercise Period, a duly completed and signed notice of exercise in the form attached to the Prospectus (a "**Notice of Exercise of the Change of Control Put**") at the bank or other financial intermediary through which the Bondholder holds the Bonds (the "**Financial Intermediary**") for further delivery to the Agent (with copy to the Issuer) and has to instruct the Financial Intermediary to transfer the relevant Bonds on behalf of the

Agent, provided that the Bondholders check with their Financial Intermediary, if applicable, when such Financial Intermediary Instructions and Notice of Exercise of the Change of Control Put must be given by the Bondholders to respect the time limits so that such exercise would be timely. Once delivered, a Notice of Exercise of the Change of Control Put is irrevocable unless, prior to the Change of Control Put Date, any Bond on which a Notice of Exercise of the Change of Control Put is deposited becomes immediately repayable or payment was unlawfully refused, in which case the Agent will notify the relevant Bondholder at the address specified by the Bondholder in the relevant Notice of Exercise of the Change of Control Put.

- (iii) The Issuer will, on the Change of Control Put Date, repay all Bonds that are the subject of the Notification of Change of Control Put Exercise which are delivered as stated above. Payments relating to these Bonds will be made by transfer to a euro account with a bank in a city where banks have access to the TARGET system as specified by the relevant Bondholder in the relevant Notice of Exercise of the Change of Control Put.

- (iv) *Notification of Change of Control:* Within 10 Business Days following a Change of Control, the Issuer will notify the Bondholders in accordance with Condition 15 (*Notification*) (a "**Notice of Change of Control**"). The Notice of Change of Control will contain a statement notifying the Bondholders about their right to repayment of their Bonds pursuant to this Condition 6(c). Such notice shall be irrevocable. The Notice of Change of Control will also contain the following information:
 - (A) to the extent permitted by applicable law, any information that is relevant to the Bondholders concerning the Change of Control;
 - (B) the last day of the Change of Control Put Exercise Period;
 - (C) the Change of Control Put Date; and
 - (D) the Put Redemption Amount.

Neither the agent nor the Supervisor Substitution is obliged to monitor, or undertake any steps, to ascertain whether a Change of Control or an event that a Change of Control could lead to has occurred or might occur and will not be responsible or

liable to the Bondholders or any other person for any loss arising from the fact that the Agent or Supervisor Substitution has not done so.

(v) If, as a result of this Condition 6(c), Bondholders submit Notices of Exercise of the Change of Control Put with respect to at least 85 per cent of the total nominal amount of Bonds that is currently outstanding, the Issuer may, on notice of not less than 15 nor more than 30 days to the Bondholders in accordance with Condition 15 (*Notification*) (Where the notice is irrevocable and the date fixed for redemption mentions), repay all (but not only some) of the then outstanding Bonds to the Put Redemption Amount. Payment for such Bond shall be as indicated above.

(vi) *Change of Control Decisions*: The Issuer agrees to submit (a) the Change of Control Resolutions for approval to the General Meeting of shareholders of the Issuer that are planned to take place before the Long Stop Date and (b) a copy of the Change of Control Decisions within 10 days after their approval at the Registry of the Commercial Court of Kortrijk.

(vii) *Non-approval of Change of Control Decisions*: If by the Long Stop Date:

(A) the Change of Control Resolutions were not approved or accepted by a general meeting of shareholders of the Issuer, or

(B) the Change of Control Resolutions were not deposited at the Registry of the Commercial Court of Kortrijk,

then from the Interest Period beginning on the first Interest Payment Date following the Long Stop Date, the amount of interest payable on the Bonds will be increased by 0.50 per cent, per annum, until the last day of the Interest Period during which the Change of Control Resolutions were approved by a general meeting of shareholders of the Issuer and deposited with the Registry of the Commercial Court of Kortrijk.

(d) *No other redemption*: The Issuer will not be entitled to repay the Bonds other than in the cases provided for in Conditions 6(a) to 6(c).

(e) *Purchase*: The Issuer, the Guarantors and each member of the Group may, subject to application of any relevant law or regulation, at any time purchase Bonds on the open market or otherwise and at any price.

- (f) *Cancellation*: All Bonds which are repaid by the Issuer will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer may be held or resold. Bonds purchase by the Issuer may be held or resold.

7. Payments

- a. *Principal payments and interest*: Without prejudice to Article 474 of the Belgian Code of Companies, all payments of principal and interest in respect of the Bonds shall be made in accordance with the Clearing System Regulations through the Clearing System, Euroclear, Clearstream, Luxembourg, and the other Clearing System participants indicated as holding Bonds by the Clearing System. The payment by the Issuer or the Guarantors, whichever relevant, under the Bonds or the Guarantee declaration to the Clearing System discharges the Issuer and the Guarantors, whichever relevant.
- b. *Payments*: Each payment in respect of the Bonds pursuant to Condition 7.a (*Principal payments and interest*) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.
- c. *Payments subject to fiscal regulations and other regulations*: All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, without prejudice to the provisions of Condition 8 (*Taxation*). No charges or commissions will be made or imposed in relation to any payment in respect of the Bonds.
- d. *Payment on Business Days*: If any date for payment in respect of the Bonds is not a Business Day, the Bondholder shall not be entitled to payment until the next following Business Day, nor to any interest or other sum in respect of such postponed payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.
- e. *Fractions*: When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit (and half a unit will be rounded up).

8. Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantors in respect of the Bonds shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed by Belgium or the Netherlands, whichever relevant (including the local or regional authorities having power to tax payments to holders of Bonds), unless such withholding or deduction of the Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required,

except that no such additional amounts shall be payable in the extent these Taxes are due in respect of any Bond for the following reasons:

- a. *Other connection*: due to any possible existing connection between a Bondholder and Belgium or the Netherlands other than the mere holding of the Bond;
- b. *Payment to individuals*: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, all other European directives that supplement Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive or any agreement on savings income concluded by a EU Member State with the dependant or associated territories of the EU;
- c. *Non-Eligible Investor*: due to the fact that the Bondholder, who at the time of issue of the Bonds, was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or due to the fact that a Bondholder who was such an eligible investor at the time of obtaining the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or
- d. *Conversion into registered securities*: because the Bonds were converted into registered Bonds upon the Bondholder's request and could no longer be cleared through the Clearing System.

Every reference in these Conditions to principal payments and interest contains any additional amounts in respect of principal payments and interest which would be payable pursuant to this Condition 8 (*Taxation*).

In the event the Issuer or any Guarantors would be subject at any time to a tax law other than that of Belgium or the Netherlands, references made in these Conditions in respect to the Issuer or the relevant Guarantor to Belgium or the Netherlands, respectively, shall be assumed to be references to such other tax law.

9. Events of Default

If any of the following events (each an "Event of Default") occurs and is continuing:

- a. *Failure to pay*: the Issuer or any Guarantor fails to pay the principal of or interest on any of the Bonds or the Guarantee of the Bonds within 5 Business Days after the Maturity Date;
- b. *Breach of other obligations*: the failure on the part of the Issuer or any Guarantor to observe or perform any other provision, covenant, agreement or obligation relating to the Bonds or the Guarantee Declaration, and such failure cannot be remedied or, in case such failure can be remedied after all, such failure has not been remedied within a period of 15 days after the date on which written notice of such failure (requiring the Issuer to remedy the same) shall have been sent to the Issuer or to the indicated Agent's office by a Bondholder;
- c. *Cross Default*:
 - i. any other Financial Indebtedness of the Issuer or of any other Group member is not paid on its maturity date or within any originally applicable period for remedy;
 - ii. any other similar Financial Indebtednesses are immediately declared payable before their indicated maturity date as a result of an event of default (regardless of how such event of default is described or defined);
 - iii. a creditor of the Issuer or any other Group member obtains the right to declare any Financial Indebtedness of the Issuer or any other member of the Group immediately payable before its indicated maturity date as a result of an event of default (regardless of how this is defined or described) on the condition that either (x) such a failure has not been remedied within a period of 15 Business Days (or a longer period, as agreed between the creditor concerned and the Issuer or the relevant Guarantor) or (y) the relevant creditors have not waived such an event of default within a period of 10 Business Days;

on the condition that the amount of Financial Indebtedness referred to in paragraphs (i) through (iii) above, on its own or in total, is higher than EUR 20.000.000 (or the equivalent in other currencies) and on condition that pertaining to sub-condition (c) no failure shall occur regarding the Financial Indebtedness between Group members;

- d. *Unsatisfied Judgments*: one or more judgments with respect to which no further appeal or other legal remedy is available, requesting the payment of a sum higher than EUR 20,000,000 (or the equivalent in other currencies), is rendered against the Issuer or any Group member and is not met within a period of 45 days after

its date or, if later, the payment due date it indicates, on the condition that pertaining to this sub-condition (d) no failure shall occur if the recognition or declaration of enforcement of such sentences based on applicable law would be refused by the Belgian courts;

- e. *Security Enforced*: a Security Interest pertaining to a substantial part or the whole of the business, assets or proceeds of the Issuer, any Guarantor or any Material Company is realised for a sum which on its own or in total amounts to higher than EUR 20.000.000 (or the equivalent in other currencies);
- f. *Insolvency*: (i) proceedings are commenced against the Issuer, any Guarantor or any Material Company, or the Issuer, any Guarantor or any Material Company commences proceedings itself for bankruptcy or other insolvency proceedings of the Issuer, any Guarantor or any Material Company falling under the applicable Belgian or foreign bankruptcy, insolvency or other similar law now or hereafter in effect (including the Belgian Law of 8 August 1997 on bankruptcy (*faillite/faillissement*) and the Belgian Law of 31 January 2009 on the continuity of enterprises) (unless the Issuer or such a Guarantor or Material Company defends itself in good faith against such proceedings and such a defence is successful, and ends the proceedings within 15 Business Days after the occurrence of the Event of Default), or (ii) the Issuer or any member of the Group is announced bankrupt by a jurisdiction or authorized court, or (iii) a receiver, liquidator, sequestrator (or other similar official under any applicable law) is appointed in respect to the Issuer, any Guarantor or any Material Company, or (iv) a receiver, liquidator, sequestrator (or other similar official under any applicable law) takes possession of the business, assets or proceeds of the Issuer, any Guarantor or any Material Company, or (v) the Issuer, any Guarantor or any Material Company is unable to pay its debts as they fall due, stops, suspends or announces its intention to stop or suspend payment of all or a material part of its debts or shall make any agreement for the deferral, rescheduling or adjustment of all its debts, general assignment for the benefit of creditors;
- g. *Liquidation*: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Guarantor, other than a solvent liquidation;
- h. *Illegality*: it is or has become illegal for the Issuer or any Guarantor to fulfil its obligations in respect to the Bonds or the Guarantee Declaration.

- i. *Guarantee not in force*: the Guarantee of the Bonds is not applicable, or any Guarantor puts forward that the Guarantee of the Bonds is not in force; or
- j. *Guarantors Coverage Requirement - Modification of Guarantors*: at any point in time after the Issue date the Guarantors Coverage Requirement is not satisfied, or the Issuer neglects to procure the valid accession of a Subsidiary to the Guarantee Declaration in accordance with article 10.2 of the Guarantee Declaration and such an event of default is not remedied within a period of 20 Business Days from the date when a written notice of this failure (which the Issuer is urged to remedy) was sent to the Issuer or the indicated Agent's office by a Bondholder,

in which case a Bond, by means of written notice to the Issuer at its correspondence address with a copy for the Agent at its specified office given by the Bondholder, can immediately be declared due and payable for the nominal value including accrued interest (if present) until the due date, without further formalities unless such an event of default has been rectified before receipt of such notice by the Agent.

10. Undertakings

- a. *Registered Office*: The Issuer will procure that its registered office, its main establishment or its seat of management or administration will not be transferred to a state not having the euro as legal currency.
- b. *Periodic Reporting*: The Issuer undertakes to publish a statement on its website (www.arseus.com) (freely available and, not secured by any password) at the latest on (i) the 120th day after the last day of each financial year of the Issuer, and (ii) on the 90th day after the last day of the first half of each financial year of the Issuer, which displays calculations (in reasonable detail) whether or not in order to satisfy the provisions in Condition **Error! Reference source not found.** (*Guarantors – Coverage Requirement*) on the last day of the most recently ended financial year or half-year of the Issuer (the "**Statement of Observance**"). Each Statement of Observance must be signed by two of the Issuer's directors and must be the subject of a report and confirmation by the auditor of the Issuer which mentions whether or not the Guarantor Coverage Requirement is satisfied or not.
- c. *Guarantors Coverage Requirement*: The Issuer undertakes that on the date of the Prospectus and at each time until the actual and full repayment of principal and interest of the Bonds, the sum of the individual profit from operations before deduction of interest, taxes, depreciation on assets and amortisations and *goodwill* (calculated on the same basis as Consolidated EBITDA) of the Guarantors (each calculated on non-consolidated basis and excluding all inter-group transactions) will not amount to less than 70 per cent of the Consolidated EBITDA of the Group.

- d. *Deliver documents to Euronext Brussels:* The Issuer undertakes to furnish to Euronext Brussels all documents, information and undertakings and publish all advertisement or other material that may be necessary in order to effect and maintain the permission to trade the Bonds on Euronext Brussels and to make all reasonable effort in order to continue such listing so long as any of the Bonds remain outstanding. If the Bonds cease to be listed on Euronext Brussels, the Issuer shall use its best endeavours promptly to admit the Bonds to trading on a regulated market in the Benelux.

11. The Substitution Supervisor

- a. *Appointment:* The Substitution Supervisor was appointed by the Issuer to perform specific tasks with regard to the Bond's Guarantee. The Substitution Supervisor's assignment is expressly limited to those assignments which have explicitly been allocated to the Substitution Supervisor in these Conditions and the Guarantee Declaration. No implicit assignments or responsibilities can be read in these Conditions and the Guarantee Declaration.
- b. *Delegation:* The Substitution Supervisor has the right to delegate the execution of any of its assignments to any other person of its choice. Such delegation will not relieve or release the Substitution Supervisor of its responsibilities pursuant to these Conditions and the Guarantee Declaration. The Substitution Supervisor remains responsible at all times for the execution of its assignment pursuant to the Conditions and the Guarantee Declaration.
- c. *Replacement by the Bondholders:* Bondholders have the right to terminate the appointment of the Substitution Supervisor by means of an Extraordinary Resolution which was brought to the Issuer's, the Agent's and the Substitution Supervisor's attention if another Substitution Supervisor is appointed in the same Extraordinary Resolution.
- d. *Replacement resulting from certain events:* If the Substitution Supervisor (i) is declared bankrupt or proceedings of judicial reorganisation have been commenced against it, (ii) ceases to execute all or a substantial part of its activities, or threatens to cease to execute all or a substantial part of its activities or (iii) is dissolved or liquidated, or a resolution has been adopted with regard to the dissolution or the liquidation of the Substitution Supervisor (in cases other than a merger), the Issuer may terminate the Substitution Supervisor's appointment by means of notice for the Substitution Supervisor.

If it is impossible for the Substitution Supervisor to execute its tasks pursuant to the Conditions due to incompatibility of these tasks with other tasks relating to the Issuer which the Substitution Supervisor could have from time to time, it may terminate its appointment by notifying at least 60 days in advance.

If the Substitution Supervisor is of the reasonable opinion that the execution of its assignments pursuant to the Conditions or the Guarantee Declaration, or any other aspect thereof, results, or could result in the Substitution Supervisor violating a legal, prescriptive or deontological standard or requirement of independence in a jurisdiction, the Substitution Supervisor may halt at any point in time and with immediate effect its appointment by writing.

If the Issuer terminates the Substitution Supervisor's appointment, or if it receives notice from the Substitution Supervisor on the termination of its appointment, the Issuer shall appoint a replacement substitution supervisor, no later than the date such a termination enters into force (or in the case of an immediate termination, as soon as reasonably possible and in any case before the release or entry of any new Guarantor) which will act as Substitution Supervisor with full authority until a new Substitution Supervisor is appointed through an Extraordinary Resolution of the general meeting of Bondholders.

In case of such a termination, the Issuer shall notify the Bondholders of the termination of the Substitution Supervisor's appointment before the termination enters into force, which will contain (i) the reason of termination and (ii) the full identity of the replacement Substitution Supervisor. The Issuer will convene a general meeting of Bondholders aiming to confirm the appointment of the replacement Substitution Supervisor, or the indication of another person as Substitution Supervisor, which will take place no later than 60 days after the termination of the Substitution Supervisor's appointment in accordance with Condition 11(d).

e. Bondholders Interests and liability

- i. Regarding the execution of its assignment pursuant to the Conditions and the Guarantee Declaration, the Substitution Supervisor will only take the collective interests of the Bondholders into account and will not take the results of its actions on behalf of an individual Bondholder into account.
- ii. The Substitution Supervisor will not be held liable towards the Issuer, any Guarantor or the Bondholders for any damages, cost or loss resulting from the execution, the attempt to execute or not executing its assignment pursuant to the Conditions and the Guarantee Declaration, with exception for any such damages, cost or lost resulting from fraud or intentional error.

12. Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest).

13. Agent

The Agent: The Agent acts with regard to its transactions under the Domiciliary Agency Agreement and in respect to the Bonds, only as Agent of the Issuer and the Guarantors and does not have any undertakings towards, or a relationship of agency with, the Bondholders.

The Issuer reserves the right under the Domiciliary Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent, (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the Clearing System and (iii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 15 (*Notices*).

14. General Meeting of Bondholders, Modification and Waiver

- a. General Meeting of the Bondholders:* The Domiciliary Agency Agreement contains provisions for convening general meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

All general meetings of Bondholders will be held in accordance with the provisions of Article 568 sq. of the Belgian Company Code with respect to general bondholders meetings.

The general meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code, including the acceptance, waiver or modification of security interests for the benefit of the Bondholders (including modifications in respect to the Guarantee Declaration), the extension, suspension or modification of payment of principal, the extension of the interest term, the reduction of interest rate, the modification of interest payment, the conversion of the Bonds into shares, taking protective measures in the common interest and the appointment of a special proxyholder for the execution of the resolutions.

The general meeting of Bondholders shall also be entitled to modify or waive provisions set out in these Conditions.

The general meeting of Bondholders shall in any case be subject to the quorum and majority requirements set out in Article 574 and 575 of the Belgian Company Code, and if required thereunder to obtain homologation by the court of appeal of Brussels.

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Domiciliary Agency Agreement provides that a resolution in writing signed by or on behalf of Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a general meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- b. *Modification:* The Agent may agree, without the consent of the Bondholders, to any modification of the provisions of the Domiciliary Agency Agreement or any agreement supplemental to the Domiciliary Agency Agreement either (i) which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the provisions of the Domiciliary Agency Agreement or any agreement supplemental to the Domiciliary Agency Agreement, which is, in the opinion of the Agent, not materially prejudicial to the interests of the Bondholders.
- c. *General meeting of shareholders of the Issuer and right to information:* The Bondholders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with Article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

15. Notices

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the Clearing System for communication by it to the Clearing System Participants and (ii) if published in one leading newspaper having general circulation in Belgium (which are expected to be *L'Echo* and *De Tijd*) and (iii) if otherwise in accordance with all legal requirements. Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the Clearing System and (ii) the publication of the latest newspaper containing such notice.

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are listed at that time. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Company Code, by an announcement to be inserted at least fifteen days prior to the meeting, in the Belgian Official Gazette (Moniteur belge – Belgisch Staatsblad) and in a newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice.

16. Governing law and jurisdiction

- a. *Governing Law:* The Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.
- b. *Jurisdiction:* The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds may be brought in such courts. The Issuer and the Guarantors have irrevocably submitted to the jurisdiction of such courts and have waived any objection to any legal action or proceedings in such courts on the ground of venue.

12 JUNE 2012

GUARANTEE DECLARATION

ARSEUS NV
as Issuer

DELOITTE BEDRIJFSREVISOREN BV CVBA
as Substitution supervisor

and

ACA PHARMA NV	ARSEUS CAPITAL NV
ARSEUS BELGIE NV	DUO-MED NV
FAGRON GMBH & CO KG	FAGRON B.V.
SPRUYT-HILLEN B.V.	FAGRON NV
PHARMA NOSTRA COMMERCIAL LTDA	DUTCH BIOFARMACEUTICS B.V.
FAGRON DO BRASIL FARMACEUTICA LTDA	

as Guarantors

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GUARANTEE DECLARATION

THE GUARANTEE UNDER THIS GUARANTEE DECLARATION IS PROVIDED BY

THE COMPANIES referred to in Appendix 1 to this Guarantee Declaration (each a "**Guarantor**" and jointly the "**Guarantor**", this expression shall also, insofar as the context allows this, include every Subsidiary of the Issuer that can at any time become a Guarantor of the Bonds and enter this Guarantee Declaration, but shall not refer to any of the Issuer's Subsidiaries that stop being a Guarantor of the Bonds pursuant to article 10.1 (*Release of a Guarantor*) of this Guarantee Declaration);

FOR THE BENEFIT OF

EACH BONDHOLDER from time to time (as defined in the Conditions (as defined below));

IN THE PRESENCE OF:

ARSEUS NV, a Belgian company with registered office at Textielstraat 24, 8790 Waregem, Belgium, company registration number 890.535.026, RPR Kortrijk (the "**Issuer**"); and

DELOITTE BEDRIJFSREVISOREN BV CVBA, a Belgian company with its registered offices in Berkenlaan 8B, 1831 Diegem, Belgium, company registration number 429.053.863, RPR Brussels

(the "**Substitution supervisor**", which expression, insofar as the context allows, comprises every entity that takes over from or replaces the substitution supervisor in accordance with the Conditions).

