REPORT AT 30 JUNE 2013

Madrid, 23 July 2013

1H13 HIGHLIGHTS

Group

- Gross oncology revenues increased by 11% in the second quarter (April-June) with respect to the first quarter (January-March), reflecting the gradual restoration of the Caelyx supply.
- Gross oncology revenues in the first half of 2013 increased by 5% with respect to the first half of 2011, i.e. before the Caelyx shortage.
- Although gross revenues in 1H13 increased by 13% year-on-year, ongoing price pressure by European Union government meant that the increase in net revenues was just 8%.
- Revenues in the consumer chemical segment declined by 10.69%, particularly as a result of the crisis in consumer spending and adverse weather conditions in the first half.
- Total Group revenues were 2% lower than in the previous year.
- Total Group revenues (excluding capitalisation) amounted to 91.2 million euro.
- Of total Group revenues in the first half of 2013, 62% came from outside Spain,while 90% of oncology sales came from overseas.
- Group EBITDA amounts to 19.7 million euro.
- Net income attributable to the Group improved 28%, as research spending was focused on oncology.
- Group debt as a whole continued to decline.

Oncology

- Resumption of Caelyx supplies in late April this year enabled Yondelis® to be used again in combination for relapsed ovarian cancer.
- The Japanese authorities have accredited PharmaMar as a foreign manufacturer.

Diagnostics

- Exports expanded by 28% year-on-year.

RNA interference

- The Phase IIa clinical trial with SYL040012 in glaucoma has concluded after attaining the primary endpoint.

Mª Luisa de Francia
CFO
ZELTIA, S.A.
Plaza Descubridor Diego de Ordás, 3
Madrid
Telephone 91.444.45.00

José Luis Moreno
Head of Investor Relations
ZELTIA, S.A.
Plaza Descubridor Diego de Ordás, 3
Madrid
Telephone 91.444.45.00

FIGURES TO JUNE 2013

Period	06/30/2013	06/30/2012	Δ%	Q2 13	Q2 12	Δ%
Net Revenue (€ 000)						
Consumer Chemicals	32,787	36,710	*-10.69%*	20,229	23,371	-13.44%
Biopharmaceuticals	38,098	35,575	*7.09%*	20,056	17,759	12.93%
Unallocated	425	473	*-10.15%*	210	310	-32.26%
Total Group	**71,310**	**72,758**	***-2.0%***	**40,495**	**41,440**	**-2.28%**
Cost of goods sold (€ 000)	19,711	21,511	*-8.37%*	11,736	13,533	-13.28%
Gross Income	**51,599**	**51,247**	***0.69%***	**28,759**	**27,907**	**3.05%**
Gross Margin	72.36%	70.43%	*2.73%*	71.02%	67.34%	5.46%
Other operating revenues						
Consumer Chemicals	9	8	*12.50%*	3	-20	
Biopharmaceuticals	19,858	21,020	*-5.53%*	518	20,095	
	19,881	**21,028**	***-5.5%***	**535**	**20,075**	
TOTAL REVENUE	**91,191**	**93,786**	***-2.77%***	**41,030**	**61,515**	**-33%**
EBITDA (€ 000)						
Consumer Chemicals	3,164	4,488	*-29.50%*	2,798	3,854	
Biopharmaceuticals	20,178	20,194	*-0.08%*	1,199	18,502	
Unallocated	-3,644	-3,821	*4.63%*	-1,885	-1,986	
Total Group	**19,698**	**20,861**	---	**2,112**	**20,370**	
R&D Expenditure						
Oncology	17,947	16,968	*5.77%*	9,436	8,604	9.67%
Other	3,747	2,755	*36.01%*	1,371	1,306	4.98%
Total Group	**21,694**	**19,723**	***9.99%***	**10,807**	**9,910**	**9.05%**
Marketing & Commercial Expenses						
Consumer Chemicals	8,782	9,406	*-6.63%*	5,145	5,695	-9.66%
Biopharmaceuticals	11,629	11,309	*2.83%*	6,160	6,098	1.02%
Other	5	6		3	-8	
Total Group	**20,416**	**20,721**	***-1.47%***	**11,308**	**11,785**	**-4.05%**
Income for the year attributable to equity holders of the parent company	**14,403**	**11,269**	***27.81%***	**-1,415**	**15,538**	
Profit for the year from discontinued operations	**-475**	**-5,242**	***0.00%***	**-281**	**-1,156**	

