



PRESS RELEASE

11 MARCH 2008



CONSOLIDATED RESULTS FOR THE 2007 FINANCIAL YEAR

TURNOVER UP BY 10% AND NET PROFIT RISES BY 34%

**ARSEUS LAYS HEALTHY FOUNDATION FOR CONTINUED
GROWTH**

**ARSEUS INTENDS TO ACQUIRE FRENCH COMPANY
JULIE-OWANDY**

Waregem (Belgium), 11 March 2008 - Today Arseus publishes its results for the 2007 financial year in a separate document that you can consult in the appendix to this press release and at www.arseus.com. This report contains the key figures with notes.

Thanks to the successful implementation of the new strategy in 2006, Arseus was launched on the stock exchange in October 2007, earlier than planned. In spite of this time-consuming exercise, the management has been able to continue the positive trend that commenced from the fourth quarter of 2006. The increase of the turnover and the profit is mainly due to the introduction of own new products and innovative concepts.

Besides completing several restructuring processes, especially within Arseus Dental and Arseus Medical, there was further effort invested in the integration of the back office and the logistics.

In this context, an investment programme was started with the goal of streamlining the various computer systems and optimising the logistics processes by implementing a warehouse management system; furthermore a start was also made to bring all servers into a remote data centre, in order to improve their cost efficiency and security.

Due to the complete spin-off of Arseus from Omega Pharma, the corporate structure became further extended.

The management is convinced that Arseus has laid a healthy foundation to continue growing, and is sure that the group is also ready to achieve its target of EUR 500 million turnover in 2010, and to realise this by means of a balanced combination of organic and external growth.

KEY FIGURES

Income statement	Half-year 2006	Half-year 2007	2006	2007	Δ
Net sales	143,807	158,498	276,971	304,368	10%
Gross margin	67,514	74,881	130,735	143,159	10%
Gross margin as % of net sales	46,95%	47,24%	47,20%	47,03%	
Operating costs	-48,243	-52,651	-94,854	-101,755	7%
EBITDA before corporate and non-recurring costs	19,271	22,230	35,881	41,404	15%
	13,4%	14,0%	13,0%	13,6%	
Corporate costs	-2,213	-1,599	-2,902	-3,341	15%
EBITDA for non-recurring costs	17,058	20,631	32,979	38,062	15%
	11,86%	13,02%	11,90%	12,50%	
Non-recurring costs	-6,174	-671	-6,174	-2,396	-61%
EBITDA	10,884	19,960	26,805	35,665	32%
Depreciation, amortisation and write-downs	-3,744	-6,133	-6,685	-9,225	38%
EBIT	7,140	13,827	20,120	26,440	31%
	5,0%	8,7%	7,3%	8,7%	
Financial result	-2,777	-3,633	-5,508	-7,001	27%
Profit before tax	4,363	10,194	14,612	19,439	33%
Taxes	318	-1,609	-2,489	-3,179	28%
	7,3%	-15,8%	-17,0%	-16,4%	
Net profit	4,681	8,585	12,123	16,260	34%
Recurring net profit ¹	11,305	9,150	17,245	18,264	6%
Average number of shares ²	25,000,000	28,097,560	25,000,000	26,548,780	7%
Net earnings per share	0,19	0,31	0,48	0,61	27%
Recurring net profit / share	0,45	0,33	0,69	0,69	0%

BALANCE SHEET		2006	2007	Δ
Intangible assets		145,656	155,662	7%
Property, plant and equipment		16,397	21,195	29%
Deferred tax credits		10,037	13,617	36%
Other Property, Plant and Equipment		922	897	-3%
Operational working capital		49,296	56,707	15%
Other working capital		-12,254	-12,555	2%
Shareholders' equity		100,812	178,225	77%
Provisions		3,645	3,867	6%
Deferred tax liabilities		2,423	2,871	18%
Net debt		103,174	50,560	-51%
Capital employed		210,054	235,523	15%
Operational return on capital employed ³		16%	16%	

¹ Recurring net profit is the net profit before non-recurring elements adjusted for taxes.

² Calculated on the basis of the weighted average of the number of shares. The 6,195,121 shares that were created as a result of the increase of share capital of 5 October 2007, were only included for three months.

³ Defined as REBITDA divided by capital employed.

NOTES TO THE 2007 CONSOLIDATED FINANCIAL STATEMENTS

Income statement

The consolidated turnover increased by 10% in comparison with the same period last year, of which 6% is organic. More detailed notes on the development of turnover can also be found in the press release of 15 January 2008, which can be consulted at www.arseus.com.

The gross margin amounts to 47% compared to 47.2% last year. The slight decrease is due to the recognition of Polichimica (Fagron division) in the consolidation with a lower gross margin, and to the destruction of inventories totalling EUR 0.4 million.