SINCE:

(B) The Issuer approved the issue of bonds for an aggregate amount of at least EUR 100,000,000 and a maximum of EUR 225,000,000 at an interest rate of 4.75 % and maturity date 2 July 2017 (the "**Bonds**"), and each Guarantor approved the issuance of its guarantee regarding the Bonds (the "**Bonds Guarantee**").

(C) The Bonds shall be issued in dematerialized form pursuant to article 468 of the Belgian Companies Code and shall have a nominal value of EUR 1,000.

(D) The Issuer and the Guarantors of the Bonds will conclude a Domiciliary Agency Agreement with KBC Bank NV as Agent (the "**Agent**" and such agreement as amended and/or supplemented and/or reformulated from time to time, the "**Domiciliary Agency Agreement**").

(E) Deloitte Bedrijfsrevisoren BV CBVA was appointed as Substitution supervisor to supervise the compliance with the obligations of the Issuer and the Guarantors regarding the entrance or discharge of Guarantors under this Guarantee Declaration in the Conditions (as defined below).

THIS GUARANTEE DECLARATION STIPULATES AS FOLLOWS:

1. DEFINITIONS

Terms written with a capital letter in this Guarantee Declaration shall, insofar as the context allows this, have the meaning of the terms as specified in the Prospectus (as defined below). In addition to this, the terms below have the following meaning in this Guarantee Declaration, unless the context requires differently:

"Financing" means the *"Multicurrency Revolving Facilities Agreement"* dated 30 August 2007 (as amended on 10 December 2010) with a syndicate of banks, and any instrument or any credit facility that refinance this (or that in its turn finance such an instrument or credit facility).

"List of Guarantors" refers to a certificate of the Issuer, addressed to the Substitution supervisor, duly signed by two directors of the Issuer, which reflects the complete and accurate list of the Guarantors on the date of such a certificate and that also contains the following information regarding each Guarantor: (i) Its name, (ii) its registered office and (iii) the address where notices and requests could be sent to the Guarantor regarding this Guarantee Declaration.

"Notice to call upon the Guarantee" refers to a letter according to the template in Appendix 4, duly signed by the relevant Bondholder.

"Release application" refers to a letter according to the template in Appendix 2 to this Guarantee Declaration, duly signed on behalf of the Issuer and the Guarantor that must be released.

"Prospectus" refers to the Prospectus dated on the date of this document and prepared for the issuance of the Bonds, as amended or supplemented from time to time.

"Accession application" refers to a letter according to the template as in Appendix 3, duly signed here on behalf of the Issuer and the entering Guarantor.

"Conditions" refer to the Conditions of the Bonds as specified in the Prospectus, and every reference to a numbered **"Condition"** is to the corresponding numbered stipulation thereof.

2. GUARANTEE

- 2.1 **Guarantee:** Without prejudice to article 8 (*Guarantee limitations*), each Guarantor unconditionally and irrevocably guarantees for the benefit of each Bondholder, the punctual and full payment, in accordance with the Conditions, of the principal sum, the interest and every other amount that is payable from time to time or that would be payable under the Bonds on the dates when these amounts are payable pursuant to the Conditions. Each Guarantor undertakes to, in case the Issuer fails to pay the principal sum, interest or other amounts payable under the Bonds, on first request of a Bondholder pursuant to article 12 (*Call on the guarantee*) pay this amount or procure payment of it, so that each Bondholder receives the same amount in principal sum, interest or any other amount that this Bondholder would have received if the Issuer made all payments on time and in full.

- 2.2 **Indemnification:** Without prejudice to article 8 (*Guarantee limitations*), each Guarantor unconditionally and irrevocably undertakes, as an independent principal commitment, to indemnify all Bondholders from time to time from any loss suffered by the Bondholder due to the termination, the cancellation or nullification or destruction, for any reason whatsoever and regardless whether the Bondholder or another person was aware of the reasons, from any obligation or commitment of the Issuer under or related to any Bond or the Domiciliary Agency Agreement, or any stipulation or condition thereof; the amount of this loss would be the amount that the Bondholder would otherwise have been able to claim from the Issuer. Each amount payable based on this indemnification shall be payable in the manner and in the currency prescribed in the Conditions for payments by the Issuer regarding the Bonds. This indemnification forms a separate commitment of the Guarantors, independent of the other obligations under this Guarantee Declaration, and shall give rise to a separate or independent legal procedure.

3. NATURE OF THE GUARANTEE

- 3.1 The obligations of each Guarantor based on article 2 (*Guarantee*) are, and shall be interpreted as, an abstract guarantee on first request that shall remain valid and enforceable regardless of the validity or the enforceability of the payment obligation of the Issuer and shall constitute under no circumstances a surety.
- 3.2 The Guarantee of the Bonds, which is the subject of this Guarantee Declaration, has no *intuitu personae* character.

4. REMEDY

If any payment by a Guarantor, or any discharge granted by a Bondholder, regarding the Issuer's obligations or of any Guarantor, is annulled or reduced as a result of bankruptcy, restructuring, merger, insolvency or similar event:

- (a) the obligation of each Guarantor shall continue as if the payment, discharge, release or reduction did not take place; and
- (b) each Bondholder shall be entitled to obtain the value of the amount of this payment from each Guarantor, as if the payment, discharge, release or reduction did not take place.

5. LIMITS ON REMEDIES

Neither the obligations of any Guarantor under this Guarantee Declaration, nor the rights, authority or claims awarded to the Bondholders by the applicable law or this Guarantee Declaration shall be discharged, reduced, jeopardized or compromised by:

- 5.1 **Dissolution:** The dissolution, insolvency, merger, division, restructuring of the Issuer or any Guarantor, a moratorium regarding any debts of the Issuer or any Guarantor, or by any change in the respective status, function, control or shareholding of one of them;
- 5.2 **Illegality:** When any obligation of the Issuer or any other Guarantor under or regarding the Bonds, the Domiciliary Agency Agreement or this Guarantee Declaration becomes unlawful, invalid, unenforceable or ineffective;
- 5.3 **Withdrawal from the account:** Any withdrawal from the current account or similar event of any debt of the Issuer or any Guarantor under or with regard to the Bonds or this Guarantee Declaration;
- 5.4 **Extension:** Any (payment) term or other extension granted or to be granted to the Issuer or any Guarantor, including the consequences of a situation of joinder, with respect to any of their respective obligations under or concerning the Bonds, the Domiciliary Agency Agreement or this Guarantee Declaration, as applicable;
- 5.5 **Amendment:** Any amendment, novation, addition, extension, replacement, indemnification or release (always regardless of the nature or the fundamental character thereof) of any obligation of the Issuer or any Guarantor under or with regard to the Bonds, the Domiciliary Agency Agreement or this Guarantee Declaration; or
- 5.6 **Similar events:** Any other action, event or consequence that, in the absence of this article 5, would discharge or negatively influence the obligations of any Guarantor or any of the rights, authority or claims awarded to the Bondholders by the law or this Guarantee Declaration.

6. IMMEDIATE CLAIM

Without prejudice to the stipulations of article 12(*Call on the guarantee*), no single Bondholder is obliged to do the following to exercise any of the rights, authority or claims awarded to it by law or this Guarantee Declaration:

- 6.1 **Action:** An action that can be instituted against the Issuer;
- 6.2 **Procedure:** A procedure that may be instituted or another right or surety that may be exercised against, or payment that can be claimed from, any person or to obtain a ruling from a court against the Issuer; or
- 6.3 **Claim or evidence:** Any claim or action instituted, or any evidence submitted, in case of dissolution or insolvency of the Issuer,

and each Guarantor hereby expressly waives the benefits awarded by articles 2033, 2037 and 2038 of the Belgian Civil Code.

7. SUSPENSION OF THE RIGHTS OF THE GUARANTORS

Each Guarantor accepts that, as long as any amount is payable or could become payable by the Issuer or any Guarantor with regard to the Bonds and as long as the Issuer or any Guarantor is bound by any current or possible obligations with regard to the Bonds, such a Guarantor may not exercise any right that he may have at any time based on compliance with his obligations specified below, including the right to:

- 7.1 **Indemnification:** To be indemnified by the Issuer or any other Guarantor;
- 7.2 **Contribution:** To claim any amount from any other guarantor (which includes any other Guarantor) for the obligations of the Issuer or regarding the Bonds;
- 7.3 **Benefit of security:** To obtain the benefit, fully or partially, of any securities that any Bondholder would be entitled to under or regarding the Bonds; and/or
- 7.4 **Subrogation:** To be replaced with regard to the rights of any Bondholder against the Issuer or any other Guarantor for the amounts paid by the Guarantor under this Guarantee Declaration.

8. GUARANTEE LIMITATIONS

- 8.1 The guarantees, obligations, liabilities, indemnification and commitments of any Guarantor under this Guarantee Declaration shall be limited as specified in this article 8.
- 8.2 *Guarantee limitations - German Guarantors*

If the Guarantor was incorporated in Germany as a limited liability company (*Gesellschaft mit beschränkter Haftung*) (a **German GmbH Guarantor**) or when a limited partnership was incorporated in Germany (*Kommanditgesellschaft*) with a company with limited liability (*Gesellschaft mit beschränkter Haftung*) as controlling partner (a **German GmbH & Co. KG Guarantor**, with any **German GmbH Guarantor** hereinafter referred to as **German Guarantor**), the liability of this German Guarantor under the Guarantee of the Bonds shall be limited in accordance with the following stipulation:

- 8.2.1 The liability under the Guarantee of the Bonds shall be restricted, if and to the extent that this German Guarantor guarantees commitments of an associate (*verbundenes Unternehmen*) of the German Guarantor (other than any of its Subsidiaries) in the sense of Section 15 of the German *Stock Corporation Act (Aktiengesetz)* and that, in such a case, the payment of a call on the Guarantee of the Bonds would result in (i) the fact that the assets of the German

Guarantor, or in case of a German GmbH & Co. KG Guarantor, the assets of the controlling partner (for the calculation of these assets, the components summarized in Section 266(2) A, B, C, D and E of the German Commercial Code (*Handelsgesetzbuch*) are included) less the liabilities of the German Guarantor, or in case of a German GmbH & Co. KG Guarantor, the liabilities of the controlling partner (for the calculation of these liabilities, the components summarized in Section 266(3) B, C, D and E of the German Commercial Code are included, but for clarity, the commitments under this Guarantee Declaration are excluded) (the "**Net Assets**") is less than the respective authorized capital (*Stammkapital*) (*Begründung einer Unterbilanz*) or the payment of a call on the Guarantee of the Bonds would result in (ii) a further increase of such deficit (*Vertiefung einer Unterbilanz*) (if the Net Assets of the German Guarantor, or in case of a German GmbH & Co. KG Guarantor, the Net Assets of the controlling partner have already dropped below the respective authorized capital).

8.2.2 The following components of the balance sheet shall be adjusted as follows for the purposes of such a calculation:

- (a) The amount of any increase of the authorized capital of the German Guarantor, or in case of a German GmbH & Co. KG Guarantor, an increase in the authorized capital of the controlling partner that took place after the date of this Prospectus or the entry date of the relevant Guarantor to this Guarantee Declaration and that happened via retained profit (*Kapitalerhöhung aus Gesellschaftsmitteln*) shall be deducted from the authorized capital; and
- (b) the liabilities regarding the loans to, or other contractual commitments concluded by the German Guarantor or when applicable his controlling partner in willful (*vorsätzlich*) or due to gross negligent (*grob fahrlässig*) violation of any stipulation of the Conditions of the Bonds or this Guarantee Declaration and the Financing shall be disregarded.

8.2.3 Further, in a situation where, after calling on the Guarantee of the Bonds regarding such a German Guarantor, or, in case of a German GmbH & Co KG Guarantor, his controlling partner, no longer has Net Assets that are higher than his authorized capital, the German Guarantor and, in case of a German GmbH & Co KG Guarantor, his controlling partner, insofar as this is legally permitted, shall realize his assets on the balance sheet with a book value (*Buchwert*) significantly lower than the market value of the assets, if these assets are not essential for the German Guarantor or as may be the case for the activities of the controlling partner (*betriebsnotwendig*), in which case the book value of the relevant assets as reflected in the balance sheet can be replaced by the income generated from such a sale in order to calculate the available amount for such German Guarantor under the Guarantee of the Bonds.

8.2.4 The restriction included in this article 8.2 shall only be valid if the directors, within 5 Business Days following a request by a Bondholder for payment under this Guarantee Declaration, confirmed to the Bondholder in writing (with a copy to the Agent) (i) to what extent the Guarantee of the Bonds is an

upwards or sideward guarantee as described in the abovementioned paragraph 8.2.1 and (ii) and what amount of such upwards or sideward guarantee could be paid since such a payment would not lead to the Net Assets of the German Guarantor or in case of a German GmbH & Co KG Guarantor, the Net Assets of the controlling partner to be lower than the respective authorised capital (while taking into consideration the adjustments specified in paragraph 8.2.2 and the obligations to sell as included in the abovementioned paragraph 8.2.3; (the "**Management Determination**") and such confirmation is supported by a reasonably accepted calculation, provided that the Bondholders shall in all circumstances be entitled to call upon the Guarantor under this Guarantee Declaration for any amounts where such call would, in accordance with the Management Determination, not lead to the fact that the Net Assets of the German Guarantor, or in case of a German GmbH & Co KG Guarantor, the Net Assets of the controlling partner are not (or do not drop below) less than the amount of the authorised capital (when calculated and adjusted in accordance with the aforementioned paragraphs 8.2.1 and 8.2.2. The Agent shall communicate such an Management Determination and the maximum amount payable under this Guarantee Declaration in accordance with article 11 of this Guarantee Declaration.

- 8.2.5 After the Bondholder and the Agent received the Management Determination, such Guarantor shall not be bound by any further call on the Guarantee of the Bonds (i.e. other than for what this Guarantor is already liable for in accordance with paragraph 8.2.4) for a period of a maximum of 45 Business Days. If the Bondholder and the Agent, within a period of 45 Business Days, receive (i) an up to date balance sheet with (ii) a report prepared by auditors with an international standard and reputation appointed by the German Guarantor that either confirms the Management Determination or explain the deviations from the Management Determination (the **the Auditor's Determination**), the further liability of such a Guarantor under this Guarantee Declaration shall be limited to such an amount that, in accordance with the Auditor's Determination, would not lead to the fact that the Net Assets of the German Guarantor or in case of a German GmbH & Co KG Guarantor, the Net Assets of the controlling partner is less than (or drops below) the amount of the authorised capital in every case as calculated and adjusted according to the aforementioned paragraphs 8.2.1 and 8.2.2 above. However, if the German Guarantor fails to deliver the Auditor's Determination within 45 days after the Management Determination, this German Guarantor shall be liable under this Guarantee Declaration without limits or restrictions. The Agent shall communicate such Auditor's Determination and the maximum amount payable under this Guarantee Declaration or, when applicable, that the Auditor's Determination was not received, in accordance with article 11 of this Guarantee Declaration.

8.2.6 The restrictions included in this article 8.2 shall not be applicable (or, subject to the circumstances, shall no longer be applicable):

- (a) If and to the extent that the German Guarantor guarantees any amounts granted under the Bonds which are given to or passed on to this German Guarantor or any of its Subsidiaries from time to time; or
- (b) If and when a domination agreement (*Beherrschungsvertrag*) and/or an agreement regarding the absorption of the profit (*Gewinnabführungsvertrag*) (directly or via a chain of domination agreements and/or agreements regarding the absorption of the profit) is or becomes effective between the relevant German Guarantor and:
 - (i) If the German Guarantor is a Subsidiary of the Issuer whose commitments are guaranteed under this Guarantee Declaration, the Issuer; or
 - (ii) If the German Guarantor is a sister company of the Issuer whose commitments are guaranteed under this Guarantee Declaration, any joint (direct or indirect) parent company of the German Guarantor and the Issuer,

(as controlling company (*beherrschendes Unternehmen*)) other than where the existence of this domination agreement (*Beherrschungsvertrag*) and/or agreement regarding absorption of the profit (*Gewinnabführungsvertrag*) does not result in the inapplicability of the first sentence of paragraph 1 of section 30 of the German Act concerning Limited Liability Companies (*GmbH-Gesetz*) regarding relevant payments under the Guarantee Declaration.

8.3 *Guarantee limitations - Dutch Guarantors*

Regardless of any other stipulation of this Guarantee Declaration, the guarantee, indemnification and other obligations or any Guarantor situated in the Netherlands (a "**Dutch Guarantor**") provided in accordance with this Bond guarantee is deemed to have not been concluded by this Dutch Guarantor to the extent that it would cause illegal financial assistance in the sense of article 2:207c or 2:98c of the Dutch Civil Code or any stipulations applicable to financial assistance under any other jurisdiction (the "**Prohibition**"), and the stipulations of this Guarantee Declaration and the other (*Issue Documents*) shall be interpreted accordingly. For the avoidance of doubt, it is expressly confirmed that the relevant Dutch Guarantors shall continue to guarantee all obligations that, if included, does not lead to an infringement of the Prohibition.

9. **STATEMENTS, GUARANTEES AND COMMITMENTS**

Each Guarantor declares and guarantees towards the Bondholders that:

- (a) This Guarantor is a company that was legally incorporated and that is situated under the law of the jurisdiction where it was incorporated, legally exists, is not bankrupt or subjected to any bankruptcy or insolvency procedure (as

meant under the law of the jurisdiction where it was incorporated) and is not under liquidation, who are authorized to conclude this Guarantee Declaration, exercise its rights in accordance with it and to comply with its obligations and that all company- and other actions required to conclude and comply with this Guarantee Declaration and to approve it and declare it valid;

- (b) The Guarantee Declaration does not violate any legal, regulatory, contractual or other commitment that is binding to this Guarantor;
- (c) The conclusion of this Guarantee Declaration and the provision of this Guarantee of the Bonds do not infringe on any stipulation with regard to *financial assistance* that this Guarantor is subject to, including, with regard to each Guarantor that is situated in Belgium, article 629 or article 329 of the Belgian Company Code; and
- (d) The obligations of such a Guarantor under this Guarantee Declaration are not direct, (without violating article 8 (*Guarantor restrictions*)) unconditional, unsubordinated and (without violating Condition 4) not covered by commercial securities of this Guarantor and shall at all times have the same rank as all other existing and future unsubordinated obligations that are not covered by commercial securities of this Guarantor, with the exception of the commitments that take precedence in accordance with the legal stipulations that are generally applicable and under reservation of any rights of debt comparison that could be executed by the Guarantor.

The statements, guarantees and commitments shall be repeated every day by each Guarantor under reference of the facts and circumstances applicable at the time until all amounts payable or related to the Bonds have been paid in full and there is no possibility that there will be other outstanding payments regarding the Bonds.

10. AMENDMENT OF GUARANTORS

10.1 *Release of a Guarantor*

10.1.1 The Issuer may request that a Guarantor ceases to be a Guarantor under this Guarantee Declaration and the Domiciliary Agency Agreement if

- (a) This Guarantor no longer provides a guarantee regarding any Financing of the Issuer;
- (b) There is no Event of Default continuing; and
- (c) The Guarantors' Cover requirements have been met and shall continue to be met when this Guarantor is no longer a Guarantor,

By submitting the following to the Substitution supervisor:

- (i) A Release Application, duly signed on behalf of the Issuer and the relevant Guarantor;
- (ii) A certificate from the Issuer that confirms that (i) there was no Event of Default continuing and (ii) that the Guarantors' Cover

requirements have been met and shall continue to be met when this Guarantor is no longer a Guarantor; and

- (iii) A certificate from the auditor of the Issuer that confirms that the Guarantors' Cover requirements have been met and shall continue to be met when this Guarantor is no longer a Guarantor (whereby this certificate shall be based on the Guarantors' Cover requirements as calculated based on the most recent available audited annual or semi-annual financial information).