(Thousand euro)

Due to the discontinuation of the Group's activities relating to the Central Nervous System (mainly Alzheimer's disease), earnings for this area are reflected in a single line item, "Income from discontinued operations", which also includes the area's earnings for 1H12, with a view to facilitating comparison. The company that carried on this activity, Noscira, is currently being liquidated.

Net revenue

Group net revenues amounted to 71.3 million euro in 1H13, 2% less than in the same period of 2012 (72.8 million euro).

Revenues in the Biopharmaceutical business amounted to 38.1 million euro (35.6 million euro in 1H12): 35.2 million euro at PharmaMar from Yondelis sales (32.6 million euro in 1H12) and 2.9 million euro at Genómica (3 million euro in 1H12). The increase in Yondelis sales reflects the effect of the gradual resumption of the Caelyx supply.

Net sales by the Consumer Chemicals subsidiaries totalled 32.8 million euro (36.7 million euro in 1H12). The 10.96% decline in net sales is attributable not only to the ongoing crisis in consumer spending in Spain, but also to the adverse weather in the first half, which impeded outdoor restoration and refurbishment work (affecting the protective varnish and paint business) and delayed the appearance of insects (affecting the home insecticide business).This segment accounted for 46% of the Group's total revenues in 1H13.

Other operating revenues

This section reflects revenues from royalties, subsidies, and licensing agreements, including milestone and similar payments.

Other operating revenues totalled 19.8 million euro in 1H13 (21.0 million euro in 1H12). The breakdown is as follows: 18.4 million euro (25 million dollars) for achieving the third milestone under the agreement with Janssen Pharmaceuticals, LP, under a new plan of action to reinforce the development of Yondelis® in the US; 0.8 million euro in royalties on sales of the drug outside of the European Union; and 0.6 million euro in subsidies for R&D from public entities in Spain and elsewhere in Europe.

EBITDA

Group EBITDA (continuing operations only) totalled 19.7 million euro in 1H13 (20.9 million euro in 1H12).

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

R&D expenditure

R&D expenditure increased by 10% year-on-year. A total of 17.9 million euro was spent on research & development in the oncology area in 1H13 (17 million in 1H12),3.4 million euro in Diagnostics and RNAi (2.4 million euro in 1H12), and 0.4 million euro in the Consumer Chemicals area.

Marketing and commercial expenses

Marketing and commercial expenses amounted to 20.4 million euro in 1H13 (20.7 million euro in 1H12). The Biotechnology segment spent 11.6 million euroin 1H13 (11.3 million euro in 1H12). Consumer chemical companies accounted for 8.8 million euro in the period (9.4 million euro in 1H12).

Income from discontinued operations

Due to the discontinuation of the Group's activities relating to the Central Nervous System (mainly Alzheimer's disease) in the last quarter of 2012, earnings for this area are reflected in a single line item, "Income from discontinued operations", which also includes the area's earnings for 1H12, to facilitate comparison. That line item amounted to -0.5 million euro in 1H13 and -5.2 million euro in 1H12. Noscira, the company responsible for this activity, is currently being liquidated.

Cash

At the end of June 2013, cash and cash equivalents plus current financial assets amounted to 19.7 million euro, short-term interest-bearing debt to 46.6 million euro, and long-term debt to 58.1 million euro, which includes 25.7 million euro in interest-free research and development loans from official bodies which are repayable over 10 years with a three-year grace period.

