REPORT AT 31 DECEMBER 2008

Madrid, 26 February 2009

MILESTONES IN THE FOURTH QUARTER

PharmaMar:

- Ortho Biotech Products LP (Johnson&Johnson), presented the dossier to register Yondelis for refractory ovarian cancer to the FDA .
- PharmaMar presented the dossier to register Yondelis for refractory ovarian cancer to the EMEA.
- Yondelis was launched in a number of countries in 2008, with sales in the year totalling 28 million euro.

Noscira:

- The first Phase II clinical trial with NP-12 commenced in Alzheimer's Disease
- Regulatory authorities in the UK authorised the next phase I trial with NP-61.

Group:

- Consolidated revenues increased 23% year-on-year to 105 million euro.
- R&D expenditure increased 11% year-on-year to 57.5 million euro.
- Net income attributable to the parent company improved 10% with respect to December 2007.

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FIGURES TO DECEMBER 2008

NET SALES

ZELTIA GROUP TOTAL	December 2008	December 2007	Change (%)
Net revenue	105,260	85,459	23.2%
Cost of goods sold	(39,088)	(38,217)	2.3%
Gross income	**66,172**	**47,242**	**40.1%**
%	63%	55%	

	December 2008	December 2007	Change (%)
CONSUMER CHEMICALS - Net revenue	70,653	74,149	-4.7%
BIOPHARMACEUTICALS - Net revenue	33,350	10,027	232%
Unallocated	1,257	1,283	-2%
TOTAL	**105,260**	**85,459**	**23.2%**

EBITDA

	December 2008	December 2007	Change (%)
Consumer Chemicals	9,622	9,588	0.5%
Biopharmaceuticals	(33,527)	(42,524)	21.2%
Unallocated	(6,709)	(6.794)	1.3%
ZELTIA GROUP TOTAL	**(30,614)**	**(39,740)**	**23%**

R&D EXPENDITURE

	December 2008	December 2007	Change (%)
PharmaMar	40,534	36,912	9.8%
Noscira	13,906	13,497	3%
Genómica	704	460	55.2%
Sylentis	2,380	822	189.5%
GROUP TOTAL	**57.534**	**51,691**	**11.3%**

Net revenue

Group net revenues amounted to 105.3 million euro in 2008, 23.2% more than in 2007 (85.45 million euro).

Revenues at the consumer chemicals subsidiaries totalled 70.7 million euro (74.1 million euro in 2007) and accounted for 67% of total Group revenues in 2008 (87% in 2007).

Revenues in the Biopharmaceutical business amounted to 33.3 million euro (10 million in 2007): 28 million euro at PharmaMar from Yondelis sales (6.4 million euro in 2007) and 5.3 million euro at Genómica (4 in 2007). Sales in this sector accounted for 32% of Group net revenues.

R&D expenditure

R&D expenditure increased 11.3% year-on-year. R&D expenditure in 2008 totalled 57.5 million euro, of which 40.5 were invested in PharmaMar (36.9 million euro in 2007), 13.9 in Noscira (13.5 million euro in 2007), 2.4 million euro in Sylentis (0.8 million euro in 2007) and 0.71 million euro in Genómica (0.5 million euro in 2007).

Marketing and commercial expenses

Marketing and commercial expenses amounted to 32.2 million euro in 2008, 10.1% more than in 2007 (29.3 million euro).

The Consumer Chemicals division accounted for 19.6 million euro in 2008, a reduction of 14% on 2007 (22.9 million euro).

Within the Biotechnology segment, PharmaMar spent 12.6 million euro (6.4 million euro in 2007).

EBITDA

Group EBITDA increased by 23% year-on-year. EBITDA in 2008 was negative in the amount of 30.6 million euro, compared with a negative 39.6 million euro in 2007, basically because net sales in biopharmaceuticals amounted to 33.3 million euro (of which 28 were Yondelis sales), combined with other amounts collected in the year under licence agreements, which together amounted to 10 million euro.

(EBITDA: earnings before interest, taxes, depreciation and amortisation)

Cash

The net cash position—defined as cash and cash equivalents, plus current financial assets (62.3 million euro) minus short-term financial debt (23.9 million euro)—totalled 38.4 million euro in 2008. Long-term debt amounted to 86 million euro, of which 57.2 million euro was bank debt and 29.6 million euro was in the form of research and development loans from official bodies which are repayable over 10 years, interest free, with a three-year repayment holiday.