10.1.2 The Substitution supervisor shall, after receipt and based on the documents referred to in paragraphs (i) to (iii) above as soon as reasonably possible, and at least within a period of 20 Business Days, determine whether:

- (a) There was an Event of Default that continued and that the Guarantors' Cover requirements have been met and shall continue to be met if this Guarantor is no longer a Guarantor (in which regard the Substitution supervisor may rely on the accuracy of the information in the certificates referred to in paragraphs (ii) and (iii) of article 10.1.1 above); and
- (b) If, with regard to the Release application, the Issuer also submitted an Accession Application with the Substitution supervisor, any guarantee restriction referred to in the Accession Application complies with the conditions of article 10.2.3 (in which regard the Substitution supervisor may rely on the information supplied in accordance with article 10.2.3), and

The Substitution supervisor shall communicate these facts to the Issuer and the relevant Guarantor.

Upon receipt of the aforementioned notice that the conditions of paragraphs (a) and (b) have been met, this Guarantor shall no longer be a Guarantor and shall be fully released and discharged from the commitments under this Guarantee Declaration.

10.2 *Additional Guarantors*

10.2.1 The Issuer procures that, if at any time after the Issue date, a Subsidiary of the Issuer provides a guarantee in respect of the Financing of the Issuer, such Subsidiary (i) will accede as a Guarantor under and in accordance with the provisions of this Guarantee Declaration and the Domiciliary Agency Agreement at the latest on the date such Subsidiary becomes a guarantor in respect of the Financing and (ii) will submit the following documents to the Substitution supervisor :

- (a) an Accession Application, duly signed on behalf of the Issuer and the relevant Subsidiary; and

- (b) An opinion of a reputable international law firm regarding the Subsidiary's capacity to sign the Accession Application and to confirm the validity of the approval and signing thereof by the Subsidiary.

10.2.2 The Issuer procures that, if (i) at any time after the Issue date, the Guarantors Cover requirements as stipulated in Condition 3(c) are not or are no longer met, one or more of the Subsidiaries of the Issuer, will accede as Guarantor and will accede to this Guarantee Declaration and the Domiciliary Agency Agreement by submitting the following documents to the Substitution supervisor:

- (a) an Accession Application, duly signed on behalf of the Issuer and the relevant Subsidiary; and
- (b) an opinion of a reputable international lawyers' office regarding the Subsidiary's capacity to sign the Accession Application and to confirm the validity of the approval and signing thereof by the Subsidiary.

10.2.3 The guarantee granted by any Guarantor who concludes this Guarantee Declaration in accordance with article 10.2 shall be unrestricted unless (a) a restriction is required by the applicable law, or (b) the Guarantor is a German Guarantor in the meaning of Clause 8.2 of this Guarantee Declaration. In the former case the amount guaranteed by the Guarantor would be the highest amount (expressed in Euro) that is permissible in accordance with the applicable law (while taking into account, if relevant, restrictions related to the company interest and the prohibition on financial assistance, where applicable). In the latter case the amount guaranteed by the Guarantor would be determined by the provisions of Clause 8.2 of this Guarantee Declaration. The Substitution supervisor has the right to request an opinion or advice from a reputable international law firm, and to act upon this advice, to verify whether a proposed guarantee restriction in an Accession Application complies with this requirement.

10.2.4 The Substitution supervisor shall, upon receipt of the documents referred to in paragraphs (a) and (b) of articles 10.2.1 and 10.2.2 above, as soon as possible and at least within a period of 20 Business Days (if the relevant opinions were added to the Accession Application) after the Accession Application, determine whether or not the conditions of article 10.2.3 have been complied with (in which case the Substitution supervisor may rely on the information supplied to it in accordance with article 10.2.3). The Substitution supervisor shall inform the Issuer and the relevant subsidiary about this.

Upon receipt of the aforementioned notice from the Substitution supervisor by this Subsidiary and the Issuer that the conditions of article 10.2.1 or 10.2.2, as applicable, have been met, such a Subsidiary shall be a Guarantor under this Guarantee Declaration and shall be bound by the stipulations thereof from receipt of its confirmation.

10.3 *Notice*

The Substitution supervisor shall, as soon as reasonably possible after the entrance or the release of any Guarantor, instruct the Agent to inform the Bondholders about this in accordance with Condition 15 (*Notice*).

10.4 ***List of Guarantors***

On the Issue Date, the Issuer shall publish a full and correct List of Guarantors on its website (www.arseus.com). The Issuer shall ensure that this List of Guarantors is at all times complete and correct and freely available on its website (and, in particular, not protected by any password). For the avoidance of doubt, the List of Guarantors shall only include the names of the Guarantors, the relevant legal identification data and the addresses where notices must be sent in accordance with article 11 (*Notice*) of this Guarantee Declaration and no other data.

10.5 ***Other provisions***

10.5.1 Each Guarantor that gives a Guarantee of the Bonds from time to time approves every future entrance of a Subsidiary to this Guarantee Declaration and every future release of another Guarantor under this Guarantee Declaration, without any requirement that an additional document would have to be signed or additional action being required.

10.5.2 This Guarantee Declaration forms a unilateral commitment of each Guarantor for the benefit of each Bondholder. Guarantors may be released from this Guarantee Declaration, and other Subsidiaries may enter this Guarantee Declaration, in both cases in accordance with the stipulations of this Guarantee Declaration, without the consent of the Bondholders.

10.5.3 The Issuer shall supply the information regarding the Issuer and/or the Guarantors that could reasonably be requested by the Substitution supervisor and that is necessary to allow it to perform instructions in accordance with the Conditions and the Guarantee Declaration. Any information, opinions, certificates requested by the Substitution supervisor or supplied by the Issuer or a Guarantor are for the account of the Issuer (regarding any advice or opinion of a third party, providing the Issuer approved this in advance (which approval may not be refused unreasonably)).

11. NOTICE

All notices, actions, claims and other communication addressed to a Guarantor shall be done in writing (per letter or fax) and shall be sent to the relevant Guarantor at the address provided in Appendix 5 to this Guarantee Declaration, or at any other address or fax number that was communicated to the Bondholders in accordance with Condition 15 (*Notice*).

12. CALL ON THE GUARANTEE

12.1 If:

12.1.1 an Event of Default occurs; and

12.1.2 The Bondholder sends a written message to the Issuer and the Agent in accordance with Condition 9 (*Default*), the Bonds that shall be specified in the Notice to call upon the Guarantee, shall be declared immediately due and payable (where this Notice to call upon the Guarantee shall be deemed to constitute as a written notice to the Issuer and the Agent);

The Bondholder may call on the Guarantee of the Bonds by submitting a valid, completed and signed Notice to call upon the Guarantee to a Guarantor, with a copy thereof to the Issuer and the Domiciliary Agent.

12.2 Such a call shall only be accepted if the Bondholder adds a certificate as required in article 474 of the Belgian Company's Code to the Notice to Exercise a Guarantee, prepared by the recognized account holder or by the liquidators, and that it verifies the number of bonds registered in the name of the owner or the agent on the date of this certificate and demonstrating that

12.2.1 The relevant Bondholder owns the Bonds specified in the Notice to Exercise a Guarantee; and

12.2.2 That the Bonds specified in the Notice to Exercise a Guarantee are blocked in the name of the Bondholder until (A) the return of the certificate and the recognized account holder or the liquidator or (B) a period of 10 Business Days after the date of the Notice to Exercise a Guarantee.

12.3 No call under this Guarantee Declaration shall be accepted in case the full principal sum, all interest and all other amounts payable under the Bonds were strictly paid by the Issuer in accordance with the Conditions.

12.4 By calling on the Guarantee of the Bonds, and by sending a Notice to Exercise a Guarantee, the Bondholder commits not to transfer the relevant Bonds during a period of 10 Business Days from the date of the Notice to Exercise a Guarantee. If a Guarantor only proceeds with payment in accordance with a Notice to Exercise a Guarantee after a period of 10 Business Days after the date thereof, the Guarantor can request as condition to the payment that a certificate as provided for in article 12.2 is submitted, demonstrating that the particular Bondholder is still the holder of the Bonds specified in the Notice to Exercise a Guarantee.

12.5 *Payment upon transfer* - Any payment under the Guarantee Declaration in accordance with a Notice to Exercise a Guarantee shall be made upon wire transfer or transfer of the relevant Bonds, or as a debit of the securities account where the relevant Bonds are registered, to the Issuer or in accordance with its instructions in the view of the cancellation.

13. **VALIDITY**

The invalidity, cancellation or unenforceability of any stipulation of this Guarantee Declaration shall not influence the validity or enforceability of this Guarantee Declaration or any other stipulation thereof.

14. **WAIVER**

If a Bondholder fails to exercise a right, or if the Bondholder delays exercising a right regarding this Guarantee Declaration, this shall under no circumstances constitute a waiver of such a right. If a Bondholder partially exercises any right regarding this Guarantee Declaration, this shall not prevent the future or further exercising of such a right, or the exercising of any other right, by a Bondholder.

15. **TRANSFERABILITY**

The benefit of the Guarantee of the Bonds and this Guarantee Declaration shall automatically transfer to every recipient of one or more Bonds.

16. **APPLICABLE LAW AND JURISDICTION**

This Guarantee Declaration and all non-contractual commitments resulting from or related to this Guarantee Declaration are governed by and interpreted in accordance with Belgian law. For the purposes of any legal claim regarding this Guarantee Declaration, all Guarantors elect as domicile the offices of the Issuer, situated at Textielstraat 24, 8790 Waregem, and hereby commit to always elect a domicile in Belgium.

Prepared in [] original copies and signed on 12 June 2012.

ACA PHARMA NV

Name:
Title:

Name
Title

ARSEUS BELGIE NV

Name:
Title:

Name
Title

ARSEUS CAPITAL NV

Name:
Title:

Name
Title

DUO-MED NV

Name:
Title:

Name
Title

DUTCH BIOFARMACEUTICS B.V.

Name:
Title:

Name
Title

FAGRON GMBH & CO KG

Name:
Title:

Name
Title

FAGRON B.V.

Name:
Title:

Name
Title

FAGRON NV

Name:
Title:

Name
Title

FAGRON DO BRASIL FARMACEUTICA LTDA

Name:
Title:

Name
Title

PHARMA NOSTRA COMMERCIAL LTDA

Name:
Title:

Name
Title

SPRUYT-HILLEN B.V.

Name:
Title:

Name
Title

in the presence of

Deloitte Bedrijfsrevisoren BV CVBA as Substitution Supervisor

Name:
Title:

Name:
Title:

By signing this Guarantee Declaration, the Issuer agrees to comply with his obligations resulting from this Guarantee Declaration and in general to be bound by the stipulations of this Guarantee Declaration.

ARSEUS NV as Issuer

Name:
Title:

Name:
Title:

APPENDIX 1 GUARANTORS

ACA PHARMA NV, a Belgian company with its registered office at Textielstraat 24, 8790 Waregem, company registration number 416.616.681, RPR Kortrijk

ARSEUS BELGIE NV, a Belgian company with its registered office at Textielstraat 24, 8790 Waregem, company registration number 434.900.191, RPR Kortrijk

ARSEUS CAPITAL NV, a Belgian company with its registered office at Textielstraat 24, 8790 Waregem, company registration number 471.941.919, RPR Kortrijk

DUO-MED NV, a Belgian company with its registered office at Berkenlaan 53, 1840 Londerzeel, company registration number 451.495.309, RPR Brussels

DUTCH BIOFARMACEUTICS B.V., a Dutch company with its registered office at Steenovenweg 15, 5708 HN Helmond and registered in the trade register under number 13028135

FAGRON B.V., a Dutch company with its registered office at Venkelbaan 101, 2908 KE Capelle at den IJssel and registered in the trade register under number 24259311

FAGRON NV, a Belgian company with its registered office at Textielstraat 20, 8790 Waregem, company registration number 403.767.052, RPR Kortrijk

FAGRON DO BRASIL FARMACEUTICA LTDA, a Brazilian company with its registered office at Rua Jurupari, 803 – Jardim Oriental, 04348-070 Sao Paulo

FAGRON GMBH & CO KG, a German company with its registered office at von-Bronsart-Strasse 12, 22885 Barsbüttel, registered in the trade register (*Trade register* of the court in *Amtsgericht*) van Lübeck under HRA 2157RE

PHARMA NOSTRA COMMERCIAL LTDA, a Brazilian company with its registered office at Rua Aquidaba, 1.144 - Méier, Rio de Janeiro - RJ

SPRUYT-HILLEN B.V., a Dutch company with its registered office at Tinbergenlaan 1, 3401 MT IJsselstein and registered in the trade register under number 30091194

**APPENDIX 2
RELEASE APPLICATION**

To: [_____] as Substitution Supervisor
From: [Guarantor to be released] and Arseus NV

[Date]

Dear,

Arseus NV - Maximum of EUR 225,000,000 4.75 % Bonds with a maturity date of 2 July 2017 Guarantee Declaration of 12 June 2012.

1. We refer to the Guarantee Declaration. This is a Release application. Terms defined in the Guarantee Declaration have the same meaning in this application form.
2. In accordance with article 10.1 (*Discharge of a Guarantor*) of the Guarantee Declaration, we request that [*Guarantor to be discharged*] is discharged from its obligations under the Guarantee Declaration, the Conditions and the Domiciliary Agency Agreement and regarding the Bonds.
3. We confirm that:

No Event of Default is continuing; and

The Guarantors' Cover requirements have been met and shall continue to be met when [*the Guarantor to be released*] is no longer a Guarantor,
4. This letter and all non-contractual commitments resulting from or related to this letter are governed by Belgian law.

ARSEUS NV

Name:
Title:

Name:
Title:

[*Guarantor to be Released*]

Name:
Title:

Name:
Title:

In agreement

[*SUBSTITUTION SUPERVISOR*]

Name:
Title:

Name:
Title:

APPENDIX 3
ACCESSION APPLICATION

To: [] as Substitution Supervisor
From: [Entering Guarantor] and Arseus NV

[Date]

Dear,

Arseus NV - Maximum of EUR 225,000,000 4.75 % Bonds with a maturity date of 2 July 2017 Guarantee Declaration of 12 June 2012.

We refer to the Guarantee Declaration. This is an Accession Application. Terms defined in the Guarantee Declaration have the same meaning in this application form.

1. [Entering Guarantor] agrees to be a Guarantor and to be bound by the stipulations of this Guarantee Declaration and to guarantee the obligations of the Issuer regarding the Bonds subject to the conditions of this Guarantee Declaration [, under reservation of the restrictions referred to in paragraph 4 below].
2. [Entering Guarantor] agrees to be party to the Domiciliary Agency Agreement and to be bound by the Domiciliary Agency Agreement as Guarantor as if he was an original party to the Domiciliary Agency Agreement.
3. The Guarantees, undertakings, liabilities, indemnification and responsibilities of [Entering Guarantor] under the Guarantee of the Bonds shall be restricted as follows: [].
4. [Entering Guarantor] prepares the declarations, guarantees and commitments referred to in article 9 (*Declarations, guarantees and commitments*) of the Guarantee Declaration and declares and guarantees that the guarantee restrictions above are in accordance with article 10.2.3 of the Guarantee Declaration].
5. [Entering Guarantor] is a company that was legally incorporated under the law of [] and it is a company with limited liability and registration number [].
6. The details for notices to [Entering Guarantor] are as follows:
 - Address:
 - For attention:
 - Fax:
 - Telephone:
 - E-mail:
7. [Entering Guarantor] confirms the selection of domicile made in article 16 of the Guarantee Declaration.

This letter and all non-contractual obligations resulting from or related to this letter are governed by Belgian law.

ARSEUS NV

Name:
Title:

Name:
Title:

[ENTERING GUARANTOR]

Name:
Title:

Name:
Title:

In agreement

[SUBSTITUTION SUPERVISOR]

Name:
Title:

Name:
Title:

Contact details of the Bondholder

Name or Company name:

.....

Address:

Telephone number.....

* Supplement as needed.

By signing this notice, the undersigned declares that he/she is the holder of [_____] Bonds, as indicated on the certificate in the appendix that was prepared by the account holder or the liquidator in accordance with article 474 of the Belgian Company Code and that confirms that the Bonds indicated in this Notice to call upon the Guarantee are blocked in his/her name until (A) the certificate is returned to the recognized account holder or the liquidator or (B) for a period of 10 Business Days from the date of the Notice to call upon the Guarantee.

The undersigned undertakes not to transfer the Bonds indicated in this Notice for a period of 10 Business Days from the date of the Notice to call upon the Guarantee. If a Guarantor only proceeds with payment in accordance with a Notice to Exercise a Guarantee after a period of 10 Business Days after the date thereof, the Guarantor could link a condition to the payment, so that a certificate as provided in article 12.2 and that proves that the particular Bondholder is still the holder of the Bonds specified in the Notice to Exercise a Guarantee, is issued.

The undersigned acknowledges that any payment under this notice shall happen upon wire transfer or transfer of the relevant Bonds, or as a debit of the securities account where the relevant Bonds are registered, to the Issuer or in accordance with its instructions.

All notices and communication with regard to this notice must be sent to the aforementioned address.

Terms used in this notice that were not separately defined have the same meaning as in the Conditions of the Bonds.

Signature:

Date:

THIS NOTICE TO CALL UPON THE GUARANTEE SHALL ONLY BE VALID IF (I) ALL PARAGRAPHS TO BE FILLED IN HAVE BEEN ENTERED CORRECTLY AND (II) IT WAS DULY SIGNED AND SENT TO THE GUARANTOR (WITH A COPY TO THE ISSUER AND THE AGENT).

APPENDIX 5
NOTICES

To the Issuer or a Guarantor	
<p>Arseus NV Textielstraat 24 8790 Waregem, Belgium Att: Jan Peeters, Bestuurder</p>	<p>ACA Pharma NV Textielstraat 24 8790 Waregem, Belgium Att: Jan Peeters NV, represented by Jan Peeters, director</p>
<p>Arseus België NV Textielstraat 24 8790 Waregem, Belgium Att: Jan Peeters NV, represented by Jan Peeters, Director</p>	<p>Dutch Biofarmaceutics B.V. Steenovenweg 15 5708HN Helmond, The Netherlands Att: Fagron Group B.V., represented by Arseus B.V., represented by Jan Peeters, director</p>
<p>Fagron GMBH & Co. KG Von Bronsartstraße 12, 22885 Barsbüttel, Germany Att: Ger van Jeveren, Geschäftsführer</p>	<p>Fagron B.V. Venkelbaan 101, 2908KE Capelle Aan Den IJssel, The Netherlands Att: Fagron Group B.V., represented by Arseus B.V., represented by Jan Peeters, director</p>
<p>Fagron NV Textielstraat 20 8790 Waregem, Belgium Att: Jan Peeters, Director</p>	<p>Fagron do Brasil Farmacêutica Ltda Rua Jurupari, 803 – Jardim Oriental, 04348-070 São Paulo, Brazilië Att: Mr. Rafael Padilla Papaceit, executive officer</p>
<p>Arseus Capital NV Textielstraat 24 8790 Waregem, Belgium Att: Jan Peeters NV, represented by Jan Peeters, Director</p>	<p>Pharma Nostra Comercial Ltda Rua Aquidaba, 1144, 20720-293 Rio de Janeiro, Brazilië Att: Mr. Rafael Padilla Papaceit, executive officer</p>
<p>Spruyt-Hilen B.V. Tinbergenlaan 1, 3401 MT IJsselstein, The Netherlands Att: Fagron Group B.V., represented by Arseus B.V., represented by Jan Peeters, director</p>	<p>Duo-Med NV Berkenlaan 53, 1840 Londerzeel, Belgium Att: Jan Peeters NV, represented by Jan Peeters, Director</p>

PART V: CLEARING

The Bonds will be accepted for clearance (settlement) through the Clearing System under the ISIN number BE0002180462 with respect to the Bonds, and will accordingly be subject to the Clearing System Regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the National Bank of Belgium, Boulevard de Berlaimont 14, B-1000 Brussels ("**NBB**").

Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds.

The Clearing system participants include certain banks, stockbrokers and Euroclear and Clearstream Luxembourg. Accordingly, the Bonds will be eligible to clear through and therefore accepted by Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Bonds.

The Agent shall perform the obligations of domiciliary agent included in the Domiciliary Agency Agreement. The Issuer, the Guarantor and the Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System participants of their obligations under their respective rules and operating procedures.

PART VI: DESCRIPTION OF THE ISSUER AND THE GUARANTORS

The Issuer is a public limited liability company governed by Belgian law, incorporated on 29 June 2007 for an indefinite term under the name 'Arseus' as a public limited liability company governed by Belgian law, by articles of incorporation prepared by notary Dirk Van Haesebrouck, announced in the appendices to the Belgian Official Gazette of 12 July 2007, under registration number 07102120. The articles of association of the Issuer have been amended several times, and most recently by the deed of 16 June 2011.

The Issuer registered office is located at Textielstraat 24, 8790 Waregem, Belgium, and the company is registered in the Belgian Legal Entities Register under number 0890.535.026 (Commercial Court in Kortrijk). The Issuer can be contacted at +32 56 628 800 or at info@arseus.com.