The operating costs⁴ have only increased by 7% and this is in spite of several restructurings that were completed, of which the costs have been recognised as period costs; these are estimated at EUR 0.6 million. The cost coverage, defined as the operating costs in relation to the gross margin, amounted to 71.1% in 2007, compared to 72.6% in 2006. This shows that the restructurings are clearly beginning to bear fruit.

The corporate costs amounted to EUR 3.3 million in 2007, an increase of 15% in relation to 2006. This, of course, is the result of the further expansion of the corporate department and amounts to approximately 1% of the turnover.

The recurring operating profit (REBITDA) amounts to EUR 38.1 million, an increase of 15% compared to 2006.

The depreciation, amortisation and write-downs have increased by 38%. This sharp increase is mainly caused by the high capital expenditures in 2007, EUR 14 million, and a number of extra write-downs of EUR 1.7 million on inventories that were recognised. The latter is a direct result of the accelerated changes in the product mix, particularly in the dental and medical divisions, where the activities in consumables are being rapidly wound down. A number of important investments were implemented in 2007, particularly in IT, and a number of assets were transferred from Omega Pharma to Arseus.

Non-recurring costs amounted to EUR 2.4 million, which is a decrease of 61%: EUR 1.7 million had already been incurred in the first half-year of 2007. The remaining EUR 0.7 million can be attributed to the completion of several restructurings, specifically within Arseus Dental and Arseus Medical.

The EBIT of EUR 26.4 million represents an increase of 31% in relation to 2006.

The financial result amounts to EUR 7 million; this is an increase of 27% compared to last year. This is mainly related to the general increase of the interest rates and the somewhat higher than forecast level of debt in the months preceding the increase in share capital, resulting from the increase in investments.

The taxes amounted to EUR 3.2 million or a tax rate of 16.4%, somewhat lower than the 2006 level. The management is convinced that the tax rate can be kept below 20% during the coming years.

The net profit of EUR 16.3 million, is an increase by 34% and amounts to EUR 0.61 per share. The recurring net profit amounts to EUR 0.68 per share.

⁴ The operating costs are defined as follows: services and various goods, employee expenses, other operating costs less the other operating income

Cash flow - and balance sheet data

At balance sheet level, the most important changes can be summarised as follows:

Intangible assets increased by EUR10.0 million, which was a result of the R&D activities at Corilus, the continuing investment in central ERP software and the recognition of the goodwill from the acquisition of Polichimica.

Property, plant and equipment have increased by EUR 4.8 million, especially as a result of the transfer of a number of assets from Omega Pharma to Arseus.

The operational working capital⁵ amounts to EUR 56.7 million or 18.6% of the annual turnover.

The shareholders' equity has increased to EUR 178.2 million, thanks to the capital increase of EUR 63.5 million in October 2007.

The net financial debt (sum of non-current and current financial liabilities, less cash and cash equivalents) amounts to EUR 50.6 million. This puts the gearing ratio (net financial debt / shareholders' equity) at 28.4%. The net financial debt with respect to the recurring EBITDA amounts to 1.33. Both parameters indicate a healthy capital structure that offers sufficient leverage to fund future acquisitions. Arseus arranged a long-term credit facility of EUR 200 million for this during the course of 2007.

The net capital expenditures (capex = acquired and produced non-current intangible assets and property, plant and equipment, less divested property, plant and equipment) amount to EUR 14.3 million, or 4.7% of the turnover in 2007. The high capex is due to the investments in IT, the transfer of assets from Omega Pharma to Arseus, and several investments in production sites in the Fagron division. The investment programme in IT is being continued in 2008. In the long term, the management expects a capex of 2.5% to 3% of the turnover.

Dividend

The Board of Directors will propose to the General Meeting a gross dividend of EUR 0.06 per share (net EUR 0.045 per share) for the 2007 financial year.

KEY FIGURES PER DIVISION

FAGRON

	Half-year 2006	Half-year 2007		Full year 2006	Full year 2007	
SALES	49,229	59,105	20.1%	96,732	109,959	13.7%
REBITDA	9,193	11,060	20.3%	17,623	20,272	15.0%
REBITDA Margin	18.7%	18.7%	0.0%	18.2%	18.4%	0.2%

Fagron, after a strong first half-year, also had a very strong second half-year. The REBITDA rose by 20.3%, and the REBITDA margin for the entire year rose from 18.2% in 2006 to 18.4% in 2007. This progression is remarkable in spite of the start-up losses of approximately EUR 0.6 million in France and the United Kingdom, and the recognition of Polichimica in the consolidation with a lower margin. The strong profitability is due particularly to the ongoing introduction of new proprietary products and innovative concepts. Fagron Industry enjoyed a breakthrough in sales and profitability in 2007.