It is estimated that the cash and credit available in 2009 will be sufficient to attain the Group's investment targets up to the potential authorisation of Yondelis for the treatment of ovarian cancer. This improvement is based on rising sales and expected revenues from licences and milestones. When Yondelis is being sold throughout Europe for ovarian cancer, the Group expects cash flow to be sufficient to cover R&D expenditure.

Cash and cash equivalents + current financial investments	62,342
Short-term debt	23,888
Long-term debt	86,840
Bank debt	*57,183*
Government agencies: R&D funding (interest-free debt)	*29,657*

BUSINESS PERFORMANCE.

Below is an overview of the group companies' business performance in 2008.

A) Consumer chemicals:

Xylazel

The Spanish economy declined steadily in 2008, and consumer spending slipped inexorably in line with decelerating residential construction (it declined 28% year-on-year in 2007).

Against this backdrop, Xylazel's sales fell by just 9.25% with respect to 2007. The decline was focused almost entirely in the specialised paint retail channel, which is closely related to the construction industry, and the reduction was much smaller in the other channels (DIY, hardware stores and industrial buyers).

The company implemented a cost-containment programme with the result that, despite the decline in revenues, EBITDA increased by 21% over 2007 to 3.4 million euro (2.8 million euro in 2007), i.e. a 19.2% EBITDA margin.

Net income in the year, after the provision for corporate income tax, amounted to 2.04 million euro, 28.5% more than in 2007.

A number of new products were launched in the second half of the year, specifically a range of water-based special paints and rust-proofing products. This was a first in Spain and was welcomed by the majority of customers, who are increasingly seeking "greener" products. The launch proved very satisfactory despite the difficult situation and helped partly mitigate the decline in sales. In fact, contrasting with general market performance, our sales fell by less in the second half of the year than in the first. The new products accounted for approximately 4% of total sales in 2008.

This success encourages us to continue researching and developing new products, mostly water-based, and we expect to continue launching new items on the market in 2009.

Additionally, last September we commenced an innovative project in cooperation with a private research institution in the Basque Country and the University of Santiago de Compostela to use nanotechnology as a "green" option for wood preservation; we are optimistic about the outcome.

Zelnova

The year can be divided into two distinct periods in terms of Zelnova's sales: Up to September, sales remained stable with respect to 2007 despite adverse weather conditions in May and June; however, sales slipped sharply in the fourth quarter due to the weak general economic situation.

The decline in domestic sales was partly offset by improved exports by both Zelnova and Copyr, which has begun to export its ecological farming products to France, Greece and Slovenia; as a result, the decline was attenuated to 2.9%.

Zelnova launched two new products under the Casa Jardín brand in the fourth quarter: Casa Jardín Laca and El Casa Jardín Exteriores. They met with a very warm response in the market and are expected to be very successful in 2009.
A manufacturing agreement was reached in Portugal with a multinational company that operates in the garden centre business; the agreement will be extended to the Spanish market in 2009.

Copyr also filed dossiers to register its ecological farming products and it expects to obtain authorisation for four countries (Germany,

Cyprus, Morocco and Turkey) in 2009 and another five (Spain, Portugal, the UK, Egypt and Austria) in 2010.

The table below shows the change in revenues in the various channels.

(Thousand euro)	**2007**	**2008**	**Change**	
Domestic own brands (*)	39,437	37,346	-2,091	- 5.3 %
Domestic private label brands (*)	6.530	6.531	+1	=%
Exports	8.080	8.612	+532	+ 6.7%
Total net sales	**54.047**	**52.489**	**-1.558**	**-2.9 %**

(*) Domestic: Spain and Italy

Another significant factor in 2008 was the sharp increase in the cost of petroleum derivatives that are used as raw materials, such as butane and solvents. Fortunately, the situation returned to normal in the fourth quarter, when prices fell back to their 2007 levels.

B) Biopharmaceutical sector:

PharmaMar:

Regarding the compounds in clinical development:

Yondelis

Soft-tissue sarcoma (STS). After obtaining approval from the European Medicines Agency in 2007, Yondelis was launched for the treatment of STS throughout practically all of the EU in 2008. Nevertheless, in the search for more effective tools to cure patients, PharmaMar has started an international randomised multi-centre pivotal Phase III trial of Yondelis as first-line treatment for patients with soft-tissue sarcoma associated with specific chromosome translocations. This trial was accepted by the EMEA's Committee for Medicinal Products for Human Use (CHMP).