Company objective

In accordance with article 3 of the articles of association of the Issuer, the Issuer's company objective is as follows:

- The investment, registration, direct or indirect participation, investment, sale, purchase and trade, permanently take over and placement of shares, Bonds, certificates, debts, credits, funds and other movable securities, issued by Belgian or foreign existing or to be incorporated companies, whether or not in the form of trade companies, administration offices, foundations and associations, whether or not a (semi) public status;
- The incorporation of, or in any way participation in, the acquisition and the management of participations in existing or to be incorporated Belgian or foreign companies in any form. Maintain, dispose or in any other way control all types of participations and interests in other Belgian or foreign companies and enterprises, entering joint ventures with other companies and enterprises. Exercise the functions of director or liquidator; provide advice, management or other services to these companies. These services could be provided both on contractual and statutory basis and in the capacity of external adviser or body of the company;
- The financing of companies and enterprises, in the broadest sense; lending, borrowing and collection of funds, including issuing Bonds, debentures or other securities, and concluding the related agreements; providing guarantees and security, binding the company and encumbering the assets of the company for the benefit of companies or enterprises that the company forms a group with and for the benefit of third parties, always with the exception of the activities that are subject to special regulations;
- Supplying advice of financial, technical, commercial or administrative nature, in the broadest sense, with the exception of advice regarding investments and monetary investments, assistance and services rendered, directly or indirectly, on the level of administration and finance, sales, marketing, production and general management. Supplying administrative and computer services;
- The development, buying, selling, controlling, operation of brands, patents, knowhow and other intellectual property rights, the acquisition and granting of licenses, sub-licenses and similar rights regardless of its name or description;

- The purchase and selling, import and export, commission sales and representation of goods, in short acting as an agent;
- The investigation, the development, the manufacturing or marketing of new products, new forms of technology and their applications;
- Building, carefully developing and managing immovable assets, all activities related to immovable property and immovable commercial rights such as lease financing immovable property to third parties, selling, purchasing, exchanging, building, renovating, maintaining, renting, leasing, land development, prospecting and outsourcing immovable property, the buying, selling, leasing and renting of movable property, as well as all actions that are directly or indirectly related to this goal and that are of such a nature that it improves the yield from the movable and immovable property, and providing guarantees for the proper execution of commitments concluded by third parties would use this movable or immovable property;
- Offering individual and joint service provision and support to companies and independent parties, supplying industrial- office- and retail space and accommodation to companies and initiatives, offering logistical and secretarial services to companies and initiatives; and
- The company may provide everything necessary of a commercial, industrial, immovable, movable or financial nature that are directly or indirectly related to its goal or that is essential to promote the achievement thereof. The company may be involved in the form of contribution, merger, registration or in any other manner, in the companies, associations or companies that have a similar, equal or related goal or that are useful in achieving all or a part of its company objective. The aforementioned summary is not limitative, so the company may take all action that could in some way contribute to the achievement of its company objective. The company may achieve its objective, both in Belgium and abroad, in all manners or forms that it would deem suitable. The company may not perform asset management or provide investment advice in the manner referred to in the applicable laws and Royal decrees. The company will refrain from activities that are subject to regulatory stipulations insofar as the company does not comply with these stipulations.

History and development

The Arseus Group was formed in 2007 by the merger and integration of the four business units in the Professional Healthcare division (B2B) of Omega Pharma. Omega Pharma entered the market of the professional healthcare in 1989 as supplier of raw materials for compounding to Belgian pharmacists.

The divisions of the Group supplies products, services and total solutions with substantial added value to professionals and healthcare institutions in Europe, the United States, Brazil and Argentina. The activities are subdivided in four divisions:

- Fagron is the worldwide market leader in products and concepts for pharmaceutical compounding.
- Arseus Dental supplies dental products and concepts to dentists and dental technician laboratories in the Benelux, France, Germany and Switzerland.
- Arseus Medical supplies added value medical and surgical products and concepts to specialists, nursing homes, home care nurses and hospitals in the Benelux.
- Corilus supplies ICT-total solutions for medical specialists in Belgium, the Netherlands and France.

The Group's customers could be classified as "professionals in health care", such as chemists, dentists, surgeons, cardiologists, ophthalmologists, veterinarians and nurses.

The Group wants to realise sustainable growth by maintaining its leading position in selected segments of the professional health care and to further expand this position via an active buy-and-build strategy and a healthy organic growth. The Group strives for the number 1 position in every market or market segment where it is active.

The four divisions of the group are based on a buy-and-build strategy that has been followed since 1998, supplemented by organic growth and starting green fields in new geographical markets.

The most important milestones in the history of the buy-and-build strategy of the Group are:

1998

- The incorporation of the current Corilus by merging with Competel Pharma Systems, Competel Software Development, ICS, Farmix, Cogestic and A2I, and the signing of cooperation agreements with IMS Health and Belgacom.
- Important consolidation of the market of the pharmaceutical compounding in Belgium, including the mergers of Interphar, Erco 2000, ACA Pharma, Discap and De Coninck.

1999

- The incorporation of the current Arseus Dental by merging with ABC Dental Group, Servidental, OHC, JJ Maes-Syigma, Dental Group 2000 and the Lamoral Groep.

2000

- Access to the Dutch market for pharmaceutical compounding due to the merger with Fagron, supplemented by acquiring the Dutch companies Spruyt-Hillen and Bufa who are both also active in the sector of pharmaceutical compounding.

2002

- The incorporation of the current Arseus Medical by various acquisitions in Belgium and the Netherlands, including Van Hopplynus Ophtalm, HCC, Distribal, Nova Medica, Medical Quick Supplies and Schinkel Medical.
- The acquisitions of various Belgian ICT companies in the health care, dental companies including Alphadent in Belgium and Oudheusden Dental in the Netherlands, and enterprises for pharmaceutical compounding that include Synopharm in Germany and Roig Farma in Spain.

2003

- Access to the German dental market by acquiring Multident GmbH.

2006

- Acquisition of Liengme, which meant that Arseus Dental could expand the production of dental precision components in Switzerland.
- Access to the French dental market by acquiring Eurotec Dental and Besserat.

2007

- Access to the Italian market for pharmaceutical compounding by acquiring Polichimica.

2008

- Improving the position in the market for digital imaging equipment and software for dental practices by acquiring the French Julie-Owandy.
- Access to the Danish market for pharmaceutical compounding by acquiring Unikem.
- Access to the Czech market for pharmaceutical compounding by acquiring Tamda.

2009

- Improving the position of Arseus Medical on the Belgian market for abdominal, gynaecological and urological open- and minimum invasive surgery by acquiring Duo-Med.

2010

- Access to the American market for pharmaceutical compounding by acquiring Gallipot. This is the Group's first take-over outside Europe.
- Access to the Brazilian market for pharmaceutical compounding by acquiring DEG.
- Improving Arseus Medical's position on the Belgian market for surgical instruments, services for endoscopies and sterilization handling solutions by taking over Devroe Instruments.

2011

- Improving the position of Corilus as supplier of ICT solutions for Belgian residential centers by acquiring CMS.
- Acquisition of the Dutch Pharma Assist, a compounding pharmacy that specializes in preparing tailor-made aseptic and high risk medicined products for individual patients.
- Improving Fagron's position on the Brazilian market for compounding by acquiring Pharma Nostra.
- Improving Fagron's position on the Polish market for pharmaceutical compounding by acquiring Pharma Cosmetic.

Due to the active buy-and-build strategy and the healthy organic growth, the Group is currently active in 24 countries in Europe, North- and South America. In 2011, the Group and its 2,229 employees achieved a turnover of 492.3 million euros.

Issued capital

A4 - 14.1

The authorized capital of the Issuer amounts to 320,023,050.35 Euro, represented by 31,216,888 shares, with no nominal value with a fraction value of one thirty one million two hundred and sixteen thousand eight hundred eight and eightieth of the capital.

Only the shares that represent the authorized capital share the same rights.

In accordance with article 37 of the articles of association, every share has one vote. The Issuer did not issue any other share classes, such as shares without votes or preferential shares.

Authorized capital

With a decision of the Extraordinary General Meeting of 7 September 2007, the Board of Directors was authorized to increase the capital for one or more terms with a maximum amount of 319,810,475.00, and in a manner and subject to the conditions determined by the Board of Directors, within a term of five years from the publication date of the decision in the Appendices to the Belgian Official Gazette (22 October 2007). On 31 December 2011, the Board of Directors is still authorized to increase the capital with a maximum amount of 319,810,475.00 Euro.

With a decision of the Extraordinary General Meeting of 5 June 2012, the authorization of the Board of Directors was renewed to, within the limits of the existing authorization referred to in article 5 bis of the articles of association, increase the authorized capital in one of more times with a maximum amount of 320,023,050.35 euros within a term of five years, calculated from the date of the publication of such decision in the appendices of the Belgian Official Gazette. This authority to increase the capital may only be exercised when at least three quarters (3/4) of the present or duly represented directors agree to this.

Treasury shares

On 31 December, the Issuer owned 1,097,585 of its treasury shares. On 8 June 2012, the number of treasury shares amounted to 611,247. The decrease in the number of treasury shares was caused by the transfer of treasury shares as payment for the acquisition of the Brazilian Pharma Nostra in 2011 and the exercising of stock options in April / May 2012.

Summary of the Guarantors on the Issue Date

Belgium

Arseus Capital NV
Textielstraat 24, 8790 Waregem
471.941.919

ACA Pharma NV
Textielstraat 24, 8790 Waregem
416.616.681

Arseus België NV
Textielstraat 24, 8790 Waregem
434.900.191

Duo-Med NV
Berkenlaan 53, 1840 Londerzeel
451.495.309

Fagron NV
Textielstraat 20, 8790 Waregem
403.767.052

Nederland

Fagron B.V.
Domicile: Venkelbaan 101
City: 2908KE Capelle aan den IJssel
CoC-number 24259311
Establishment number: 000015912566

Spruyt-Hillen B.V.
Domicile: Tinbergenlaan 1
City: 3401MT IJsselstein
Website: www.spruyt-hillen.nl
CoC-number 30091194
Establishment number: 000016567293

Dutch Biofarmaceutics B.V.
Domicile: Steenovenweg 15
City: 5708HN Helmond
CoC-number 13028135
Establishment number: 000017261155

Germany

Fagron GmbH & Co. KG
von-Bronst-Straße 12, 22885 Barsbüttel
Amtsgericht Lübeck HRA 2157 RE

Brasil

Fagron do Brasil Farmacêutica Ltda
Rua Jurupari, 803 – Jardim Oriental, 04348-070 São Paulo
CEP 04348-070
NIRE 35201173467
CNPJ 44.015.477/0001-16

Pharma Nostra Comercial Ltda
Rua Aquidabã, 1.144 – Méier, Rio de Janeiro - RJ
CEP 20720-293
NIRE 33206399488
CNPJ 03.497.220/0001-60

Organisation structure

Arseus NV, the Issuer of the Bonds, is the parent company of the consolidated companies below that are responsible for the operational activities.

List of consolidated companies on 31 December 2011

Abacus BVBA
Land van Rodelaan 7, 9820 Schelderode (Belgium)
100%

ABC Dental and Pharmaceutical Consultancy NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

ACA Pharma NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

AD Dentaire SAS
Rue faubourg de béthune 90, 59001 Lille (France)
100%

Alpa Sprl
Avenue de Coteaux 82, 4030 Liège (Belgium)
100%

Alphadent NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

APPEG SA
Rue de la Sambre 6, 6032 Charleroi (Belgium)
100%

Arseus Belgium NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

Arseus BV
Kralingseweg 207-211, 3062 CE Rotterdam (The Netherlands)
100%

Arseus Capital NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

Arseus Dental BV
Kralingseweg 207-211, 3062 CE Rotterdam (The Netherlands)
100%

Arseus Dental Nederland BV
Cartografenweg 18, 5141 MT Waalwijk (The Netherlands)
100%

Arseus Dental Solutions Est SARL
Boulevard Ornano Zac Axe Pleyel 30, 93200 St-Denis (France)
100%

Arseus Dental Solutions IDF SAS
Boulevard Ornano Zac Axe Pleyel 30, 93200 St-Denis (France)
100%

Arseus Dental Solutions Nord SA
Rue faubourg de béthune 90, 59000 Lille (France)
100%

Arseus Dental Solutions NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

Arseus Dental Solutions Ouest SAS
Boulevard Ornano Zac Axe Pleyel 30, 93200 St-Denis (France)
100%

Arseus Dental Solutions Rhône-Alpes SARL
Boulevard Edmond Michelet 13, 69008 Lyon (France)
100%

Arseus Dental Solutions SAS
Boulevard Ornano Zac Axe Pleyel 30, 93200 St-Denis (France)
100%

Arseus Devroe bvba
Dragonderdreef 5, 8570 Vichte (Belgium)
100%

Arseus Hospital NV
Rijksweg 10, 2880 Bornem (Belgium)
100%

Arseus Lab BV
Leeuweriklaan 2, 3704 GR Zeist (The Netherlands)
100%

Arseus Lab NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

Arseus Lab SAS
27 rue des Frères Lumière, 68000 Colmar (France)
100%

Arseus Medical BV
Gelderlandhaven 4, 3433 PG Nieuwegein (The Netherlands)
100%

Arseus Medical NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

Arseus NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

Arseus Tec NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

Arseus Tec SAS
Boulevard Ornano Zac Axe Pleyel 30, 93200 St-Denis (France)
100%

Bruco Hospital Services NV
Dragonderdreef 5, 8570 Vichte (Belgium)
100%

CMIS BVBA
Mastboomstraat 4, 2640 Aartselaar (Belgium)
100%

CMS France Sarl
Boulevard Malesherbes 19, 75008 Paris (France)
100%

CMS NV
Mastboomstraat 4, 2640 Aartselaar (Belgium)
100%

Corilus BV
Randhoeve 221, 3995 GA Houten (The Netherlands)
100%

Corilus Info Santé SA
Rue Gabriel Peri 30, 92700 Colombes (France)
100%

Corilus SA
Rue Camille Hubert 23, 5032 Gembloux (Belgium)
100%

Dorge Medic SA
Chausse de Nivelles 351, 5020 Temploux (Belgium)
100%

DSD BV
Markerkant 1303I, 1314 AL Almere (The Netherlands)
100%

Duo-Med NV
Berkenlaan 53, Londerzeel (Belgium)
100%

Dutch Biofarmaceutics B.V.
Steenovenweg 15, 5708 HN Helmond (The Netherlands)
100%

Eurotec Dental GmbH
Forumstrasse 12, 4468 Neuss (Germany)
100%

Eurotec Dental SAS
Boulevard Ornano 30/34, 93200 Saint-Denis (France)
100%

Fagron a.s.
Holicka 1098/31M, 772 00 Olomouc (Czech)
73.1%

Fagron Brasil Empreendimentos E Participações Ltda
Rua Jurupari, 803 – Jardim Oriental, 04348-070 São Paulo (Brasil)
100%

Fagron Brazil Holding BV
Kralingseweg 207-211, 3062 CE Rotterdam (The Netherlands)
100%

Fagron BV
Venkelbaan 101, 2908 KE Capelle aan den IJssel (The Netherlands)
100%

Fagron do Brasil Farmacêutica Ltda
Rua Jurupari, 803 – Jardim Oriental, 04348-070 São Paulo (Brasil)
100%

Fagron GmbH & Co KG
von-Bronsart-Straße 12, 22885 Barsbüttel (Germany)
100%

Fagron Group BV
Kralingseweg 207-211, 3062 CE Rotterdam (The Netherlands)
100%

Fagron Holding USA LLC
Orange street 1209, New Castle County (United States)
100%

Fagron Iberica SAU
Carrer de Josep Tapiolas 15, 8226 Terrassa (Spain)
100%

Fagron Inc.
2400 Pilot Knobroad, 55120 St. Paul (United States)
100%

Fagron Italia Srl
Via Del Fonditore 4/4, 40138 Bologna (Italy)
100%

Fagron Nordic A/S
Kigkurren 8M 2. Sal, 2300 Kopenhagen (Denmark)
100%

Fagron NV
Textielstraat 24, 8790 Waregem (Belgium)
100%

Fagron Poland SP. Z.o.o.
Albatrosów 1, Krakau (Poland)
100%

Fagron SAS
Boulevard Ornano Zac Axe Pleyel 30, 93200 St-Denis (France)
100%

Fagron Services BV
Molenwerf 13, 1911 DB Uitgeest (The Netherlands)
100%

Fagron Services BVBA
Industrieweg 2, 2850 Boom (Belgium)
100%

Fagron Sarl
Intendente Neyer 924, Beccar, Partido de San Isidro. Provincia de Bs.As (Argentine)
100%

Fagron UK Ltd
Pink Ribbon Lane 1 First Floor, NE1 DW Newcastle upon Tyne (United Kingdom)
100%

Faynel Jost SARL
Boulevard Edmond Michelet 13, 69008 Lyon (France)
100%

GJD NV
Ieperstraat 30, 8930 Menen (Belgium)
100%

GSM Dentaire Sarl
Rue du Point du Jour 77, 92100 Boulougne Bilancourt (France)
100%

Hader SA
Rue Jardinière 153, 2300 La Chaux-de-Fonds (Switzerland)
100%

Imagelevel NV
Nieuwkerkenstraat 29, 9100 Nieuwkerken-Waas (Belgium)
100%

JPG Pharma NV
Ondernemersstraat 4, 2500 Lier (Belgium)
100%

Liengme SA
Boulevard de Eplatures 39, 2300 La Chaux-de-Fonds (Switzerland)
100%

Médical Universal SAS
Boulevard Ornano Zac Axe Pleyel 30, 93200 St-Denis (France)
100%

Multident GmbH
Pelikanplatz 25, 30177 Hannover (Germany)
100%

Nolte GmbH
Schürfweg 29, 49477 Ibbenbüren (Germany)
100%

Novux Lab BV
Leeuweriklaan 3, 3705 GR Zeist (The Netherlands)
100%

Owandy Benelux Sprl
Chaussée Bara 68, 1420 Braine L'Alleud (Belgium)
100%

Owandy Iberia SLU
Centro bbc Barajas c/jerez de los cabaleros 2, 28042 Madrid (Spain)
100%

Owandy Inc
192 Lexington Avenue Suite 1101, 10016 NY New York (United States)
100%

Owandy Radiologie Italia Srl
Via del Guado 57, 20033 MI Desio (Italy)
100%

Owandy SAS
Le Coruscant 2, Rue des Vieilles Vignes, 77183 Croissy Beaubourg (France)
100%

Pharma Assist BV
Dieselstraat, 7903 AR Hoogeveen (The Netherlands)
100%

Pharma Nostra Comercial Ltda
Rua Aquidaba, 1144, 20720-293 Rio de Janeiro (Brasil)
100%

Pharmaflore SA
Rue Botrieux 7, 7864 Lessines (Deux-Acren) (Belgium)
100%

Rocam SA
Rue Jardinière 153, 2300 La Chaux-de-Fonds (Switzerland)
100%

Sosoeme NV
Samelstraat 33, 9170 Sint Gillis Waas (Belgium)
100%

Spruyt-Hillen BV
Tinbergenlaan 1, 3401 MT IJsselstein (The Netherlands)
100%

Steunpunt Apotheek Mierlo-Hout BV
Steenovenweg 15, 5701 AJ Helmond (The Netherlands)
100%

Timm Health Care BV
Lorentzlaan 4, 3401 MX IJsselstein
100%

Twipe BV
Kralingseweg 207-211, 3062 CE Rotterdam (The Netherlands)
100%

Unit Dose Pack BV
Eijkenakker 12, 5571 SL Bergeijk (The Netherlands)
51%

Van Beek Medical BV
Zeilmakersstraat 31, 8601 WT Sneek (The Netherlands)
100%

Van Hopplynus Ophtalm SA
Rijksweg 10, 2880 Bornem (Belgium)
100%

Zenith Pharmaceuticals Cyprus Ltd
Doma Building Arch Makarios III Avenue 227, 3105 Limassol (Cyprus)
100%

Core activities¹

The Group supplies products, services and total solutions with substantial added value to professionals and healthcare institutions in Europe, the United States, Brazil and Argentina. The activities of the Group are subdivided into four divisions, being Fagron, Arseus Dental, Arseus Medical and Corilus.

The table below gives a summary of the four divisions and their contribution to the turnover and the recurrent EBITDA of the Group.

¹Below you will find the indications determined by the Group with regard to market positions. This concern estimates by the management of the Group, which were made based on publicly available information, without there being any certainty about the accuracy of the estimate.