⁵The operational working capital is defined as the sum of inventories and trade receivables less trade payables

ARSEUS DENTAL

	Half-year 2006	Half-year 2007		Full year 2006	Full year 2007	
SALES	56,872	60,470	6.3%	107,625	118,294	9.9%
REBITDA ⁶	4,880	6,070	24.4%	10,301	11,722	13.8%
REBITDA Margin	8.6%	10.0%	1.5%	9.6%	9.9%	0.3%

Arseus Dental has accelerated the implementation of its renewed business model in the past year, which has brought about a shift of the ratio of the sale of consumables to equipment in order to improve the average margin. In this context, during the past year, Arseus Dental has continued working on optimising the consumables inventory. Thanks to this continuing reorientation, the REBITDA rose in the second half-year by 24.4%. Mainly the Netherlands, France and Switzerland contributed strongly to this increase.

ARSEUS MEDICAL

	Half-year 2006	Half-year 2007		Full year 2006	Full year 2007	
SALES	25,098	24,662	-1,7%	47,279	49,462	4.6%
REBITDA	2,058	1,411	-31,4%	1,940	2,720	40.2%
REBITDA Margin	8.2%	5.7%	-2,5%	4.1%	5.5%	1.4%

Arseus Medical provides the demonstration that the turnaround, which was previously expressed in the area of the turnover development, also led to an improvement of the profitability. The recurring EBITDA amounted to EUR 2.7 million in 2007, an increase by 40.2% in relation to 2006. The management's focus, in addition to improving the product mix, is focused on the consolidation of the strong position in the Benelux, with the goal of further improving the profitability. The target is to achieve a high single digit REBITDA level and this no later than in 2010.

CORILUS

	Half-year 2006	Half-year 2007		Full year 2006	Full year 2007	
SALES	12,608	14,261	13.1%	25,335	26,653	5.2%
REBITDA	3,140	3,689	17.5%	6,017	6,690	11.2%
REBITDA Margin	24.9%	25.9%	1.0%	23.7%	25.1%	1.4%

Corilus enjoyed a very good second half-year with a turnover increase of 13.1%. The implementation of a new business model has clearly borne fruit, resulting in an improvement of the REBITDA by 11.2%.

Corilus, very successfully developed several new software programs itself in 2007, which it has introduced for healthcare professionals.

⁶ Before corporate costs

STATEMENT OF THE STATUTORY AUDITOR

The statutory auditor, PricewaterhouseCoopers Bedrijfsrevisoren BCVBA, represented by Lieven Adams and Peter Opsomer, has confirmed that their audit work, which is substantially completed, has not revealed any significant matters requiring adjustment of the 2007 condensed consolidated income statement, balance sheet and statements of cash flows as attached to the press release.

PROGNOSES⁷

For 2008, the management expects an organic growth in turnover of approximately 7% to 8%. Arseus still expects to complete a few acquisitions during the course of the second and third quarter.

Furthermore, Arseus aims to achieve turnover of EUR 500 million in 2010 and realise this by means of a combination of organic growth and acquisitions.

⁷ Disclaimer: this press release contains forward looking statements, which is based on the current internal estimates and expectations, as well as on the market expectations. The forward looking statements contain inherent risks and only apply on the date on which they are reported. The actual results could considerably differ from those that are included in the forward looking statements.

ACQUISITION OF JULIE-OWANDY

Arseus reached an agreement to start exclusive negotiations to acquire all the shares of the French company Julie-Owandy. Julie-Owandy provides total solutions to dentists via the combination of software and dental imaging equipment.

Julie-Owandy realised turnover of approximately EUR 20 million in 2007, with an EBITDA margin of approximately 12%.

- Julie is the market leader in France in software for dentists and serves more than 14,000 customers which results in a market share of approximately 35%.
- Owandy provides a complete range of dental imaging equipment (X-ray units, panoramic units, intra-oral digital sensors and cameras). Owandy has a worldwide installed base of approximately 15,000 units that are served via affiliates in countries including France, Benelux, Germany, Italy and Spain, and via distributors in other countries. The market for dental imaging equipment is one of the most attractive segments in the dental market with an estimated growth of 6% over the coming five years. The average penetration level of dental imaging equipment in Europe amounts to approximately 35%, which naturally still offers plenty of room for further growth. Owandy has a number of very innovative products in the pipeline from their own R&D department, especially concerning intra-oral sensors. Production is almost entirely outsourced.

Through this acquisition, Arseus will be reinforcing its position in dental software and also, besides Belgium, will become market leader in France. Furthermore, this also offers many synergies at R&D level.

Owandy will reinforce the market leadership of Arseus in the dental imaging segment in France, Belgium and the Netherlands, and Arseus Dental will acquire access to Spain, Italy and a number of other strategic markets. This offers a number of opportunities for cross-selling, of course.

The acquisition price of EUR 18.3 million will be paid entirely in cash.

Arseus will also take over approximately EUR 2 million of financial debt.

The acquisition will be completed during the course of the first half-year of 2008.

Conference call

The management of Arseus NV will explain the news from this press release in a conference call today, which will start at 2.00 p.m. Call in on telephone number 00 32 (0) 2 289 53 11.

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