And a multi-centre Phase II trial of Yondelis® (trabectedin) on children with recurring rhabdomyosarcoma, Ewing's sarcoma or non-rhabdomyosarcomatous STS. The trial will determine the safe and tolerable dose of Yondelis in paediatric patients and assess the efficacy of that dose in terms of response rates.

Additionally, Yondelis® was designated an orphan drug for the treatment of soft-tissue sarcoma by Swissmedic, the Swiss Agency for Therapeutic Products.

PharmaMar's extensive activities in connection with tumours of this type led to it being awarded the 'Supporting A Cure In Our Time' Sarcoma Foundation Of America Award, which was presented at the Connective Tissue Oncology Society (CTOS) meeting in London on 13-15 November. In the words of Matthew Alsante, Executive Director of the SFA: "It is with great pleasure that I present PharmaMar with a 'Supporting A Cure in our Time' Award. PharmaMar has been a leader in sarcoma research and treatment, a cancer population that is very underserved. It is with great appreciation that the Sarcoma Foundation of America recognises PharmaMar for their innovative efforts to improve the care and lives of patients affected with sarcoma. With few new and effective treatments for sarcoma patients, the development of Yondelis® as a treatment option has been an important breakthrough for sarcoma patients."

Ovarian cancer. The organising committee of the 33rd congress of the European Society for Medical Oncology (ESMO) chose the pivotal Phase III trial of Yondelis on ovarian cancer for

presentation at a Presidential Symposium on 15 September. Generally only clinical trials whose results augur a change in standard clinical practice are selected for the ESMO Presidential Symposium.
The presentation highlighted that the pivotal OVA-301 trial had successfully attained its objectives. Progression-free survival (PFS), the trial's main end-point, was longer in the case of Yondelis® (trabectedin) in combination with Doxil® than in the case of Doxil® alone, and the difference was both statistically significant and clinically relevant.

The results are also supported by a higher response rate to Yondelis® in combination and met the benchmarks agreed upon beforehand with the regulatory authorities. The safety profile of Yondelis® in this randomised test was in line with previous results with the drug, whose side effects are manageable. Combining Yondelis® with Doxil® did not lead to any unexpected toxic effects.

This pivotal randomised Phase III trial is one of the largest ever conducted on refractory ovarian cancer, as it recruited 672 in a range of centres.

In November, Johnson&Johnson subsidiary Ortho Biotech Products LP filed a new drug application (NDA) with the US Food & Drug Administration (FDA) for the use of Yondelis (trabectedin) in combination with Doxil for treating refractory ovarian cancer (ROC), based on the aforementioned OVA-301 trial.

Some days later, on 4 December, PharmaMar presented the application for the same therapeutic use to the European Medicines Agency. If Yondelis is authorised for sale for this therapeutic use, it will give patients in Europe a new non-platin therapy option.

Breast cancer. Recruitment for the stratified Phase II clinical trial was satisfactory and the trial is under way; it is expected to be completed in 2009.

This is a multi-centre international clinical trial involving research centres around the world (France, Italy, Poland, Israel and the USA). One of the trial's primary goals is to establish a relationship between the tumour's biological characteristics and the efficacy of treatment with Yondelis (pharmacogenomic analysis). The preliminary results of the pharmacogenomic analysis show an increase in progression-free survival (PFS) in patients whose primary tumours have a high level of expression of the XPG gene, which is linked to DNA repair and which must be functioning properly in order for Yondelis to be effective.

Lung cancer. A multi-centre trial in Spain was started in 2008 under the sponsorship of PharmaMar and with the support of research centres linked to the Spanish Lung Cancer Group (Grupo Español de Cancer de Púlmon). This clinical trial uses patients chosen by pharmacogenomics and its main objective is to establish the efficacy of Yondelis on patients with NSCLC who have been previously treated with platin-based chemotherapy. The patients' tumours must present specific alterations to the DNA repair genes, whose functionality is necessary for Yondelis to act (high expression of XPG or ERCC1 and low expression of BRCA1).

Prostate cancer. Recruitment was completed in 2008 for the international multi-centre clinical trial of patients with androgen- and docetaxel-resistant prostate cancer. The objective of the trial is to determine the efficacy and safety of Yondelis in this population of patients using two treatment patterns: a 3-hour once per week, and a 24-hour infusion once every three weeks. Yondelis is well tolerated by this particularly fragile group of patients and produces a significant decline in PSA accompanied by symptomatic improvements in some patients (10%-15%), including cases that are refractory to docetaxel.