	06/30/2013	12/31/2012
Cash & cash equivalents + current financial investments	**19,692**	**34,428**
Short term interest-bearing debt	**46,556**	**54,734**
Bank debt		
- Bank loan	19,978	24,428
- Credit facilities	18,888	13,346
- Effects and certifications	2,505	3,942
- Interest	706	260
Govt. agencies: R&D funding (interest free debt)	4,475	4,756
Others	4	8,002
Long term interest bearing debt	**58,050**	**62,016**
Bank debt	28,325	38,018
Govt. agencies: R&D funding (interest free debt)	25,725	23,998
Others	4,000	0

BUSINESS PERFORMANCE.

Below is an overview of the group companies' business performance in the first half of 2013.

B) Biopharmaceuticals

1.- Oncology: PharmaMar

a) Yondelis®:

Soft-tissue sarcoma

Recruitment is advancing ahead of schedule for thePhase III pivotal trial in L-sarcoma, sponsored by Janssen, which seeks to obtain registration for Yondelis® in the US.

Recruitment also continues for the two registration trials in Japan, sponsored by Taiho, in patients with translocation-related sarcomas.

The observational and post-authorisation trials with Yondelis® are also advancing on schedule. These trials are being executed in cooperation with the European Organisation for Research and Treatment of Cancer (EORTC), the US Sarcoma Alliance for Research Through Collaboration (SARC), the German Interdisciplinary Sarcoma Group (GISG), the Italian Sarcoma Group (ISG), the SpanishGroup for Sarcoma Research (GEIS), and the French Sarcoma Group (GSF).

Recruitment continues on schedule for the Y-IMAGE prospective, multi-centre, international observational trial to evaluate the response to treatment with Yondelis®, in line with standard clinical practices.

The observational trial in the Netherlands performed with the commercial product as required by the Dutch authorities continues without incident, and is expected to be completed in 2013.

At the annual meeting of the American Society of Clinical Oncology (ASCO), held in Chicago from 31 May to 4 June, 13 trials were presented, including an oral communication on the results of the Phase II multi-centre trial with Yondelis® in combination with doxorubicin as first-line treatment in uterine leiomyosarcoma (U-LMS) and inoperable or metastatic soft tissue leiomyosarcoma (ST-LMS).That communication presented data on uterine leiomyosarcoma, in which Yondelis® attained a 54.5% response rate, with disease control in 86% of cases.

Ovarian cancer

Recruitment continued satisfactorily for the Phase II trial with Yondelis® on patients with advanced breast cancer with the BRCA1 and BRCA2 mutations and the BRCAness phenotype.

Recruitment commenced for a new multi-centre observational trial with Yondelis® and PLD as second-line in platinum sensitive patients in Germany (OvaYond).

b) Aplidin®

Multiple myeloma

Following the recommendation by the Independent Data Monitoring Committee (IDMC) that the ADMYRE Phase III trial be continued, recruitment is advancing on schedule, centres have been reopened, and new participating countries and centres are being selected.

Dedifferentiated liposarcomas

The first stage of the trial was completed by the French Sarcoma Group.

c) Zalypsis®

Multiple Myeloma:

Analysis continues of data from patients recruited in the second stage of the Phase II trial of Zalypsis® as monotherapy in multiple myeloma. The second stage for this indication is currently being designed.

d) PM01183

Resistant/refractory ovarian cancer

Recruitment has concluded for the randomised Phase IIb in patients with platinum-refractory/resistant ovarian cancer.

Pancreatic cancer

The data will be analysed when certain patients who are still undergoing treatment complete the process.

Advanced breast cancer

Recruitment in Spain and the US continues on schedule for the Phase II trial in patients with advanced breast cancer, selected depending on the presence of BRCA1 & 2 mutations (hereditary cancer), known or otherwise. Additional hospitals in the US and Europe are expected to join the trial to enhance the pace of recruitment.