	Turnover	% of the total	REBITDA	% of the total	FTE	% of the total (excl. Corporate)
Fagron	242,938	49.3%	49,503	67.9%	1,115	51.1%
Arseus Dental	163,224	33.2%	7,287	10.0%	646	29.6%
Arseus Medical	51,850	10.5%	6,065	8.3%	167	7.7%
Corilus	34,318	7.0%	10,074	13.8%	254	11.6%
Arseus	492,330	100%	72,928	100%	2,229*	100%

* including 47 FTE for Arseus Corporate.

A. Fagron

Fagron is the only multinational one-stop-shop for pharmaceutical compounding (one in the pharmacy on prescription of a doctor prepared tailor-made medicine). Ger van Jeveren, the current CEO of Fagron and Arseus founded Fagron in 1990. In only 20 years, Fagron has become the global market leader with a unique business model. Market leadership offers great competitive advantages such as the central purchasing of raw materials, the optimal deployment of production facilities and the possibility of rolling out successful products internationally.

An unique business model

In only 20 years, Fagron has evolved from a local player to the only multinational one-stop-shop and worldwide market leader for compounding with a unique business model that is continuously in development due to the innovation power of Fagron. The business model is composed of the following segments: pharmaceutical raw materials, equipment, instruments and accessories, concepts, Fagron Compounding Services and the Fagron Academy.

Pharmaceutical raw materials

In all countries where Fagron is active, high-quality pharmaceutical raw materials are offered to (hospital) pharmacies and to the pharmaceutical, cosmetic, veterinary and nutraceutical industry.

The product offering of Fagron includes more than 2,000 pharmaceutical raw materials that are purchased in bulk at selected and qualified manufacturers that comply with strict quality standards. All purchased raw materials undergo an entry and quality control according to the most recent pharmacopoeias. In the clean rooms of Fagron the pharmaceutical raw materials are conditioned in approximately 6,500 different packaging forms that are sold under the Fagron brand name to (hospital) pharmacies and to industrial clients.

Examples of pharmaceutical raw materials that are offered by Fagron include amino acids, antibiotics, corticosteroids, additives, food additives, hormones, minerals, oils and fats, alcohol, opiates, vitamins and herbs.

Devices, instruments and accessories

The product offering of Fagron contains all devices, instruments and accessories that pharmacists use when preparing medicines at the pharmacy. Examples are scales, jacks, ointment mills, packaging equipment and packaging materials (flasks, bottles, blister strips, packing boxes, etc.). The strategy of Fagron aims to increasingly introduce these products on the market under the Fagron brand name. In 2011, Fagron Imprinta and the Fagron CapsiCards System were introduced.

Concepts

The 100 Fagron's pharmacists develop, usually in cooperation with universities, prescribers and pharmacists, formulations for pharmaceutical compounding. Fagron also produces semi-finished goods for compounding such as purified water, basic solutions, powder mixtures, cream and ointment bases and vehicles. In addition, Fagron develops innovative concepts and solutions that fit the specific and individual wishes of (hospital) pharmacies for the preparation of pharmaceutical compounding.

Fagron has a unique assortment of more than 70 different creams and ointments bases. Each product from the range defines specific properties and provides an added value. At the request of dermatologists and pharmacists, Fagron Nederland develops a total solution for tailor-made skin advice, the Fagron Derma Concept. The Fagron Derma Concept was first introduced in the Netherlands. In 2010, the Fagron Derma Concept was successfully introduced in France, Belgium and Germany. In 2012, it is the intention to introduce the Fagron Derma Concept in other European countries, and possibly beyond.

Fagron Compounding Services

From a cost consideration perspective and due to increasing regulation, it is no longer feasible that each pharmacist prepares its own medicine in its own pharmacy. For some years, in the Netherlands, Fagron has been running a wide variety of pharmaceutical compounded medicines that are supplied to (hospital) pharmacies. In 2011, Fagron Compounding Services was also introduced in a number of other European countries. Fagron will continue to introduce Fagron Compounding Services, as its strategy, in other countries during 2012.

Fagron Academy

In 2011, Fagron founded the Fagron Academy. The Fagron Academy aims to inform prescribers and pharmacists about the usefulness and importance of pharmaceutical compounding for their patients. In addition, training is offered to pharmacists, which allow them to further master compounding of tailor-made medication.

2011 Developments

2011 was in all respects an excellent year for Fagron. Turnover increased by 35.5% (37.4% at constant exchange rates) to 242.9 million euros, while the REBITDA

increased by 37.5%, to 49.5 million euros. The organic turnover growth amounted to 6.3% (7.8% at constant exchange rates). The continuous strong results are a confirmation of the success of the Fagron strategy, which aims to revitalize pharmaceutical compounding worldwide. As part of the strategy, Fagron continually introduces new products and concepts on the market to meet the worldwide growing need for tailor-made medication.

As was the case in 2010, important steps were also taken in 2011 in the strategy to further grow the global market leadership of Fagron in the fast-growing niche market of pharmaceutical compounding. After the acquisition of the Brazilian Pharma Nostra, the purchase of a specialized Dutch compounding pharmacy, the start-up of a greenfield in Argentina, entering into a partnership in Serbia and the acquisition of the Polish Pharma Cosmetic (consolidation as per 1 January 2012), Fagron is now active in 24 countries in Europe, North America and South America. Due to the excellent track record and the quality of the organisation and its employees, Fagron is able to quickly and smoothly integrate acquisitions. Hereby, the existing synergy and economies of scale will be focused on expressly.

In 2012, Fagron will further strengthen its worldwide market leadership through an active buy-and-build strategy, start-up of greenfields and a robust organic growth. The emphasis is placed on acquisitions in the continents where Fagron is already active.

B. Arseus Dental

Arseus Dental strives to offer innovative, integrated solutions, technologies and services for dental practices and dental laboratories in Europe. Arseus Dental aims to be the preferred partner to develop innovative solutions by itself and offer these to all professionals in the dental market. These solutions aim to increase efficiency, improve the quality, whilst at the same time reducing the complexity and cost. Along with Arseus Dental, dentists and dentistry laboratories are able to increase their professionalism and pay more attention to their patients.

With strong own brands, exclusive distribution agreements and new services, Arseus Dental distinguishes itself from the competition. In recent years, Arseus Dental is firmly anchored on the Belgian, Dutch, French, German and Swiss dental market. The supply of premium brands, own brands and private labels is downright impressive.

In 2011, Arseus Dental turnover increased by 1.1%, to 163.2 million euros. The organic turnover growth was -1.4%. The REBITDA-margin decreased by 1.7 percentage points compared with 2010.

Activities

To increase the impact, improve efficiency and to strengthen customer orientation, Arseus Dental has been divided in three focused activities: Arseus Dental Solutions, Arseus Dental Lab and Arseus Dental Technologies.

Arseus Dental Solutions

Arseus Dental Solutions delivers integrated total solutions, innovative products and services for workflow and practice management, digital imaging equipment and hygiene management, to dental practices.

Arseus Dental Solutions experienced a difficult year. In order to bring the business back to a performing growth path, in the course of 2011 better operational structures were implemented, product offerings were optimized and management changes were implemented in Belgium, Germany and France. In addition, a number of routes were started to further enhance service, quality and customer orientation. These initiatives have resulted in a nice revenue growth in the fourth quarter of 2011. This trend is expected to continue in 2012.

Arseus Dental Lab

Arseus Dental Lab delivers innovative solutions for dentistry laboratories. Arseus Dental Lab positions itself as a leading player in the market for dentistry laboratories and dental prosthetic in Belgium, France and the Netherlands. The service offering of Arseus Dental Lab is very extensive and complete and contains teeth, supplies, material, furniture and CAD/CAM solutions. Arseus Dental Lab can therefore be regarded as a total supplier within this sector.

Arseus Dental Lab experienced a healthy internal growth in 2011. This growth comes mainly from innovative domains, such as CAD/CAM and milling units. In early 2011, the product offerings of Ceka-Preciline® attachments were further expanded at a global level and the own quality brand Selexion® was introduced in Europe. Selexion® contains a wide range of products that are used daily by dentistry laboratories. In 2011, Arseus Dental Lab introduced a distinctive CAD/CAM concept for dentistry laboratories under the name Novux®. Ceka-Preciline®, Selexion® and Novux® are proprietary brands of Arseus Dental Lab.

Arseus Dental Technologies

Arseus Dental Technologies is known for solutions for digital dental imaging and developing software for imaging and dental practice management.

The subsidiary Julie Owandy, established in France, develops, manufactures and assembles a complete proprietary range of extra-oral imaging equipment for dentists, such as panoramic 2D and 3D units as well as intra-oral digital sensors and cameras and all corresponding image visualization software. In addition, Julie Owandy, with approximately 35% of dentists in France, has a very important customer base in the software for practice management of dentists using the Julie software.

Hader, established in Switzerland, is active in the segment of orthopaedic instruments, hearing aids, MedTech-dentistry and other precision components for the dental and medical orthopaedic industry.

Arseus Dental Technologies has achieved a beautiful organic growth in 2011. The growth of Julie Owandy was driven by the introduction of the I-Max Touch 3D (digital 3-dimensional dental imaging equipment) and through the further strengthening of Julie's market leadership in France, with regards to the dentists' software. During 2012, Hader was successful in the development and market introduction of orthopaedic and dental concepts.

C. Arseus Medical

Arseus Medical offers solutions for the medical sector (doctors and hospitals) and health care sector (homecare nurses and nursing homes). Arseus Medical supports its clients in the development, improvement and efficiency of their practice in which the focus is on innovative products, services and concepts with substantial added value. In its medical activity, Arseus Medical focused on surgery (both minimally invasive and open surgery) and sterilization, diagnostics, monitoring, therapy and acute care, equipment for doctors-specialists and infrastructure for hospitals. In the care sector, Arseus Medical is active in medical and care resources for personal care, hygiene, diagnostics/monitoring/therapy and infrastructure, as well as in the provision in the mobility and the stoma and incontinence care.

Arseus Medical is the market leader in selected segments in Belgium and has a leading position in the Netherlands. Approximately 80% of the turnover is achieved in Belgium and approximately 20% in the Netherlands.

2011 Developments

In continuation of 2010, in 2011 Arseus Medical focus was also placed on simplifying the market approach, the strategic repositioning of the product offerings, building a solid pipeline of innovative products and solutions with high added value and the successful introduction of new medical solutions and concepts. Examples include Surgery to Sterilization concept, the AED-online concept and the introduction of an innovative gateway for single incision laparoscopic surgery (SILS) for a simplified and more flexible minimally invasive surgery.

The focus on improving the added value, in 2011, resulted in an increase of the REBITDA of Arseus Medical by 16.1%, to 6.1 million euros. The REBITDA-margin of Arseus Medical, for the period 2006-2011, despite the challenging market conditions, increased with 7.6 per cent, to 11.7%. This is a clear confirmation that the strategy of Arseus Medical works. The organic turnover growth of -4.9% in 2011 was for an important part caused by the further reduction of a number of non-strategic portfolios in the second semester of 2011.

D. Corilus

Corilus offers ICT total solutions for a wide range of medical and paramedical professions, such as pharmacists, dentists, doctors, ophthalmologists, specialists, nurses, residential centres, physiotherapists, opticians, and veterinarians. Based on advanced and innovative proprietary software, Corilus offers, in combination with an excellent service and hardware offer, an important added value to its customers, which leads to a high customer satisfaction. With an installed base of 17,000 customers, Corilus is the undisputed market leader in Belgium, market leader in the veterinary segment in the Netherlands and has a strong position in health centres and with ophthalmologists in French hospitals. In addition, Corilus also has 8,000 dentists as customer worldwide. It involves users of Mediadent, the software for digital image processing.

2011 Developments

Corilus' turnover increased in 2011 with 10.5%, to 34.3 million euros. The organic growth was 1.3%. The REBITDA-margin remained very high, unabated at 29.4%. The organic turnover growth was somewhat under pressure by a temporary shortage of technical staff, resulting in fewer installations being performed than previously

scheduled for 2011. The Belgian CMS, that delivers software to residential centres in Belgium, which was acquired at the start of 2011, was successfully integrated.

The strategy for 2012 is aimed to further strengthen the Corilus' leading market positions in Belgium through organic growth and acquisitions, and to introduce the innovative ICT solutions for medical specialists in other European countries.

Strategy of the Group

The Group aims to achieve sustainable growth by consolidating its leading position in selected segments of the professional healthcare industry and further expand via an active buy-and-build strategy.

The Group's strategy is based on the following five pillars:

Total solutions with substantial added value

The Group strives to provide its customers with integrated innovative total solutions so that they can fully focus on their most basic task: delivering the best possible care to their patients. This high-level service promotes customer satisfaction and customer retention and results in higher sales per customer, while the added value of the offered solutions increases efficiency.

Healthcare institutions are looking for answers on how to keep the provision of care manageable and accessible. On the other hand, they want to focus on their most basic task: the well-being of their patients. This can only be achieved by organizing care in different manner. Using innovative total solutions and technology, it has become possible to bring care at this level, where this has the greatest impact on the lives and health of individuals.

Operational excellence

Operational excellence is of great importance to the sustainable creation of value. For the Group, operational excellence means continuously optimizing all business processes. Hereby, innovation, standardisation and integration, process quality, customer service, information management, efficiency and a continual focus on its customers, plays an important role.

By combining activities in multiple market segments, sharing best practices, market data and customer insights, reinforced by specific cross-selling opportunities, the Group can serve its customers in an excellent manner and also encourage growth. The Group considers that operational excellence will form the basis in all business processes, to strengthen the competitiveness and improve profitability.

Buy-and-build strategy

Through an active buy-and-build strategy, supported by a strong organic growth, the Group wants to play a leading role in the consolidation in selected segments of the professional health care industry. The Group has the ambition to grow through this strategy to become the market leader in its selected segments and markets.

In recent years, the Group, after an extensive operational and financial due diligence, started acquiring companies. Financial discipline is essential in this scenario. The Group places a lot of attention to search for and perform such acquisitions, but also mainly to a rapid integration

after acquisition so that the acquired expertise is preserved and the possible synergy benefits can be achieved quickly.

In 2010, the Group took important steps to further grow the global market leadership of Fagron in the fast-growing niche market of pharmaceutical compounding. In 2011, as part of the buy-and-build strategy, the Brazilian Pharma Nostra, the Polish Pharma Cosmetic and the Dutch compounding pharmacy were purchased. In addition, a greenfield was started in Argentina and a partnership was entered into in Serbia. In 2011, Corilus reinforced its market position towards residential centres with the acquisition of the Belgian CMS company.

In 2012, Fagron will further strengthen its worldwide market leadership through an active buy-and-build strategy, start-up of greenfields and a robust organic growth. The emphasis will be placed on acquisitions in Europe, North and South America. For Arseus Dental, Arseus Medical and Corilus, add-on acquisitions are considered in existing markets once suitable opportunities arise.

Continuous strengthening of market positions

The Group's objective is to consolidate the existing activities and to expand further. In this regards, the Group strives for a number 1 position in each segment or market in which it operates. An active buy-and-build strategy should result in a further strengthening of the existing market positions of Arseus Dental, Arseus Medical and Corilus, and further geographic expansion of Fagron. Corilus will continue its strategy to introduce, the successfully applied software applications in Belgium, to other European countries.

The positioning of own brands

The Group constantly monitors developments in healthcare. Because of this, the Group is able to develop new products and concepts that meet the wishes and needs of the market. These products and concepts are increasingly being introduced on the market under its own brand.

Own brands offer many advantages with respect to distributions. This may be thought to create brand value, higher profit margins, freedom with regard to determining the packaging of a product, creating customer loyalty and the strengthening of the position of the Group. In 2011 the Group obtained approximately 70% of its turnover from own brands and from concepts and solutions developed in-house.

Competitive Advantages

The Group considers that it is well positioned in the different segments of the professional healthcare industry in which it operates and that it distinguishes itself through the numerous factors of competition.

Leadership position in several markets of the professional healthcare industry in multiple countries

The Group focuses exclusively on the professional health care industry. The Group holds a leading position in the segments of the compounding, dentistry, the medical market and ICT within the healthcare industry. The Group is currently active in 24 countries in Europe, North America and South America and seeks further (geographical) expansion, especially within the Fagron Division.

Most competitors of the Group are smaller or national players, with activities that are limited to a separate market segment. International and expansion-oriented activities of the Group provide numerous benefits, such as the sharing of best practices, market intelligence and customer insights within the various divisions and the various geographical markets. The presence in multiple geographic markets also strengthens the position of the Group as a choice partner for entering into exclusive and long-term agreements with leading manufacturers. Moreover, the Issuer controls the development of the target segments of the Group; of a historic market model focused on the simple distribution of products to the Arseus-model that is focused on offering integrated total solutions and self-developed products to the customers so that they can better use their time and attention to provide first-class care to their patients and clients. The management of the Group is of the opinion that the added value of these total solutions is becoming increasingly important.

Focus on high-quality products, services and concepts

The Group remains strongly focused on delivering high quality products and services, which are increasingly brought to the market as its own brand. The customers of the Group are highly trained professionals in the healthcare industry and the quality of products and services is essential for them.

Focus on innovation

The Group has developed great expertise and experience in building relationships with customers and in the development of important customer visions so that the Group can proactively respond to the need of its customers with innovative products and services. Innovation is actively stimulated by an incentive program where each division is rewarded if at least 10% of the annual turnover consists of new products, services or concepts. This focus on innovation contributes to the efforts of the Group to deliver integrated total solutions to the extensive spectrum of users in the professional healthcare industry with which they can provide high-quality care to patients. This also helps the Group to maintain its market leadership because the relationship with the customer can be continuously strengthened.

Track record as consolidator

The Group has proven itself in terms of identifying, implementing and integrating strategic acquisitions to build, expand and consolidate its activities in the professional healthcare industry. This buy-and-build strategy does not only involve the consolidation of market segments and geographic areas in which the Group is already present, but also it makes the expansion into new segments of the professional health care industry and new geographic markets possible. The Group makes optimum use of the management teams of its divisions in order to locate and analyse potential acquisition candidates, so that management can select from an extensive database of well-researched possibilities on the advice of business-oriented managers who are committed to integration after acquisition.

Experienced and proven management

Executive management has an excellent business experience and knowledge of the various markets in which the Group and its divisions are active.

Growing operating margins and cash flow

Since its independence in 2007, the Group, despite the difficult economic circumstances, has been capable of both growing the business margins and the cash flow year after year, usually at a faster pace, such as the turnover growth.

Annual figures 2011

On 7 February 2012, the Issuer explained its 2011 annual figures in a press release. This press release can be consulted on the website of the Issuer (www.arseus.com).

2012 Developments

Consolidation of Polish Pharma Cosmetic

In December 2011, the Issuer signed an agreement for the acquisition of the Polish Pharma Cosmetic, a leading provider of pharmaceutical raw materials for compounding to pharmacies in Poland. As of January 2012, this company's figures will be included in the consolidated figures of the Group.

Disclosure of received notification

In accordance with the Belgian Law of 2 May 2007 on the disclosure of important participating interests in listed companies, on 16 March 2012 the Issuer reported that the number of shares held by the Issuer has fallen under the notification threshold of 3%. The number of treasury shares held by the Issuer has fallen from 1,097,585 shares to 760,345 shares on 16 March 2012. This decrease is caused by the transfer of € 4 million in treasury shares as payment for the acquisition of the Brazilian Pharma Nostra in 2011. On 13 March 2012, the Issuer has transferred 337,240 shares at a rate of € 11.8610 per share.

Publication of trading update for the first quarter of 2012

On 10 April 2012, the Issuer published the trading update for the first quarter of 2012. This press release can be consulted on the website of the Issuer (www.arseus.com).

In the first quarter of 2012, the consolidated turnover of the Issuer increased with 17.7% to 131.0 million euros. The organic growth amounted to 6.1%.

The Issuer's annual General Meeting approved all motions

The annual General Meeting of Shareholders, held on 14 May 2012, has approved all the motions that the Issuer's Board of Directors has submitted to them. The attendance quorum for the Extraordinary General Meeting was not achieved. This means that on Tuesday 5 June 2012 at 15.00 hours a second meeting was held at the registered office of the company (Textielstraat 24, 8790 Waregem).

The Issuer's Extraordinary Annual Meeting approved all motions

The Extraordinary General Meeting of Tuesday 5 June 2012 approved all the motions to vote submitted to them by the Board of Directors.

Legal disputes

On 31 December 2011, the Issuer was not involved in material disputes. The term 'material' should be interpreted as a financial risk of more than 750,000 euros.

As of the date of this Prospectus, the Issuer is involved in a number of claims, disputes and lawsuits, and this within the normal course of business activities. Management believes it is not probable that these claims, disputes and lawsuits, broadly taken, have a substantial adverse impact on the financial situation of the Issuer.

PART VII: MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors

From 1 January 2012, the Issuer's Board of Directors consists of nine members, three of which are independent of the reference shareholders and the management of the Issuer. These directors meet the criteria for independent directors as stipulated in article 526 of the Belgian Company Code.