Marketing At the end of the year, Yondelis had received price and reimbursement authorisation and was being sold to treat soft-tissue sarcoma in the majority of countries in the European Union. The commercial structure (sales and marketing team) and distribution infrastructure were developed for all European countries during the year.

Johnson&Johnson has applied for authorisation to market Yondelis for soft-tissue sarcoma in more than 20 countries, and has already received approval for South Korea and Russia.

Yondelis in Japan: PharmaMar has been in charge of developing and marketing Yondelis in Japan since July 2008, including the possibility of working with other licensees in Japan. PharmaMar had licensed that territory to Johnson&Johnson subsidiary Ortho Biotech Products (OBI) under the licensing agreement signed by the two companies in August 2001. However, the special clinical trials required for the Japanese ethnic group did not commence. In addition to recovering the rights to market Yondelis in that territory, PharmaMar collected 10 million dollars from OBI and OBI remains obliged to pay PharmaMar a milestone payment once authorisation is obtained to market Yondelis in Japan. The Company is currently at an advanced stage of negotiations with another potential licensee. The agreement with respect to Japan does not affect the relationship between PharmaMar and OBI in connection with any other country in the world.

Aplidin

The clinical development of Aplidin® includes trials, as monotherapy and in combination, on solid and haematological tumours. Among the haematological tumours, good preliminary results with aggressive non-Hodgkin's Lymphoma supported expanding the trial to include patients with peripheral T-cell lymphoma.

Peripheral T-cell lymphoma The study has been expanded with a view to focussing recruitment on peripheral T-cell lymphoma, confirming activity and obtaining sufficient information to discuss a registration strategy for this indication with the EMEA and the FDA. The number of participating centres, including hospitals, has increased to include Italy, Argentina, Peru and the US.

Multiple myeloma The ethics committees and competent authorities have authorised the commencement of studies with Aplidin in combination with lenalidomide and bortezomib for patients with multiple myeloma.

Solid tumours. The ethics committees and competent authorities in France have authorised the commencement of a trial with Aplidin in combination with sorafenib and gemcitabine on **solid tumours and lymphomas.** Also, authorisation has been obtained from the ethics committees and competent authorities in France and Belgium to commence a study with Aplidin in combination with bevacizumab and docetaxel on solid tumours.

Recruitment for the Aplidin trial in combination with dacarbazine to treat **metastatic myeloma** exceeded expectations for this quarter.

Data from a paediatric trial with Aplidin conducted with the European Consortium for Innovative Therapies for Children with Cancer (ITCC), which reveal that Aplidin is active on paediatric patients with advanced cancer and cancer that is resistant to conventional treatment, was presented at the ASCO meeting in June. The data confirm the product's efficacy and good safety profile.

Results obtained with Aplidin® in two Phase II trials, one on peripheral T-cell lymphoma and the other on refractory and recurring multiple myeloma, plus a third study with the compound on animal models of myelofibrosis, were presented at the American Society of Hematology (ASH) meeting in San Francisco. The trial concluded that the compound improves most indicators of clinical manifestations of myelofibrosis that cause morbility. A Phase II clinical trial will be conducted following those results.

The Food & Drug Administration (FDA) has accepted PharmaMar's proposal regarding the process of producing Aplidin®. The intermediate products through which the company commences the drug production process have been approved.

Zalypsis

Dose escalation in the various Phase I trials progressed sufficiently in 2008 to set the maximum tolerated dose (MTD) and recommended dose of Zalypsis® for three different administration patterns.

It can be concluded that Zalypsis® has a good safety profile and is easily used in clinical trials. Recruitment of patients continues to confirm the recommended dose (RD) and the best administration pattern for future Phase II trials. Data from a clinical trial with weekly administration were presented at the 20th Annual Symposium of the European Organization for Research and Treatment of Cancer (EORTC), the US National Cancer Institute (NCI) and the American Association for Cancer Research (AACR), held on 21-24 October in Geneva (Switzerland). The results show that this administration pattern for Zalypsis has a good safety profile and is tolerable, as well as showing preliminary evidence of anti-tumour activity characterised by clinically-significant stabilisation of various tumour types.