Non-small-cell lung cancer (NSCLC)

The initial protocol for this trial has been amended to include bloodwork to evaluate molecular predictors ofresponse in invasive circular tumour cells.

Recruitment is expected to commence in the near future, and Belgium has joined the initial line-up of countries (Spain, Italy, France, and the US).

Advanced leukaemias

Recruitment continues on schedule for the Phase I clinical trial with our compound as monotherapy to treat advanced leukaemia with a view to obtaining a more appropriate administration pattern for the second dosage level in patients.

Combination trials

Having completed the Phase Ib trial with our compound in combination with Doxorubicin, the data is being analysed.

Recruitment has commenced for the Phase Ib trial in combination with capecitabine in patients with unresectable metastatic breast cancer, metastatic colon cancer, and pancreatic cancer.

The Phase I trial in combination with weekly doses of paclitaxel with our without bevacizumab in patients with selected solid tumours has been approved by Spain's Clinical Research Ethics Committee and is pending approval by the regulatory agency.

Pharmamar presented the results of four trials withPM01183 at the 104th Annual Meeting of the American Association for Cancer Research (AACR), held in Washington from 6 to 10 April. The AACR meeting is the leading convention on cancer research, bringing together more than 17,000 attendees each year and covering breakthroughs in oncology and basic, clinical and epidemiological research.

e) PM060184

The two Phase I trials are under way in the US, France and Spain. The preliminary results show the drug to be active against several types of tumours. The cohorts of patients with selected tumours are currently being expanded, and treatment patterns are being explored to improve the drug's activity and safety profile.

AUTHORISATIONS

On 25 April, PharmaMar was accredited as a foreign manufacturer by the Japanese Ministry of Health, Labour and Welfare. This certification is a requirement not only to manufacture for the Japanese market, but also to present the Japanese Master File (JMF) as part of sales registration process for Yondelis®.

2.- Diagnostics: Genómica

Genómica's 1H13 revenues amounted to 2.9 million euro (3 million euro in 1H12).

The Clinical Diagnostics division expanded revenues by 2%, to 2.64 million euro, due to excellent performance by exports. Exports increased in the first six months by 28%, to 1.4 million euro (0.82 million euro in 2012). Strengthening the company's presence in South America, where 54% of exports are concentrated, allows it to offset the weak situation in European markets most affected by the crisis.

Sales in Spain declined to 1.5 million euro in 1H13 (1.7 million euro in 2012). This was due mainly to a delay of 19% of the budget for the Castilla-La Mancha Regional Government's plan for prevention and early detection of cervical cancer, which is expected to be corrected by year-end. To a lesser extent, the decline in revenues in Spain is due to the reduction in prices and the budget restrictions affecting institutional clients (public hospitals within the national healthcare system).

The Genetic-Forensic area, which accounted for 7% of total revenues in the first half, was impacted by the expiration of the cooperation agreement with the Spanish Civil Guard Forensics Unit to provide human DNA identification services. Revenues amounted to 190 thousand euro in 1H13 (390 thousand euro in 1H12).

Genomica AB, a fully-owned Genomica S.A.U. subsidiary focused on the Scandinavian market, performed in line with expectations.

Similar performance in expected in the second half of the year.

3.- RNAi: Sylentis

In the first half of 2013, the company continued advancing its R&D lines in search of molecules based on RNA interference (RNAi) to treat eye diseases.

A Phase II clinical trial with SYL040012 in patients with ocular hypertension and glaucoma, commenced in July 2012 at 11 centres in three European countries: Spain, Germany and Estonia. That trial was completed in June 2013, having attained the primary endpoint of the Phase IIa trial. The trial evaluated the safety of the drug on the eye surface and its effect on intraocular pressure following a daily dose for 14 days in patients with ocular hypertension or open-angle glaucoma. The three doses analysed in the trial were well-tolerated both locally (cornea and conjunctiva) and systemically, and they reduced intraocular pressure. The 300 microgram dose of SYL040012 was the only dose found to produce a statistically significant reduction in intraocular pressure with respect to the placebo. The next clinical trial with this compound is currently being planned.