Composition of the Board of Directors of the Issuer on December 31, 2011:

<ul style="list-style-type: none"> • Member of the Committee ■ Chairman of the Committee 	Duration of the mandate	Independent director	Nomination and Remuneration Committee	Audit Committee
Gerardus van Jeveren*	4 years			
Jan Peeters*	4 years			
Couckinvest NV (permanent representative Marc Coucke)	4 years			
Robert Peek (Chairman)	4 years	x	•	
Johannes Stols	4 years	x	•	•
Luc Vandewalle	4 years	x		•
Supplyco BV (permanent representative Cedric Van Cauwenberghe)	4 years			■
WPEF IV Holding Coöperatief W.A. (permanent representative Frank Vlayen)	4 years		■	
EnHold NV (permanent representative De Wilde J. Management BVBA, represented by Julien De Wilde)	4 years			

* Executive Director

The powers of the Board of Directors are described in Book VIII, Title IV, Chapter I, Section I, Subsection II of the Belgian Company Code, article 20 of the articles of association of the Issuer and the terms of reference of the Board of Directors. The terms of reference of procedure are an annex of the Corporate Governance Charter and can be consulted on the corporate website (www.arseus.com) under the Corporate Governance chapter.

Specialist Committees within the Board of Directors

These Committees have an advisory function. They assist the Board of Directors with specific matters which they follow up thoroughly and for which they formulate recommendations to the Board of Directors. The final decision-making rests with the Board of Directors. The composition, powers and functioning of the Committees are described in their respective terms of reference, which are available on the corporate website (www.arseus.com) under the Corporate Governance chapter. The Committees report to the Board of Directors after each meeting.

Audit Committee

The composition of the Audit Committee meets all the requirements that are listed in the Belgian Corporate Governance Code of 2009.

The committee consists, as per 31 December 2011, of the following directors who all have adequate accounting and auditing technical experience:

- Supplyco BV (permanent representative Cedric Van Cauwenberghe)
- Luc Vandewalle
- Johannes Stols

The executive directors may attend the meetings of the Audit Committee, by invitation.

The specific responsibilities of the Audit Committee are set out in the terms of reference of the Audit Committee. The terms of reference of procedure are an annex of the Corporate Governance Charter and can be consulted on the corporate website (www.arseus.com) under the Corporate Governance chapter.

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee meets all the requirements that are listed in the Belgian Corporate Governance Code of 2009.

The Committee consists, as per 31 December 2011, of the following directors, a majority of whose members are independent directors, who all have the necessary expertise and professional experience in the field of human resources and remuneration policy:

- WPEF IV Holding Coöperatief W.A. (permanent representative Frank Vlayen)
- Robert Peek
- Johannes Stols

The executive directors may attend the meetings of the Nomination and Remuneration Committee, by invitation.

The specific responsibilities of the Nomination and Remuneration committee are set out in the terms of reference of the Nomination and Remuneration committee. The terms of reference of procedure are an annex of the Corporate Governance Charter and can be consulted on the corporate website (www.arseus.com) under the Corporate Governance chapter.

Management Committee

The composition of the Management Committee meets all the requirements that are listed in the Belgian Corporate Governance Code of 2009. The company has set up a Management Committee within the meaning of the Law of 2 August 2002 on Corporate Governance. The members of the Board of Directors are appointed by the Board of Directors, on the basis of recommendations of the Nomination and Remuneration Committee.

Composition of the Management Committee of the Issuer, as per 31 December 2011, is as follows:

Name and function	Duration of the mandate
Gerardus van Jeveren — Chairman and CEO Fagron	4 years
Jan Peeters — CFO	4 years
Frank Verbakel — Group Financial Controller	4 years
Mario Huyghe – CEO of Arseus Medical and Arseus Dental	4 years
Dirk Van Lerberghe – CEO Corilus	4 years

The specific responsibilities of the Executive Committee are set out in the terms of reference of procedure of the Management Committee. The terms of reference of procedure are an annex of the Corporate Governance Charter and can be consulted on the corporate website (www.arseus.com) under the Corporate Governance chapter.

Corporate governance

The Issuer holds the board to a high standard and therefore puts effort into organising as efficiently as possible the power and interests relations within the Issuer and more specifically the structures and channels within which the exercise of leadership, control thereof and protection of stakeholders (the "stakeholders") are to be exercised, and to the extent possible in accordance with the Belgian Corporate Governance Code, which was published on 12 March 2009.

In implementation of the Belgian Code on Corporate Governance, on 14 May 2012, the Board of Directors approved a revised version of the Issuer's Corporate Governance Charter.

The Issuer uses the "comply or explain principle". The Issuer believes that for the fiscal year 2011 it complies with all principles and provisions contained in the Belgian Corporate Governance Code of 2009 and the provisions of the Belgian Company Code, with one deviation: No independent internal audit function was founded. The Audit Committee has ruled that for 2011, there was no need for the creation of an independent internal audit function.

Commissioner

The auditor of the Issuer is CVBA PricewaterhouseCoopers Bedrijfsrevisoren, a company incorporated under Belgian law with registered office at the Woluwedal 18, 1932 Sint-Stevens-Woluwe, and administrative seat in 9000 Gent, Wilsonplein 5G, represented by Peter Opsomer BVBA, represented by the civil company with seat at Rattepoelstraat 7, 9680 Maarkedal, in turn, represented by its permanent representative, Mr. Peter Opsomer. CVBA PricewaterhouseCoopers Bedrijfsrevisoren, with effect from 2010, was selected as auditor of the Issuer for a period of three fiscal years, ending on the annual general meeting to be held in 2013.

Policy in respect of conflicts of interest

In accordance with article 523 of the Belgian Company Code, a member of the Board of Directors must inform the other members in advance of all agenda items which he or she has a direct or indirect conflict of interest of a financial nature with the Issuer and he or she must refrain from participating in discussions or voting on these points.

The Corporate Governance Charter of the Issuer also contains directives with regard to possible direct or indirect conflicts of interest with parties related to the members of the Board of Directors and with the members of the Executive Management and its related parties, which fall outside of the scope of article 523 of the Belgian Company Code.

In 2011, the procedure laid down in article 523 of the Belgian Company Code was not applied, not even in the approval by the Board of Directors on 27 October 2011 of the 2011 Stock option plan due to the fact that, at the time of approval of this plan, the beneficiaries were not yet known.

Certain members of the Board of Directors of the Issuer can also be a member of the Board of Directors of certain Guarantors. Furthermore, certain members of the Board of Directors of the Issuer or of certain Guarantors, can be beneficiaries of stock option plans and can be directly or indirectly shareholders of the Issuer (or Guarantors). For the rest, the Issuer and the Guarantors have no knowledge of possible conflicts of interest between the commitments that each member of the Board of Directors and each member of the Management Committee has, in relation to the Issuer and/or Guarantors and the personal interests of that member or other functions that he or she carries.

PART VIII: REFERENCE SHAREHOLDERS

Shareholder Structure

The number of voting securities of the Issuer amounts to 31,216,888. On the basis of the Belgian Law of 2 May 2007 on the disclosure of major participating interests in listed companies, the Issuer received the following notifications of participation (situation as of 16 May 2012)

	Number of shares	% of effective voting rights
EnHold NV	8,166,908	26.16%
Alychlo NV / Coucke	3,528,080	11.30%
BNP Paribas Investment Partners SA	1,546,052	4.95%
Arseus NV (own shares)	611,247	1.96%
Public	17,364,601	55.63%
Total (denominator)	31,216,888	100.00%

Article 11 of the statutes of the Issuer specifies that participating interests must be reported as soon as they exceed a threshold of 3%, 5% and multiples of 5%.

The Issuer has no knowledge of schemes in which the entry into force at a later date may result in a change of control of the entity.

**PART IX: CONSOLIDATED FINANCIAL INFORMATION RELATING TO THE
ASSETS AND LIABILITIES OF THE GROUP, ITS FINANCIAL POSITION, AND
PROFITS AND LOSSES**

The consolidated balance sheet, profit and loss account and cash flow statement as of 31 December 2011 and 2010 of the Issuer is as follows. For more information, please consult annual reports of 2011 and 2010.

Consolidated balance sheet

(x 1,000 euro)	2011 audited	2010 audited
Non current assets	446,376	355,810
Intangible assets	367,069	284,498
Property, plant and equipment	57,150	48,862
Financial assets	819	818
Deferred tax assets	20,368	20,785
Other non current assets	969	846
Current assets	233,856	217,782
Inventories	76,643	66,059
Trade receivables	75,956	86,303
Other current assets	11,407	14,234
Cash and cash equivalents	69,850	51,186
Total assets	680,232	573,592
Equity	220,452	208,122
Shareholder's equity (parent)	225,676	216,654
Treasury shares	(9,004)	(10,816)
Non-controlling interest	3,780	2,284
Non-current liabilities	12,735	225,747
Provisions	1,051	975
Pension obligations	3,884	3,276
Deferred tax liabilities	1,932	4,363
Borrowings	4,350	214,960
Financial instruments	1,517	2,172
Current liabilities	447,045	139,723
Borrowings	254,057	2,315
Financial instruments	1,935	2,758
Trade payables	94,194	80,845
Taxes, remuneration and social security	37,338	27,000
Other current payables	59,521	26,806
Total equity and liabilities	680,232	573,592

Consolidated profit and loss account

	2011	2010
(x 1,000 euro)	audited	audited
Operating income	493,582	425,262
Turnover	492,330	424,056
Operating income	1,252	1,206
Operating expenses	(447,325)	(389,246)
Trade goods	(250,269)	(222,210)
Services and other goods	(75,865)	(63,208)
Employee benefit expenses	(101,163)	(89,606)
Depreciation and amortisation	(14,531)	(12,672)
Other operating expenses	(5,498)	(1,549)
Operating profit	46,257	36,017
Financial income	1,269	477
Financial expenses	(10,448)	(6,437)
Profit before income tax	37,078	30,056
Income tax expenses	(8,938)	(7,578)
Profit after income tax	28,140	22,479
Attributable to:		
Equity holders of the company (net profit)	28,147	22,357
Non-controlling interest	(7)	122
Profit for the period	28,140	22,479
Profit for the period per share (in euros)	0.94	0.75
Diluted profit per share (in euros)	0.92	0.75
Recurring net profit per share (in euros)	1.05	0.98
Diluted recurring net profit per share (in euros)	1.03	0.97

Consolidated cash flow statement

	2011	2010
(x 1,000 euro)	audited	audited
Operating activities		
Profit before income taxes	37,078	30,056
Taxes paid	(8,281)	(7,803)
Adjustment for financial items	9,179	5,960
Total adjustments for non-cash items	14,985	11,642
Total changes in working capital	19,185	2,269
Total cash flow from operating activities	72,147	42,126
Investment activities		
Capital expenditure	(17,330)	(19,159)
Investments in existing shareholdings (subsequent payments) and in new holdings	(45,023)	(53,486)
Total cash flow from investing activities	(62,353)	(72,645)
Financing activities		
Capital Increase	224	

Purchase of treasury shares		(3,152)
Dividends paid	(13,176)	(10,812)
New borrowings	62,241	69,443
Reimbursement of borrowings	(28,407)	(1,979)
Interest received (paid)	(10,416)	(6,385)
Total cash flow from financing activities	10,467	47,116
Total net cash flows for the period	20,260	16,596
Cash and cash equivalents - start of the period	51,186	34,284
Gains or (losses) on exchange on liquid assets	(1,596)	306
Cash and cash equivalents - end of the period	69,850	51,186
Changes in cash and cash equivalents	20,260	16,596

Semi-annual financial information

The consolidated balance sheet as of 30 June and 31 December 2010 and the consolidated profit and loss account and cash flow statement of the Issuer as of 30 June 2011 and 30 June 2010, are set out below. For more information, please consult the semi-annual reports of 2010 and 2011 on the website of the Issuer (www.arseus.com). This semi-annual financial information is unaudited, but the commissioner has carried out a review of this semi-annual financial information (according to ISRE 2410).

Consolidated balance sheet

(x 1,000 euro)	June 2011	December 2010
Non current assets	385,436	355,810
Intangible assets	310,983	284,498
Property, plant and equipment	51,667	48,862
Financial assets	819	818
Deferred tax assets	21,128	20,785
Other non current assets	839	846
Current assets	210,579	217,782
Inventories	70,753	66,059
Trade Receivables	84,280	86,303
Other current assets	16,424	14,234
Cash and cash equivalents	39,122	51,186
Total assets	596,015	573,592
Equity	210,959	208,122
Shareholder's equity (parent)	217,605	216,654
Treasury shares	(9,073)	(10,816)
Non-controlling interest	2,427	2,284
Non-current liabilities	240,825	225,747
Provisions	848	975
Pension obligations	3,421	3,276
Deferred tax liabilities	4,445	4,363
Borrowings	230,696	214,960
Financial instruments	1,415	2,172
Current liabilities	144,230	139,723
Borrowings	1,003	2,315

Financial instruments	1,822	2,758
Trade payables	78,174	80,845
Taxes, remuneration and social security	23,581	27,000
Other current payables	39,651	26,806
Total equity and liabilities	596,015	573,592

Consolidated profit and loss account

(x 1,000 euro)	June 2011	June 2010
Operating income	233,353	205,390
Turnover	232,734	204,678
Operating income	619	712
Operating expenses	(213,154)	(188,843)
Trade goods	(118,909)	(106,741)
Services and other goods	(34,591)	(31,209)
Employee benefit expenses	(49,603)	(44,791)
Depreciation and amortisation	(7,414)	(5,831)
Other operating expenses	(2,637)	(271)
Operating profit	20,199	16,548
Financial income	280	136
Financial expenses	(2,966)	(4,117)
Profit before income tax	17,513	12,567
Income tax expenses	(3,472)	(2,011)
Profit after income tax	14,041	10,555
Attributable to:		
Equity holders of the company (net profit)	13,962	10,481
Non-controlling interest	79	74
Profit for the period	14,041	10,555
Profit for the period per share (in euros)	0.46	0.35
Diluted profit per share (in euros)	0.46	0.35
Recurring net profit per share (in euros)	0.48	0.47
Diluted recurring net profit per share (in euros)	0.47	0.47

Consolidated cash flow statement

(x 1,000 euro)	June 2011	June 2010
Operating activities		
Profit before income taxes	17,513	12,567
Taxes paid	(2,932)	(3,287)
Adjustment for financial items	2,686	3,981
Total adjustments for non-cash items	7,291	5,014
Total changes in working capital	(4,987)	(1,270)
Total cash flow from operating activities	19,572	17,005
Investment activities		
Capital expenditure	(7,790)	(7,438)
Investments in existing shareholdings (subsequent payments) and in new holdings	(19,908)	(19,384)
Total cash flow from investing activities	(27,699)	(26,822)

Financing activities		
Capital Increase	224	-
Purchase of treasury shares	-	(3,152)
Dividends paid	(13,176)	(10,801)
New borrowings	16,838	22,225
Reimbursement of borrowings	(3,359)	(1,375)
Interest received (paid)	(4,285)	(2,959)
Total cash flow from financing activities	(3,757)	3,939
Total net cash flows for the period	(11,884)	(5,878)
Cash and cash equivalents - beginning of the period	51,186	34,284
Gains or (losses) on exchange on liquid assets	(181)	173
Cash and cash equivalents - end of the period	39,122	28,578
Changes in cash and cash equivalents	(11,884)	(5,878)

Consolidated profit and loss statement of the Guarantors

Below, the consolidated profit and loss statement of the companies that is Guarantors as of the date of this Prospectus. These figures are unaudited.

(x 1,000 euro)	2011	2010
Operating Income	188,096	121,418
Sales	187,989	121,014
Other operating revenues	107	403
Business expenses	(145,852)	(91,339)
Cost of sales	(93,794)	(57,266)
Services and other goods	(19,942)	(11,958)
Employee benefit expenses	(25,776)	(17,117)
Depreciation and amortisation	(1,644)	(1,960)
Other operating expenses	(4,697)	(3,037)
Operating profit	42,244	30,079
Financial income	7,671	5,882
Financial expenses	(2,079)	(427)
Result before tax	47,836	35,534
Total income taxes	(11,100)	(6,933)
Net result	36,736	28,601

Consolidated balance sheet of the Guarantors

Below, the consolidated balance sheet of the companies that is Guarantors as of the date of this Prospectus. These figures are unaudited.

(x 1,000 euro)	December 2011
Total assets	189,314
Non current assets	79,968
Current assets	109,346
Total equity and liabilities	189,314
Equity	119,049
Non-current liabilities	3,072
Current liabilities	67,192

Important agreements

On 30 August 2007, the Issuer concluded a "*Multicurrency Revolving Facility Agreement*" (as amended on 7 December 2010), with a group of banks including each of the Managers (the Existing Credit Agreement), including a number of subsidiaries of the Group that were provided guarantees.

The Issuer currently negotiates the refinancing of the Existing Credit Agreement and in this context signed a mandate letter on 11 June 2012 with the Lead Managers, in which the main conditions for the new credit agreement (the "**New Credit Agreement**") were agreed. The New Credit Agreement will have a maturity of 5 years and a revolving credit of 300,000,000 EUR will be provided, divided into Tranche A and Tranche B of EUR 150,000,000 each (with a possibility of increase, provided agreement of the banks). The intention is that the New Credit Agreement is signed (and the Existing Credit Agreement is refinanced) before the Issue Date. The proceeds from the bond issuance described in this Prospectus therefore should be used by the Issuer to repay Tranche A early, amounting to a maximum amount of EUR 150,000,000.

The credit under the New Credit Agreement may be used by the Issuer and Arseus Capital NV for the refinancing of the Existing Credit Agreement, as well as for the financing of certain acquisitions and for general working capital needs and business objectives of the Group. For the rest, the New Credit Agreement contains usual provisions with regard to representations, warranties and default. The New Credit Agreement will also impose restrictions with respect to acquisitions, allowing securities and sale of assets, and will contain usual financial covenants. The Guarantors will also provide a guarantee to the lenders under the New Credit Agreement. The terms and conditions of the New Credit Agreement

may differ and/or be stricter than the terms and conditions of the bond issuance described in this Prospectus.

Material Changes

Except as set out in this Prospectus, no material change has occurred in the financial position or trading position of the Group and no material adverse change in the prospects of the Group since 31 December 2011.

PART X: USE OF PROCEEDS

The net proceeds of the Issue, which is expected to be approximately EUR 99,800,000, in case of an issue of Bonds for a nominal amount of EUR 100,000,000 and approximately 224,800,000 and in case of an issue of Bonds for a nominal amount of EUR 225,000,000, will be used for a repayment under the new revolving facility that will be entered into by the company, as well as for working capital needs, capital expenditure and general business purposes of the Group, including the further organic growth and growth through acquisitions. As of the date of this Prospectus, the Issuer may not predict with certainty all the specific uses of the proceeds of the public offering, nor the amounts it will actually spend or allocate to specific uses. The amounts and timing of the actual expenditure will depend on various factors. The board of directors of the Issuer will have a great deal of flexibility in the use of the net proceeds of the Public Offering and may change the distribution of these net proceeds on the basis of these and other conditions.

It is expected that the new revolving facility is concluded for a period of 5 years for an amount of EUR 300,000,000, whereby a tranche of EUR 150,000,000 of the new revolving facility will be prepaid with the proceeds of the Issue. The negotiations on the new revolving facility are at an advanced stage, but the final documentation is yet to be signed, and the provision of funds under the new revolving facility depends on a number of conditions precedent that are usual for this type of transactions. The new revolving facility and the Bonds will constitute the main source of external financing for the Group. The new revolving facility will be concluded for a period of 5 years. With respect to the debt ratio, the Group will commit itself legally to respect the covenants relating to the debt ratio as included in the new revolving facility, after the issue of the bonds and the new revolving facility. For further information in this regard, reference is made to page 132 above.

PART XI: TAX

General

The following summary contains a general description of certain Belgian and Luxembourg fiscal considerations concerning the Bonds and is included for informational purposes only. This summary does not aim to provide a complete analysis on all tax aspects related to the Bonds. This summary contains no description of the fiscal treatment of investors who are subject to special rules, such as banks, insurance companies or undertakings for collective investments.

Potential buyers should consult their own tax advisors regarding the consequences of the tax laws applicable in their state of citizenship, residence, habitual residence or domicile and of the tax laws of Belgium and Luxembourg concerning the acquisition, holding and transfer of the Bonds and the acquisition of interest payments, payments of principal and/or other amounts under the Bond.

This summary is based on the laws and regulations applicable in Belgium and Luxembourg as of the date of this Prospectus and is subject to legislative changes, which may have effect after this date (or even with retroactive effect). Investors should realize that, as a result of legislative changes or changes in the administration of the law, tax consequences may be different than shown below.