Promising pre-clinical data on the compound's activity against multiple myeloma were presented to the 50th Annual Meeting of the American Society of Hematology (ASH). The new study, published in "Blood Journal", shows that Zalypsis® is a powerful inhibitor of growth by multiple myeloma cells and recommends trials on patients with multiple myeloma. The paper concluded that Zalypsis® is one of the most powerful agents yet tested against multiple myeloma.

Irvalec (formerly PM02734)

The recommended dose for the 24-hour infusion was attained in 2008 and the process has commenced to launch two new clinical trials: a Phase I trial in combination with tarceva, and a Phase II trial as monotherapy against lung cancer.

A Phase I study was presented at the ASCO meeting in June which showed that Irvalec has a high therapeutic index, with evidence of tumour control in patients that are resistant or recalcitrant to conventional therapy while offering a good safety profile, with reversible asymptomatic side effects.

A study evaluating Irvalec® in colon, breast, ovarian, lung, prostate, head, neck and pancreas cancer cell lines was presented at the 20th Annual Symposium of the European Organization for Research and Treatment of Cancer (EORTC), the US National Cancer Institute (NCI) and the American Association for Cancer Research (AACR), held on 21-24 October in Geneva (Switzerland). Cytoxicity data obtained with Irvalec® was compared with five other compounds that inhibit the Erb-B/HER pathway. Irvalec® showed significant anti-proliferative activity at doses that can be attained in clinical trials, and a more powerful effect than obtained with the other five inhibitors used in the trials; it also displays a distinctive activity profile. The trial was carried out in collaboration with Beaujon University Hospital (Clichy, France).

Phase I/II trials of Irvalec® with Tarceva® (erlotinib) on solid tumours commenced in December. The combination of Irvalec and Tarceva has shown considerable synergy in pre-clinical models, including resistant NSCLC cell lines. And a preliminary pharmacogenomic (FgX) trial will be conducted to find molecular factors predictive of a response to ErbB receptors and Irvalec.

A new multi-centre Phase II trial with Irvalec® to treat NSCLC commenced in December. The trial is evaluating the therapy on patients that have progressed after receiving at least one line of platin-based chemotherapy.

Noscira

NP-12 - Alzheimer's

In October 2008, the Austrian health authorities approved the commencement of a Phase II trial of NP12 with Alzheimer's patients. Three different Phase I trials in 160 healthy young people and seniors confirmed NP-12's safety. The protocol for this first Phase II trial was reviewed by the medical directors of the hospitals where it will be conducted.

The application to conduct another clinical trial with NP-12 in Germany was also approved. The centres have been selected and the necessary contracts signed, all the material requirements have been fulfilled and the necessary documentation has been drafted.

Results obtained in the administration of NP-12 to a double transgenic mouse as a model of Alzheimer’s disease were presented at the end of July at the International Congress on Alzheimer’s Disease (ICAD), held in Chicago. Administering NP-12 to these mice, which present deposits of hyperphosphorylated tau protein and Beta-amyloid plaques, led to a significant reduction in both types of deposits, a reduction of inflammatory gliosis, and, most importantly, a reduction of neuron loss (the ultimate cause of the progressive extensive deterioration), all of which are decisive factors associated with Alzheimer's disease. This trial was carried out to complement the preclinical information already available, in parallel with our trials with healthy volunteers, and the results confirm the compound's potential modifying effect.

NP-12 - PSP

Progressive Supranuclear Palsy (PSP) is a neurodegenerative disorder which is manifested clinically in the form of bradykinesia, gait disorders, oculomotor dysfunction, dysarthria, dysphagia and mental deterioration; pathologically, it is characterized by hyperphosphorylated tau deposits in the brain. By avoiding the hyperphosphorylation of tau deposits through inhibition of the GSK 3 enzyme, NP-12's action mechanism makes it a possible option for treating PSP, a highly debilitating disease for which there is no effective treatment at the moment. The phase I trial with NP-12 for Alzheimer's is also applicable to PSP; for this reason we will directly commence Phase II trials with NP-12 for PSP.

Preparatory work for the Phase II trial of NP-12 on PSP patients is proceeding on schedule. The trial was designed in collaboration with a group of clinical experts in the area, and various Contract Research Organisations have been contacted with a view to selecting the best one. In parallel, the company has filed an investigational new drug (IND) application with the FDA and requested orphan drug status from the EMEA.