The company's second product, SYL1001, obtained authorisation from the Spanish Agency of Medicines and Medical Devices (AEMPS) in October 2012 for a pilot trial in 60 patients with eye discomfort associated with dry eye syndrome. Patient recruitment for this new clinical trial commenced in February 2013. To date, 26 patients have been treated as part of the trial.

B) Consumer chemicals:

1.- Xylazel

The paint and varnish business, which is highly dependent on the construction industry, remains stagnant. Moreover, adverse weather conditions in the first half of the year greatly impeded outdoor refurbishment works. A total of 85% of Xylazel products are used in outdoor applications. The company performed better in the second quarter of 2013 than in the first quarter.

Gross sales totalled 8.2 million euro in the first half of 2013, a 16.5% decline with respect to the same period of 2012. The decline in sales affected all areas.

Exports in the first half accounted for 9% of total sales, compared with barely 2% three years ago. The company began exporting to Tunisia, Algeria and Angola in 1H13.

In June, it launched the second specialized product under the new Xylazel Aire Sano line: a paint suitable for healthcare environments. In the third quarter, Xylazel is planning to launch a third product in this line as well as a new paint with special characteristics.

Average procurement prices improved slightly in the case of both raw materials and packaging. Weighted average procurement prices of our component supplies fell 1.6% in 1H13. Structural fixed expenses declined by 2.8% compared with 2012.

2.- Zelnova

Performance in 2013 continues to be affected by the financial crisis, which is having a serious impact on consumer spending throughout Europe, especially in Spain and Italy, the main markets of Zelnova and its subsidiary, Copyr.

Adverse weather conditions in May and June, two important months for insecticide sales, had a very negative impact (May 2013 was the coldest May in 28 years, and June 2013 the coldest since 1997).The weather was similar in Italy and the rest of Europe, negatively affecting Copyr sales and causing delays in deliveries to new European clients, which have been postponed until the third quarter.

In this difficult context, Zelnova-Copyr's combined sales declined by 2.4 million euro(-8.7%) in 1H13, compared with the first half of 2012. This decline had a particularly negative impact on insecticides; in contrast, products that are not dependent on weather conditions performed better: household product sales rose 4% and Copyr's organic agriculture channel increased sales in Europe by 7% with a line of ecological products based on natural pyrethrins.

The table below reflects sales by geographic area, evidencing that the decline was sharper in Spain and that the internationalisation policy implemented by the company in recent years is partly offsetting the serious domestic effects of the crisis.

(Thousand euro)	2012	2013	Change	
Sales in Spain	14,641	12,996	-1,645	- 11.2%
Sales in other countries	12,991	12,235	- 756	- 5.8%
Total net sales	27,632	25,231	-2,401	-8.7%

Commodities prices remain stable, and no inflationary pressure is expected in the coming months. Nevertheless, the company maintains its policy of actively searching for alternative suppliers worldwide that might offer lower prices. The company also took measures to cut costs in all areas.

Zelnova+Copyr's combined EBITDA decreased by 0.8 million euro (-23%) in year-on-year terms, from 3.5 million euro in 1H12 to 2.7 million euro in 1H13.

The interyear differences are expected to narrow as 2013 advances if weather conditions remain normal in the rest of summer. No other risks are expected to notably affect the company's performance during the rest of the year other than those described here.