Individuals who are considering to participate in this Public Offering should therefore consult their own professional advisor concerning the effects of national, local or foreign tax laws, including the laws and regulations in Belgium and Luxembourg, to which they are subject.

Taxation in Belgium

For the summary below, a Belgian resident involves (i) a natural person subject to Belgian personal income tax (ie an individual whose hometown is Belgium, or has his/her seat of fortune in Belgium, whether a person is equated with a Belgian resident), (ii) a legal person subject to corporation tax (ie a legal person, with registered office, main establishment, administrative office or seat of governance in Belgium) or (iii) a legal entity subject to Belgian corporate tax (an entity other than a legal person subject to the Corporation with registered office, main establishment, administrative office or seat of governance in Belgium).

A non-resident is a person who is not a Belgian resident.

Belgian withholding tax

The interest component of the payments on the Bonds made by or on behalf of the Issuer is normally subject to Belgian withholding tax, currently at a rate of 21% on the gross amount. For Belgian income tax, interest is understood as the (i) periodic interest income, (ii) each amount paid by the Issuer that exceeds the Issue Price (at full or partial redemption, regardless of whether this falls or does not fall on the maturity date, or during purchase by the Issuer) (including the redemption at the option of the Bondholders pursuant to Condition 6 (c) in the case of a Change of control) and (iii) given that the Bonds qualify as a fixed income security in accordance with article 2, §1, 8° of the Belgian Income Tax Code 1992 ("*WIB/92*"), the accrued interest in proportion to the period in which the person has held the

Bonds, in case of sales of the Bonds between two interest payment days, to a third party, with the exclusion of the Issuer.

X/N settlement system of the NBB

Holding the Bonds in the X/N-settlement system of the NBB (the "**Clearing System**") allows investors to obtain interest on their Bonds free from Belgian withholding tax, if and insofar as, at the moment of the payment or the granting of the interest, the Bonds are held by certain investors (the Eligible Investors, see below) in an exempted securities account ("**X-account**") which was opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the Clearing System. Euroclear and Clearstream Luxembourg are direct or indirect Participants in the Clearing System.

Holding Bonds through the Clearing System allows the Eligible Investors to receive interest on their Bonds without deduction of withholding tax and makes it possible to trade the Bonds at their gross prices.

Eligible Investors are those entities referred to in article 4 of the *Royal Decree of 26 May 1994 on the deductions and the compensation of the withholding tax* (Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax) and includes the following entities:

- (i) Belgian companies are subject to Belgian corporate tax;
- (ii) Institutions, associations or companies referred to in article 2, § 3 of the law of 9 July 1975 on the supervision of insurance companies, other than those referenced in (i) and (iii) without prejudice to the application of article 262, 1° and 5° WIB/92;
- (iii) Parastatal entities for social security or equivalent institutions referred to in article 105, 2° Royal Decree for the implementation of the Code of income tax of 1992 (the "**KB/WIB92**");
- (iv) Non-residents savers of Belgium referred to in article 105, 5° KB/WIB92;
- (v) Investment funds established in the framework of the pension savings referred to in article 115 KB/WIB92;
- (vi) Taxpayers referred to in article 227, 2° WIB/92, which are subject to the taxation of non-residents in accordance with article 233 WIB/92 and who have used income generating capitals to exercise their professional activities in Belgium;
- (vii) The Belgian State, for its investments that are exempt from withholding tax in accordance with article 265 WIB/92;
- (viii) Entities for collective investment governed by foreign law that involve undivided interest, managed by a management company on behalf of the participants, when their participation rights are not publically issued in Belgium or not traded in Belgium;
- (ix) Belgian companies not referred to in (i) whose activity consists exclusively or mainly of the granting of credits and loans.

Eligible Investors do not include, inter alia, natural persons, residents of Belgium and Belgian non-profit-making associations, other than these mentioned above under (ii) and (iii).

Participants in the Clearing System should hold Bonds that they hold on behalf of non-Eligible Investors in a non-exempt securities account ("*N-Account*"). In such case, all interest payments are subject to withholding tax, currently at a rate of 21%. This withholding tax is withheld by the NBB on the interest payment and paid to the tax authority.

Dealings in Bonds between an X-account and an N-account give rise to certain correction payments for the sake of the withholding tax:

- A transfer of an N-account to an X-account or an N-account gives rise to payment by the transferor, which is not a Eligible Investor, to the NBB for the withholding tax on the interest portion of the interest calculated from the last interest payment date until the date of transfer.
- A transfer of an X-account or N-account to an N-account gives rise to repayment by the NBB to the beneficiary of the transfer, which is a non-Eligible Investor, for the withholding tax on the interest portion of the interest calculated from the last interest payment date until the date of transfer.
- Transfers of Bonds between two X-accounts do not give rise to any correction regarding the withholding tax.

These adjustment mechanisms are of such nature, that parties, which trade Bonds on the secondary market, regardless of whether they are or are not Eligible Investors, are given the opportunity to apply gross prices.

When you open an X-account to hold Bonds, an Eligible Investor must certify its status on a standard form approved by the Belgian Minister of Finance and send this to the Participant of the Clearing System where this account is held. This certification does not have to be reissued periodically (but the Eligible Investor should update their certificate if their status has changed). Participants in the Clearing system must, however, make statements to the NBB regarding the eligible status of each investor for whom they hold Bonds in an X-account during the past calendar year.

These identification requirements are not applicable for Bonds that are held with Euroclear or Clearstream, Luxembourg, acting as Participants in the Clearing System, provided that they only hold X-accounts and that they are able to identify the holders of which it holds Bonds in said account.

Tax on interest, capital gains and income

Natural persons, residents of Belgium

For natural persons residents of Belgium, who hold Bonds as a private-investment and who choose to subject the interest on the Bonds, on top of the withholding tax of 21%, to an additional tax of 4% at source, these withholdings gives them an exemption, so that the interests on the Bonds do not have to be included on their declaration in the personal income tax.

For natural persons residents of Belgium, who hold Bonds as a private-investment and who choose not to subject the interest on the Bonds, on top of the withholding tax of 21%, to an additional tax of 4% at source, these withholdings are not exempt. In such case, the amount of the interest on the Bonds, together with the identity of the beneficiary, are communicated

to a central contact point held by the NBB, which annually, as well as on request, forwards the relevant information to the tax administration and the beneficiary should include the interest on the Bonds in the declaration in the personal income tax.

Interest on the Bonds indicated in the personal income tax are individually taxed at 21% increased with the additional municipal taxes (the Minister of Finance has indicated that such additional municipal taxes are not applicable, but this is not evident from the current legal text) or, if that is more advantageous, increased at the prevailing progressive rates with additional municipal taxes, taking into account the other declared income.

If the indicated dividend income or interest incomes and/or stated at the central contact point of interest and dividend income of purchasers reported an annual threshold of EUR 33,567 NET indexed (for tax year 2013, revenues 35,076 EUR year 2012) exceed the qualifying income above this threshold, undergo an additional levy of 4% in the calculation of income tax. In order to assess whether the threshold is reached, the liquidation bonus should not be taken into account on the one hand, with among others the bonus, non-taxable income from savings deposits, nor drive revenues of State notes issued and which is registered between 24 November and 2 December 2011, but on the other hand, 2011 in first instance the dividends and interest on which the charge is not applicable, calculated. This means that the qualifying income is taken into account last and so is affected in the first instance by the additional tax. Qualifying income include dividend and interest income, including the interest on the Bonds, excluding dividends of among others liquidation bonus taxed at 25%, income from savings deposits, as well as income from issued State bonds and which are registered between 24 November 2011 and 2 December 2011.

The withholding tax and additional tax (if applicable) withheld with respect to the Bonds interest indicated on the personal income tax are tax deductible and possibly repayable in case it surpasses the total personal income tax.

Gains realised on the transfer of Bonds are generally exempt from tax, unless these Bonds are held for professional purposes or the gain is realized outside the normal management of private assets (and unless they qualify as accrued interest on the Bonds referred to in the "Belgian withholding tax" section). Losses realized during the transfer of the Bonds which are not held as a professional investment, are generally not tax deductible.

Specific tax provisions are applicable to natural person's residents of Belgium that do not hold the Bonds as a private investment.

Companies established in Belgium

Companies which are residents of Belgium or who hold Bonds through a Belgian institution, will be subject, on the interest payments on the Bonds, to Belgian corporate income tax, at the current standard rate of 33.99%, or reduced rates that are applicable to small companies subject to certain conditions. Gains realised on the Bonds will also become part of their taxable income. Realised losses as a result of the sale of the Bonds are basically tax deductible.

Belgian pension funds established under the form of an Organism for the Funding of Pensions (OFP)

Belgian OFP's are exempt from income taxes on the interest payments on the Bonds and on gains realised with respect to the Bonds. Losses incurred with respect to the Bonds are not

deductible. Under certain conditions, the Belgian withholding tax can be settled with the corporation tax payable and any surplus is refundable.

Belgian legal persons

Belgian legal persons who do not qualify as Eligible Investors (as defined in the section "Belgian withholding tax"), are subject to a withholding tax of 21% on interest payments. The withholding tax constitutes a final tax.

Belgian legal persons who qualify as Eligible Investors (as defined in the section "Belgian withholding tax") and who consequently have received gross interest income, are required to indicate and pay the amount of the Belgian withholding themselves.

Gains realised on the transfer of Bonds are generally exempt from tax (unless they qualify as accrued interest on the Bonds referred to in the "Belgian withholding tax" section). Losses are generally not tax deductible.

Non-residents

On the condition that they qualify as Eligible Investors and they hold their Bonds in a X-account, the Bondholders that are not residents of Belgium and that do not hold the Bonds through a Belgian entity and that do not invest in the Bonds for their Belgian professional activities, are not subject to or are liable for any Belgian tax on income or gains from merely obtaining, holding or transfer of the Bonds.

Tax on exchange market transactions

Dealing in Bonds on the secondary market will be subject to a tax on exchange market transactions if they are executed in Belgium through the intervention of a professional intermediary. The applicable rate for such transfers and acquisitions amounts to 0.09%. The tax is payable separately by each party on such transaction, *ie*, the seller (transferor) and the buyer (transferee), and are both collected by the professional intermediary. However, the amount of such transfer tax amounts up to EUR 650 per transaction per party.

The above stated tax is not payable by persons who will, however, not exempted dealing on own account, including non-residents of Belgium, on submission of a certificate to the financial intermediary in Belgium that confirms their status as non-resident, and certain Belgian institutional investors, as defined in article 126/1, 2° of the code of various rights and taxes.

Savings Directive

The Directive 2003/48/EC of the Board concerning taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), EU member states are required to provide details to the tax authorities of other EU member states concerning the interest payments (or similar income) done by a person established in their jurisdiction, or for the benefit of, a natural person resident in that other EU Member State or to a limited number of types of entities established in that other EU Member State. However, Luxembourg and Austria, during a transitional period, are required (unless they choose otherwise during this period) to apply a tax withholding at source system on such payments (where the end of the transitional period depends on the conclusion of a number of other agreements relating to exchange of information with certain other countries). A number of non-EU countries and regions

including Switzerland have introduced similar measures (a tax withholding at source system in the case of Switzerland).

The European Commission has proposed certain changes to the EU Savings Directive, which, if they are introduced, will modify or extend the scope of the requirements outlined above.

If a payment would be carried out or collected via a Member State, which has opted for a tax withholding at source system and an amount to, or for, tax would be withheld for this payment, neither the Issuer nor the Guarantors, nor the Agent are obliged to pay additional amounts in respect of any Bond due to the application of such withholding tax.

PART XII: SUBSCRIPTION AND SALES

Fortis Bank NV/SA (with registered office at Warandeborg 3, B-1000 Brussels and acting under the commercial name of BNP Paribas Fortis) ("**BNP Paribas Fortis**"), ING België NV (with registered office at Marnixlaan 24, B-1000 Brussels) ("**ING België**") and KBC Bank NV (with registered office at Havenlaan 2, B-1080 Brussels) ("**KBC Bank**"), acting as joint lead managers and joint bookrunners (the "**Joint Bookrunners**" and each a "**Joint Bookrunner**" or, the "**Joint Lead Managers**", and each a "**Joint Lead Manager**"), and Belfius Bank NV/SA (with registered office at Pachecolaan 44, 1000 Brussels) ("**Belfius Bank**") acts as co-lead manager (the "**Co-lead Manager**"), and are subject to certain conditions, pursuant to the placement agreement of 12 June 2012 (the "**Placement agreement**"), agreed with the Issuer, to the best of their ability (*best efforts*) place the Bonds for a minimum amount of EUR 100,000,000 and a maximum amount of EUR 225,000,000 to third parties at the Issue Price and subject to the conditions set out below.

Subscription Period

The Bonds will be offered to the public in Belgium and Luxembourg (the "**Public Offering**"). The Bonds will be issued on 2 July 2012 (the "**Issue Date**"). However, if a supplement to the Prospectus causes revocation rights that are exercisable at or after the Issue Date of the Bonds in accordance with article 34 of the Belgian Prospectus Law, the Issue Date will be postponed until the first business day following the last day on which the revocation rights may be exercised.

The Public Offering will commence on 15 June 2012 at 9 hours and will end on 25 June 2012 at 16 hours (the "**Subscription Period**"), or any earlier date that the Issuer would determine with the consent of the Joint Lead Managers. In this case, the closing date will be announced by or on behalf of the Issuer, on its website within the section reserved for investors (available via www.arseus.com), on the website of the Joint Lead Managers, BNP Paribas Fortis (www.bnpparibasfortis.be (under "savings and investments")), ING België (www.ing.be (Investing - Bonds)) and KBC Bank (www.kbc.be) and on the website of the Co-lead Manager (www.belfius.be/arseus).

Except in the case of over-subscription, as further explained under "Over-subscription on the Bonds", a prospective subscriber will receive 100% of the amount of the Bonds that were granted to him/her during the Subscription Period.

Prospective subscribers shall be informed about their respective attributions of bonds by the applicable financial intermediary in accordance with the arrangement that exists between such financial intermediary and the prospective subscriber.

No trading of the Bonds should take place before the Issue Date on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, amending Directives 85/611/EEC and 93/6/EEC of the Council and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC, as amended.

After having read the full Prospectus and, among other things, on this basis, having decided to subscribe to the Bonds, investors can subscribe to the Bonds through the counters, via Phone Banking or via home/computer banking of the following distributors who are indicated by the Issuer, by means of the subscription form that will be provided by the distributor (if there is one): that acts as Joint Bookrunner and Global Coordinator, BNP Paribas Fortis

(including the offices active under the trade name Fintro), ING België and KBC Bank (including the offices of CBC Banque S.A.) acting as Joint Bookrunners, or any subsidiary of one of the Joint Bookrunners, and Belfius Bank which is acting as Co-lead Manager.

The requests can also be submitted via agents or any other financial intermediaries operating in Belgium and Luxembourg. In this case, the investors should receive information about the commission fees that the financial intermediaries may charge. These commission fees are charged to investors.

Conditions to the which the Public Offering is subject

The Public Offering and the subsequent issue of the Bonds is subject to a limited number of conditions as included in the Placement Agreement, which are customary for similar transactions, and which shall include: (i) the accuracy of the statements and guarantees, which are made by the Issuer in the Placement Agreement, (ii) the Placement Agreement, Clearing Agreement and Domiciliary Agency Agreement were concluded by all parties prior to the closing date of the Subscription Period, (iii) admission to trade of the Bonds on the regulated market of Euronext Brussels was granted before the Issue Date, (iv) at the closing date of the Subscription Period no material adverse change (as defined in the Placement Agreement) has occurred which has an impact on the Issuer and no event has occurred which makes the statements and guarantees, as contained in the Placement Agreement, false or incorrect on the Issue Date, as if they were given on that date and that on or before the Issue Date the Issuer has met all of its obligations under the Placement Agreement, (v) no force majeure can be invoked by the Joint Lead Managers as assessed by them, and (vi) at the latest on the Issue Date, the Joint Lead Managers have received the usual confirmations regarding certain legal and financial matters relating to the Issuer. The Joint Lead Managers may (in whole or in part) waive these conditions. The Placement Agreement does not allow the Joint Lead Managers to terminate their obligations before payment is received by the Issuer, except in certain limited circumstances.

Following the date of this Prospectus and prior to the Issue Date of the Bonds, the Public Offering of the Bonds can be withdrawn entirely or partially in accordance with the conditions in the Placement Agreement, provided that a public notification is given prior to the withdrawal, in which case the offer of the Bonds will be cancelled.

Issue price

The issue price (including sale and distribution fees, as described below) will amount to 101.875% (the "**Issue price**").

The retail investors (the "**Retail Investors**"), being the investors other than qualified investors as defined in the Belgian Prospectus law or Luxembourg Prospectus law (the "**Qualified Investors**"), will pay the Issue Price. The Qualified Investors will pay the Issue price reduced by a discount or plus a margin, the resulting price is subject to change during the Subscription Period for the sake of, among other things, (i) the evolution of the creditworthiness of the Issuer (credit spread) (ii) the evolution of interest rates, (iii) the success (or lack of success) of the placement of the Bonds, and (iv) the quantity of bonds purchased by an investor, each as determined by each Joint Bookrunner or by the Co-lead Manager to his own understanding. The above mentioned discount or margin (included in the price paid by the Qualified Investors) will be between 0% and 1.875% of the face value of the Bonds.

The gross actuarial yield of the Bonds is 4.325 % per annum .The yield is calculated on 2 July 2012 on the basis of the Issue Price. This is not indicative for future yields.

The minimum amount for inscription of the Bonds is EUR 1,000. The maximum amount for inscription is the Aggregate Nominal Amount.

Aggregate Nominal Amount

The expected minimum nominal value of the issue amounts to EUR 100,000,000 with a maximum nominal value of the issue of EUR 225,000,000.

By decision of the Issuer in consultation with the Joint Bookrunners (taking into consideration the demand from investors), the final Aggregate Nominal Amount can be increased, by no later than the end (or at the time of early termination) of the Subscription Period.

The criteria on which the Aggregate Nominal Amount of the Bonds will be determined by the Issuer are as follows: (i) the financial needs of the Issuer, which could evolve during the Subscription Period of the Bonds, (ii) the daily evolution of interest rates and *credit spread* of the Issuer, (iii) the level of investor demand for the Bonds as established by the Joint Bookrunners on daily basis, (iv) the limited circumstances described on page 145 of this Prospectus under "Early termination and reduction - allotment / oversubscription of the Bonds" that can lead to an early closing of the Subscription Period if the total amount of EUR 100,000,000 has not been reached, and (v) the fact that the Aggregate Nominal Amount of the Bonds, if issued, will be a minimum total amount of EUR 100,000,000 and maximum total amount of EUR 225,000,000.

The final Aggregate Nominal Amount will be published, as soon as possible after the end (or early termination) of the Subscription Period, on the website of the Issuer, within the section which is reserved for investors (accessible via www.arseus.com) on the website of the Joint Lead Managers, BNP Paribas Fortis (www.bnpparibasfortis.be (under "savings and investments")), ING Belgium (www.ing.be (Investing - Bonds)), and KBC Bank (www.kbc.be) and on the website of the Co-lead Manager (www.belfius.be / [Arseus](http://www.arseus.com)).

Date of payment and details

The payment date is 2 July 2012. Payment for the Bonds may only be done through a debit to a current account.

On the date that the subscriptions are settled, the Clearing System will credit the securities account of the Agent in accordance with the details set out in the rules of the Clearing System in accordance with the provisions of the Domiciliary Agency Agreement.

Subsequently the Agent will credit the amounts of the registered securities to the account of the participants, the latest on the payment date, for further distribution among the participants, in accordance with the usual operational rules of the Clearing System in accordance with the provisions of the Domiciliary Agency Agreement.

Costs and fees

The net proceeds (before deduction of costs) will be an amount equal to the aggregate nominal amount of the outstanding Bonds (the "**Aggregate Nominal Amount**") multiplied by the Offering Price as a percentage, less the full sales and distribution fee of 1.875% and the incidental costs (among others, advertising costs, etc.) (borne by the bidders, see also Issue Price above).

The Issue Price will include the sale and distribution fees, as described below, which are borne and paid by the subscribers.

Costs specifically charged to subscribers:

- Retail Investors are charged with a sale and distribution fee of 1.875%, which is included in the Issue Price, and
- Qualified Investors will pay the Issue Price less a discount or plus a margin, as provided in this section under "Issue Price" above. The distribution fee which is payable by the Qualified Investor is included in the Issue Price that is applied to it.

Financial services

The financial services relating to the Bonds will be provided for free by the Joint Lead Managers and the Co-lead Manager.

The costs of the deposit fee of the Bonds in the securities account are charged to the subscribers. Investors should inform themselves about the costs that their financial institutions may charge.

Investors should inform themselves about the costs that other financial institutions may charge.