NP-61

The second phase 1 trial with this compound has commenced and is proceeding at the Clinical Pharmacology unit of MDS in Belfast, and it is on schedule.

Cell Therapy (glia project)

On 11 November, NOSCIRA presented its project of Cellular Therapy using the Olfactory Glial Sheath for the treatment of medullary lesions to the European Medicines Agency (EMEA) in London. The EMEA was represented by a large panel of experts from its various committees (cell therapy, gene therapy, etc.) and delegates from national agencies throughout Europe attended the presentation.

Among the various items of technical and regulatory advice given at the event, the EMEA indicated that if the project maintains its positive expectations, orphan drug status should be applied for given that medullary lesions fulfil all the necessary requisites.

Neuroprotector project

Among the various therapeutic approaches Noscira has been developing in the last few years, we recently isolated and identified a family of molecules of marine origin with the ability to inhibit the formation of amyloid peptides, whose abnormal aggregation (amyloidogenesis) leads to the formation of senile plaques, one of the two distinctive lesions characteristic of Alzheimer's. It has a highly-innovative action mechanism: the activation of alpha-secretase, an enzyme (protease) in the non-amyloidogenic pathway. A solid medical chemistry prototype-optimisation programme has been established with a view to obtaining compounds with greater activity and the best Administration, Distribution, Metabolism and Excretion (ADME) properties for the organism. There is currently a sizeable number of analogues with a strong activity pattern and improved ADME properties.
Two compounds in this family recently proved their capacity to protect dopaminergic neurons from induced neuron death in animal models. One of these compounds, NP-17, has been selected for regulatory preclinical trials in early 2009.

Genómica:

Genómica obtained over 5 million euro in revenues in 2008, a 33% increase with respect to 2007.

Of the two large areas into which Genómica's activities are divided, Clinical Diagnostics accounted for 75% of revenues, Forensic Genetics for 25%.

Clinical Diagnostics revenues increased by 36% to over 4 million euro (2.9 million euro in 2007).

Revenues for the CLART-Clinical Arrays Technology platform increased by 44% in 2008.
Domestic sales amounted to 2.12 million euro in 2008 (1.43 million euro in 2007), while exports amounted to 1.08 million euro (0.8 million euro in 2007): i.e. increases of 49% and 37%, respectively.

Because of the outstanding position of the CLART®Papillomavirus product marketed by Genómica in diagnostics in Spain, on 1 August the company signed a contract with the Castilla-La Mancha Regional Government Health Ministry to supply reagents for automatic detection and typing of HPV using in vitro molecular diagnostic testing techniques as part of that government's Programme of Prevention and Early Detection of Cervical Cancer.
The screening programme is included in the European Network for Cervical Cancer Screening, as part of the Europe Against Cancer programme (ECCSN, European Cervical Cancer Screening Network).
In the area of forensic genetics, in which Genómica is the only privately-owned laboratory in Spain with ENAC-ISO 17.025 certification for genetic-forensic identification and analysis on human tissues and fluids, stem cells, adipocytes and cells in suspension, revenues increased by 40% with respect to 2007, to 1.3 million euro in 2008 (0.9 million euro in 2007).

As a result of the company's good performance in this field, in September it obtained the renewal of the cooperation agreement with the Spanish Civil Guard Forensics Unit to provide human DNA identification services.

In the area of industrial property connected with products that are in the market, in 2008 the national phase of the patent for CLART® Papillomavirus commenced in Australia, Brazil, Canada, China, Egypt, Europe, India, Israel, Japan, Korea, Mexico, Russia and the USA.
Also, a preliminary patent was filed for CLART®ENTHERPEX and a new preliminary patent for CLART®PneumoVir.

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BALANCE SHEET *(Thousand euro)*	31-dic-08	31-dic-07
ASSETS		
Non-current assets	**80.390**	**82.760**
Property, plant & equipment	39.903	39.332
Investment properties	3.789	8.350
Intangible assets	11.769	10.919
Deferred tax assets	19.983	19.418
Long-term financial assets	2.398	2.193
Goodwill	2.548	2.548
Current assets	**127.149**	**149.566**
Non-current assets held for sale	4.535	0
Inventories	26.440	19.329
Customer and other receivables	27.395	24.086
Other current assets	2.025	4.233
Receivable from public authorities	4.412	4.061
Current financial assets	24.535	61.332
Cash & cash equivalents	37.807	36.525
TOTAL ASSETS	**207.539**	**232.326**

BALANCE SHEET *(Thousand euro)*	31-dic-08	31-dic-07
EQUITY		
Shareholders' equity	**49.343**	**95.723**
Share capital	11.110	11.110
Share premium	323.286	324.382
Treasury shares	-27.177	-24.745
Revaluation and other reserves	-31	0
Retained earnings and other reserves	-257.845	-215.024
Minority interest	**0**	**3.091**
TOTAL EQUITY	**49.343**	**98.814**
LIABILITIES		
Non-current liabilities	**92.872**	**78.059**
Financial debt	86.840	72.528
Derivatives	0	10
Deferred tax liabilities	5.060	4.495
Non-current deferred revenues	720	796
Other non-current liabilities	252	230
Current liabilities	**65.324**	**55.453**
Supplier and other accounts payables	29.491	22.729
Financial debt	23.888	21.629
Provisions for other liabilities & expenses	4.394	4.834
Current deferred revenues	3.706	3.551
Other current liabilities	3.845	2.710
TOTAL LIABILITIES	**158.196**	**133.512**
TOTAL LIABILITIES AND EQUITY	**207.539**	**232.326**

INCOME STATEMENT			
Thousand euro	31-dic-08	31-dic-07	Chg. (%)
Net revenues	105.260	85.459	23,2%
Cost of sales	-39.088	-38.217	2,3%
Gross income	**66.172**	**47.242**	**40,1%**
General and administration expenses	-18.897	-13.257	42,5%
Research & development expenses	-57.534	-51.691	11,3%
Capitalised in-house work	557	0	
Marketing & commercial organisation expenses	-32.242	-29.280	10,1%
Other operating expenses	-6.262	-7.166	-12,6%
Other operating revenues	18.246	14.364	27,0%
Other revenues and (expenses)	-654	48	-1462,5%
EBITDA	**-30.614**	**-39.740**	**-23,0%**
Depreciation, amortisation and provisions	-6.441	-5.590	15,2%
Net operating profit (loss) (EBIT)	**-37.055**	**-45.330**	**-18,3%**
Net financial results	-5.936	-1.662	257,2%
Loss before taxes	**-42.991**	**-46.992**	**-8,5%**
Corporate income tax in the period	-746	-3.673	
Loss for the year	**-43.737**	**-50.665**	**-13,7%**
Attributable to minority interest	3.092	5.586	-44,6%
Attributable to equity holders of the parent	**-40.645**	**-45.079**	**-9,84%**

CONSOLIDATED CASH FLOW STATEMENT DECEMBER 2008

A)	**NET CASH FLOW FROM ORDINARY ACTIVITIES**	**-39.961**
1	**Profit/(loss) before tax**	-42.991
2	**Adjustements for:**	**5.820**
+	Amortisation and depreciation	6.181
(+/-)	Other adjustements	-361
3	**Variation in working capital**	2.758
4	**Other net cash flow**	**-5.548**
(-)	Financial expenses	-7.109
(+)	Financial revenues	1.561
B)	**NET INVESTMENT CASH FLOW**	**32.247**
1	**Investments**	**-3.235**
(-)	Purchases of property, plant & equipment and intangible assets	-2.601
(-)	Other financial assets	-634
2	**Disposals**	**35.482**
(+)	Sale of financial assets	35.482
C)	**CASH FLOW IN FINANCING ACTIVITIES**	**8.996**
1	Collections (Payments) in treasury share transactions	**-7.533**
(-)	Amortisation	-1.096
(-)	Purchase of treasury shares	-9.003
(+)	Decrease	2.566
2	**Increase (Decrease) in bank borrowings and other financial liabilities**	**16.529**
(+)	Funds from debt	23.690
(-)	Repayment from debt	-7.161
D)	**VARIATION EXCHANGE RATES EFFECTS**	**0**
E)	**NET DECREASE/INCREASE IN CASH AND CAHS EQUIVALENTS**	**1.282**
F)	**STARTING BALANCE OF CASH AND CASH EQUIVALENTS**	36.525
G)	**ENDING BALANCE OF CASH AND CAHS EQUIVALENTS**	**37.807**

NET CASH POSITION	
CASH AND CASH EQUIVALENTS	37.807
CURRENT FINANCIAL ASSETS	24.535
FINANCIAL DEBT	-23.888
TOTAL NET CASH POSITION	**38.454**