In addition, bondholders must know that when they perform a Change of Control Put (as defined in Condition 6 (c) (*Optional Refund for the Bondholders in the event of Change of Control*)) through a financial broker (other than the Agent) additional costs and expenses may be imposed by the financial broker.

Early termination and reduction - allocation / over-subscription of the Bonds

Early termination of the Subscription Period is at the earliest possible on 15 June 2012 at 17.30 hours (the minimum subscription period is referred to as the "**Minimum Sales Period**") (this is the third Business Day in Belgium after the date on which the Prospectus was made available on the website of the Issuer, the Joint Lead Managers and Co-lead Manager (the date on which the Prospectus was made available included)). This means that the subscription period will remain, at least for one day, open until 17.30 hours. Afterwards an early closing may take place at any time (including during the course of the day). In the event of early termination there will be, as soon as possible, a notice published on the websites of the Issuer, the Joint Lead Managers and Co-lead Manager. This notification will contain the date and time of the early termination.

The Subscription Period may be shortened by the Issuer during the Subscription Period with the consent of the Joint Lead Managers (i) once the total amount of the Bonds reaches EUR 100,000,000, (ii) in case of a significant change in market conditions, or (iii) in case a material adverse change occurs with respect to the Issuer or the Guarantors (as defined in the Placement Agreement). If in cases (ii) and (iii) described above, an early termination is made to the subscription period and the total amount of EUR 100,000,000 has not been reached, then the Issuer will publish a supplement to the Prospectus (see page 6 of this Prospectus (including warning) for further information regarding the publication of supplements to the Prospectus).

The Issuer reserves the right to choose whether or not to proceed with the issue of Bonds if at the end of the Subscription Period, the aggregate nominal amount of Bonds subscribed to is less than EUR 100,000,000.

Moreover, the Public Offer is subject to specific conditions which were agreed between the Joint Lead Managers, Co-Lead Manager and the Issuer and are included in the Placement Agreement. Reference is made to the section in this Prospectus relating to the "Conditions to which the Public Offer is subject".

Each Joint Lead Manager is entitled to an amount of EUR 50,000,000 (particularly 22.2% of the aggregate nominal amount) of the Bonds to be issued to be placed with Retail Investors, and the Co-lead Manager has the right to an amount of EUR 25,000,000 (particularly 11.1% of the aggregate nominal amount) of the Bonds to be issued to be placed with Retail Investors (these amounts of respectively EUR 50,000,000 and EUR 25,000,000 are also referred to as "**Basic Allocation**", and all Bonds which are placed with Retail Investors are referred to as the "**Retail Bonds**"). Furthermore, the Joint Lead Managers together have the right to an amount of EUR 50,000,000 of bonds to be issued to be placed with other distributors or Qualified Investors (the "**GB Bonds**"). The amounts specified in this section assume an aggregate nominal amount of EUR 225,000,000, and will be proportionally reduced if the aggregate nominal amount would be less than EUR 225,000,000. The allotment structure can only be changed by agreement between the Issuer and the Joint Lead Managers, on the understanding that an amendment to the Basic Allocation of the Co-lead Manager also needs the consent of the Co-lead Manager.

As soon as a Joint Lead Manager or Co-lead Manager places their Basic Allocation, the Issuer and the other Joint Lead Managers will be immediately informed. All subscriptions that were validly filed by Retail Investors with a Joint Lead Manager or Co-lead manager

before the end of the Minimum Sales Period (as defined above) should be accepted (with the proviso that in case of oversubscription, a reduction may be applied, i.e. subscriptions will be reduced proportionately, with an allotment of multiples of EUR 1,000 and, as far as possible, a minimum nominal amount of EUR 1,000, corresponding to the denominations of the Bonds). Starting at the end of the Minimum Sales Period, each Joint Lead Manager and Co-lead manager have the right to publish a notice on their website to inform their clients that they will no longer accept subscriptions and that they will send the same notification to the other Joint Lead Managers and the Issuer who will publish the notice on their website as soon as possible. This process will ensure that potential investors will know where there is still a possibility to subscribe for the Bonds.

At the end of the first Business Day (as defined in the Conditions of the Bonds) of the Subscription Period, if (i) one or more Joint Lead Managers or Co-lead manager have not placed their basic allocation (thus remaining Bonds, the "**Not Placed Bonds**"), and (ii) one of the Joint Lead Managers has its Basic Allocation fully subscribed, after notice to and with consent of the Issuer, the Joint Lead Managers who placed their basic allocation (or, if no of the Joint Lead Managers have placed their Basic Allotment, all the Joint Lead Managers) will have the right, but not the obligation, to place the Unplaced Bonds themselves with Retail Investors or distributors or other Qualified Investors, pro rata to the demand for retail Bonds posted by such Joint Lead Managers and / or demand for the placed GB Bonds.

If all GB bonds are placed at the end of the first Business Day of the Subscription Period, then the allocation of such Bonds GB to distributors and other Qualified Investors will take place considering what was mentioned in the previous section, and regardless of when the subscription period ends.

If not all GB Bonds are placed at 5.30 PM on the first Business Day of the Subscription Period, then, after notification to and with the consent of the Issuer, each Joint Lead Manager will have the right, but not the obligation, to place equally shared parts of the unplaced GB Bonds with Retail Investors.

If on any day of the Subscription Period (except on the first day) (i) one or more Joint Lead Managers or Co-lead manager have not placed their basic allocation, and (ii) one of the Joint Lead Managers has placed his Basic Allocation completely, then, after notifying and with consent of the Issuer the Joint Lead Manager(s) who placed their Basic Allotment have the right, subject to approval by the Joint Lead Manager(s), to place the Bonds that were not placed with Retail Investors pro rata to the demand for Retail Bonds placed by such Joint Lead Manager(s).

The Subscription Period will only be closed early in case all Joint Lead Managers and Co-lead Manager have placed their Basic Allotments (as herein increased or after redistribution).

So there may be different reduction rates applied to subscribers according to the Joint Bookrunner or Co-Lead Manager through which they subscribed.

The Joint Lead Managers and Co-lead Manager will not be responsible in any way for the conversion and allocation criteria applied by other financial brokers. So there could also be different reduction rates applied to the subscribers depending on the financial brokers to whom they have subscribed with.

In case of early closing, the investors will be informed of the number of Bonds that was awarded them as soon as possible after the date of early closure of the Subscription. In

general, investors should be notified that it is possible that they may not be allotted with the full amount which they subscribed, but that their subscription will be reduced.

Any payment made by a subscriber on the Bonds in connection with subscription on Bonds that are not awarded, will be refunded within 7 Business Days (as defined in the Conditions of the Bonds) after the date of payment in accordance with the arrangements between relevant subscriber and the relevant financial broker, and the relevant subscriber will not be entitled to any interest on these payments.

Results of the Public Offering

The results of the offering of the Bonds (including net income) shall be published as soon as possible, after the end of the Subscription Period and/or before the Issue Date, on the website of the Issuer, within the section that focuses on investors (accessible via www.arseus.com), on the website of the Joint Lead Managers, BNP Paribas Fortis (www.bnpparibasfortis.be (under "savings and investments")), ING Belgium (www.ing.be (Investing - Bonds)) and KBC Bank (www.kbc.be) and on the website of the Co-lead Manager (www.belfius.be / Arseus).

The same method of publication will be used to inform the investors in case of an early closing of the Subscription Period.

Provided schedule of the Public Offering

The key steps in the schedule of the Public Offering may be summarized as follows:

- 13 June 2012: Publication of the Prospectus on the website of the Issuer
- 15 June 2012, at 9:00 hours: opening date of the Subscription Period
- 25 June 2012, at 16:00 hours: closing date of the Subscription Period (if not closed early)
- Between 25 June 2012 and 2 July 2012: expected publication of the results of the Public Offering of the Bonds (including the net proceeds), unless previously published in the event of early termination.
- 2 July 2012: Issue Date of the Bonds and admission to trading of the Bonds on the regulated market of NYSE Euronext Brussels.

The dates and times of the Public Offering and the periods indicated in the above timetable and through this Prospectus may change. If the Issuer were to decide to adjust the dates, times or periods, he will inform this to the investors through a publication in the financial press. Any material changes to the Prospectus must be approved by the FSMA, and will, in each case, as and when required by applicable law, be published in a press release, an advertisement in the financial press, or a supplement to this Prospectus.

Costs

Every subscriber shall have to inquire with its financial brokers any related or incidental charges (transfer costs, deposit fees, etc.) that could be charged by the broker .

Transfer of Bonds

Subject to compliance with any applicable selling restrictions, the Bonds are freely transferable. Also see "Selling Restrictions" below.

Selling Restrictions

Countries to which the Public Offer is open

The Bonds will only be offered to investors to whom such offer may lawfully be made under any law applicable to such investors. The Issuer has taken the necessary measures to ensure that the Bonds may lawfully be offered to the public in Belgium and Luxembourg. The Issuer has taken no action to ensure the offer of the Bonds in any other jurisdiction outside Belgium and Luxembourg.

The distribution of this Prospectus and the subscription and acquisition of the Bonds may, under the laws of certain countries outside Belgium and Luxembourg, be regulated by specific regulations or statutory or regulatory restrictions. Persons in possession of this Prospectus, or who are considering to subscribe on or the acquisition of Bonds should carefully inquire about such regulations and possible restrictions that may result from this, and must respect these restrictions. Brokers cannot allow the subscription on or acquisition of Bonds by clients who reside in a country where such restrictions apply. No person who receives this Prospectus (including *nominees* and *trustees*) may redistribute it, or send to, such countries, except in accordance with applicable law.

This Prospectus does not constitute an offer or solicitation to sell the Bonds or to make an offer to any other securities than to purchase the Bonds and not an offer to sell or a solicitation to make an offer to purchase the Bonds in any circumstances in which such offer or such solicitation would be unlawful. The Issuer, the Guarantors, the Joint Lead Managers or Co-Lead Manager have not allowed, nor do they allow to make any offer of Bonds (other than the Public Offering in Belgium and Luxembourg) in circumstances where an obligation would exist for the Issuer, the Joint Lead Managers or Co-Lead Manager to publish a prospectus for such offer.

The following sections explain various notifications regarding certain countries which, if stricter, will replace the previous general notification.

Selling Restrictions in the EEA

The Issuer has not allowed the Bonds to be offered to the public in any Member State of the European Economic Area, except Belgium and Luxembourg. With respect to each Member of the European Economic Area who has implemented the Prospectus Directive (each, a "**Relevant Member State**"), no offering of the Bonds to the public may be made in that Relevant Member State other than the offering in Belgium and Luxembourg, being the purpose of this Prospectus once this Prospectus has been approved by the FSMA and approved in Luxembourg, respectively, and published in Belgium and Luxembourg in accordance with the Prospectus Directive, as implemented in Belgium and Luxembourg, respectively, except that an offer to the public of any Bonds in that Relevant Member State at any time can be done under the following exemptions under the Prospectus Directive, if implemented in that Relevant Member State:

- to legal entities which are qualified investors as defined in the Prospectus Directive;
- by the Joint Lead Managers and Co-lead Manager to fewer than 100, or if the Relevant Member State has implemented the relevant provisions of the 2010 PD Adjustment Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as allowed under the Prospectus Directive, provided that the prior consent of the relevant dealer is obtained, or
- in any other circumstances falling within Article 3 (2) of the Prospectus Directive, if no such offer of the Bonds will result in an obligation for the Issuer, the Joint Lead Managers or Co-Lead Manager to publish a prospectus in accordance with Article 3 of the Prospectus Directive or to publish a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the provisions mentioned above an "**offer of securities to the public**" means a communication in any form and by any means targeted to persons (in any Relevant Member State) in which sufficient information on the conditions of the offer and the offered Bonds is provided in order to enable an investor to decide to purchase or subscribe to these Bonds; this definition is also applicable to the placement of bonds through financial brokers. This definition includes the corresponding definition, as adjusted, if necessary, in the national legislation of a Member State which implements the Prospectus Directive in that Member State. The expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (and modifications thereto, including the "**2010 PD Adjustment Directive**", so far as implemented in that Relevant Member State) and including any relevant implementing measure in each Relevant Member State. The expression "**2010 PD Adjustment Directive**" means Directive 2010/73/EU of the European Parliament and the Council of 24 November 2010 amending Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or to the trading and 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

The United Kingdom

Each Joint Bookrunner and Co-Manager represented and agrees that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**Financial Services and Markets Act**")) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the Financial Services and Markets Act does not apply to the Issuer, and
- (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

The United States

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meaning ascribed to them in Regulation S under the Securities Act ("**Regulation S**").

The Joint Lead Managers and Co-Lead Manager have agreed that, other than in the cases permitted by the Placement Agreement, they will not offer or sell the Bonds within the United States as part of the original placement. Terms used in this paragraph have the meaning ascribed to them in Regulation S.

In addition, any offer or sale of Bonds by a dealer (whether or not participating in the Public Offering) within the United States until 40 days after the start of the Public Offering, will violate the subscription requirements of the Securities Act.

PART XIII: GENERAL INFORMATION

- (1) An application has been made for admission of the Bonds to trading on the regulated market of NYSE Euronext Brussels from the subscription date. KBC Bank NV was therefore appointed as listing agent.
- (2) The issue of the Bonds was approved by the decision of the Board of Directors of the Issuer on 11 June 2012.
- (3) The issue of the Bonds was approved by the decision of the Board of Directors of the Guarantors, on 11 June 2012.
- (4) Except as stated in this Prospectus, no material change has occurred in the financial position or trading position of the Issuer and the Guarantors and no material adverse change has occurred in the prospects of the Issuer and the Guarantors since 31 December 2011.
- (5) Except as stated in this Prospectus, neither the Issuer nor the Guarantors nor any of their Subsidiaries, have been involved in any governmental proceedings, litigation or arbitration proceedings (including any proceedings pending or threatened of which the Issuer or the Guarantors have knowledge of) during the 12 months preceding the date of this Prospectus, which could have or recently have had significant consequences on the financial position or profitability of the Issuer, the Guarantors or the Group.
- (6) The Bonds are accepted for settlement through the clearing system of the National Bank of Belgium. The Common Code of the Bonds is 079439495. The International Securities Identification Number (ISIN) of the Bonds is BE0002180462. The address of the National Bank of Belgium's premises is at Berlaimontlaan 14, B-1000 Brussels.
- (7) Except for as disclosed herein and insofar the Issuer is aware, no person involved in the Public Offering has an interest, including conflicting ones, that could be significant for the Public Offering, except for any fees payable to the Joint Lead Managers and Co-lead Manager. Each Joint Bookrunner and Co-lead Manager is a creditor of the Issuer in connection with its banking transactions.
- (8) Except as disclosed herein, neither the Issuer nor any Guarantor, nor any member of the Group, entered into any agreement that is not part of the normal business of the Issuer, the relevant Guarantor or the relevant member of the Group, and which can lead that a member of the Group has an obligation or entitlement that is of essential importance for the ability of the Issuer or one or more Guarantors to comply with their obligations in respect of the Bondholders.
- (9) Where information in this Prospectus was obtained from third parties, such information was accurately displayed and insofar the Issuer and the Guarantors are aware and can assess, in their reasonable knowledge, no facts have been omitted from the information published by such third parties which could make the displayed information inaccurate or misleading in any substantive way. Where third party information is used, the source has been identified.

- (10) During the Subscription Period and during the life of the Bonds, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:
- the Articles of Association (*statuts/statuten*) of the Issuer in Dutch;
 - the Articles of Association (*statuts/statuten*) of the Guarantors in the language in which they were written;
 - the published annual report and audited financial statements of the Issuer for the year ending 31 December 2011 and for the year ending 31 December 2010;
 - a copy of this Prospectus, together with any supplement to this Prospectus;
 - a copy of the Clearing Agreement, the Guarantee Declaration and Domiciliary Agency Agreement, and
 - all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is included or referred to in this Prospectus.
- (11) The statutory auditor PWC Auditors bvba, represented by Peter Opsomer BVBA, represented by Peter Opsomer, auditor (Member of the Institute of Auditors), has audited the consolidated financial statements for the Issuer for the years ending 31 December 2011 and 31 December 2010, and has hereby issued unqualified opinions without reservation.
- (12) The Bonds have no credit rating and the Issuer has currently no intention to request a credit rating for the Bonds at a later date.

FORM OF CHANGE OF CONTROL PUT EXERCISE NOTICE

Important: This notice will not be directly sent to the Issuer or the Agent but will be filed with the bank or financial broker through which the Bondholder holds Bonds as provided under Condition 6 (c).

Bondholders who wish to use the option of the optional repayment by the Bondholders in the event of Change of Control provided in Condition 6 (c), must have deposited during the Change of Control Put Exercise Period a valid completed and signed Notice of Exercise of a Change of Control Put with the Financial Broker .

Such Financial Broker is a bank or other financial intermediary through which the Bondholder holds Bonds.

To: *[Details of the Financial Intermediary]*

ARSEUS NV

Maximum EUR 225,000,000
4.75 % Bonds with maturity date 2 July 2012
(Issued in denominations of EUR 1,000)
and as described in the Prospectus dated 12 juni 2012

(The "**Bonds**")

NOTICE OF EXERCISE OF CHANG OF CONTROL PUT

By depositing this duly signed Notice of Exercise of a Change of Control Put with the Financial Intermediary, who is requested to contact the Agent in connection with this notification, undersigned Bondholder exerts in accordance with Condition 6 (c) its option to redeem early payment of such Bonds on the Change of Control Put Date falling on []*.

The undersigned Bondholder confirms to the Issuer that (i) he/she owns the amounts of the Bonds as specified in this notice and that (ii) he/she undertakes not to sell or transfer the Bonds until the above Change of Control Put Date.

By signing this notification the undersigned Bondholder gives the right to the Financial Intermediary to transfer the relevant Bonds to the account of the Agent to the extent required to exercise the option specified in Condition 6 (c).

Nominal amount of subject of the exercise:

EUR ([Amount in words] Euro)

Contact details of the Bondholder

Name or company name:

Address

Telephone Number

Payment Instructions:

Please pay in by bank transfer connection with the Bonds that are the subject of the exercise of the option specified in Condition 6 (c) in euros to the following account:

Name bank

Office address:

Account Number

* To be completed as needed.

Undersigned Bondholder confirms that payment with respect to the Bonds will be refunded against debit of his/her securities account with account numberat [*name and address bank*] for the above amount of Bonds.

All notices and communications regarding this notice should be sent to the above address.

Terms used in this announcement and not otherwise defined have the meanings given in the Conditions of the Bonds.

Signature:.....

Date:.....

THIS NOTICE OF EXERCISE OF CHANGE OF CONTROL PUT WILL NOT BE VALID UNLESS (I) ALL SECTIONS ARE PROPERLY COMPLETED AND (II) IT IS VALIDLY SIGNED AND SENT TO THE RELEVANT FINANCIAL INTERMEDIARY.

BONDHOLDERS MUST VERIFY WITH THEIR FINANCIAL INTERMEDIARY, IF APPLICABLE, TO FIND OUT WHEN THE INSTRUCTIONS AND NOTICE OF THE EXERCISE OF CHANGE OF CONTROL PUT ARE TO BE GIVEN TO THE FINANCIAL INTERMEDIARY BY THE BONDHOLDERS IN ORDER TO RESPECT THE TIME LIMITS, SO THAT THE EXERCISE WOULD BE EFFECTED IN TIME.

ONCE VALIDLY GIVEN, THIS NOTICE OF EXERCISE OF CHANGE OF CONTROL PUT IS IRREVOCABLE.

Registered office of the Issuer

Arseus NV
Textielstraat 24
B-8790 Waregem

Substitution Supervisor

Deloitte Bedrijfsrevisoren / Réviseurs d'entreprises BV CVBA / SC SCRL
Berkenlaan 8B
B-1831 Diegem

Domiciliary and Paying Agent (the Agent) Listing Agent and Calculation Agent (in connection with Condition 6 (c))

KBC Bank NV
Havenlaan 2
B-1080 Brussel

Global Coordinator

KBC Bank NV
Havenlaan 2
B-1080 Brussel

Joint Lead Managers and Joint Bookrunners

KBC Bank NV
Havenlaan 2
B-1080 Brussel

Fortis Bank NV/SA, acting under its trade
name BNP Paribas Fortis
Warandeborg 3
B-1000 Brussels

ING België NV
Marnixlaan 24
B-1000 Brussel

Co-lead Manager

Belfius Bank NV/SA
Pachecolaan 44

B-1000 Brussel

Legal Counsel

to the Issuer

Allen & Overy LLP
Uitbreidingstraat 80
B-2600 Antwerpen

**to the Joint Lead Managers, Joint
Bookrunners and Co-lead Manager**

Clifford Chance LLP
Louizalaan 65
B-1050 Brussel

Auditors of the Issuer

PWC Bedrijfsrevisoren bevb
Woluwedal 18
B-1932 Sint-Stevens-Woluwe