BALANCE SHEET *(Thousand euro)*	06-30-2013	12-31-2012
ASSETS		
Non-current assets	**93,045**	**92,948**
Property, plant & equipment	29,040	29,794
Investment properties	6,014	6,014
Intangible assets	20,840	19,744
Goodwill	2,548	2,548
Long-term financial assets	1,647	2,785
Deferred tax assets	32,956	32,063
Assets classified as held for sale and discontinued operations	**356**	**451**
Current assets	**113,966**	**106,431**
Inventories	27,112	23,502
Customer and other receivables	59,588	41,956
Current financial assets	6,062	16,092
Receivable from public authorities	5,501	3,817
Other current assets	2,073	2,728
Cash & cash equivalents	13,630	18,336
TOTAL ASSETS	**207,367**	**199,830**

BALANCE SHEET *(Thousand euro)*	06-30-2013	12-31-2012
EQUITY		
Shareholders' equity	**56,609**	**42,330**
Share capital	11,110	11,110
Share premium	323,286	323,286
Treasury shares	(5,815)	(6,334)
Revaluation and other reserves	3	1
Retained earnings and other reserves	(271,975)	(285,733)
Minority interest	**(3,731)**	**(3,604)**
TOTAL EQUITY	**52,878**	**38,726**
LIABILITIES		
Non-current liabilities	**71,006**	**73,749**
Financial debt	58,050	62,016
Derivatives	146	199
Deferred tax liabilities	9,441	8,548
Non-current deferred revenues	2,826	2,472
Other non-current liabilities	543	514
Current liabilities	**83,483**	**87,355**
Supplier and other accounts payables	30,074	25,703
Financial debt	46,556	54,734
Provisions for other liabilities & expenses	4,150	5,007
Current deferred revenues	31	33
Other current liabilities	2,672	1,878
TOTAL LIABILITIES	**154,489**	**161,104**
TOTAL LIABILITIES AND EQUITY	**207,367**	**199,830**

INCOME STATEMENT		
Thousand euro	**06-30-2013**	**06-30-2012**
Net revenues	71,310	72,758
Cost of sales	(19,711)	(21,511)
Gross income	**51,599**	**51,247**
Other operating revenues	19,881	21,028
Marketing & commercial organisation expenses	(20,416)	(20,721)
General and administration expenses	(9,899)	(10,891)
Research & development expenses	(21,694)	(19,723)
Capitalised in-house work	1,878	1,209
Other operating expenses	(3,961)	(4,155)
Net operating profit (loss) (EBIT)	**17,388**	**17,994**
Net financial results	(2,496)	(2,455)
Result from continuing operations	**14,892**	**15,539**
Corporate income tax in the period	(141)	(559)
Profit (Loss) for the year	**14,751**	**14,980**
Discontinued operations	**(475)**	**(5,242)**
Attributable to owners of the parent	(348)	(3,711)
Attributable to minority interest	(127)	(1,531)
Profit for the year	14,276	9,738
Attributable to owners of the parent	**14,403**	**11,269**
Attributable to minority interest	(127)	(1,531)

Net operating profit (loss) (EBIT)	17,388	17,994
Amortisation and depreciation	2,309	2,868
EBITDA	**19,697**	**20,862**

CONSOLIDATED CASH FLOW STATEMENT	06-30-2013
NET CASH FLOW FROM ORDINARY ACTIVITIES	**(3,333)**
Profit/(loss) before tax	**14,417**
Profit before tax from continuing operations	14,892
Profit before tax from discontinued operations	(475)
Adjustements for:	**3,668**
Amortisation and depreciation	2,309
Other adjustements	1,359
Variation in working capital	**(18,086)**
Other net cash flow	**(3,332)**
NET INVESTMENT CASH FLOW	**10,881**
Purchases of property, plant & equipment and intangible assets	(670)
Other financial assets	11,551
CASH FLOW IN FINANCING ACTIVITIES	**(12,254)**
Amortisation	(5)
Acquisition	(413)
Sales of treasury shares	307
Debt with credit entities (+)	10,292
Repayment from debt with credit entities (-)	(26,409)
Other net financing activities cash flow	3,974
NET DECREASE/INCREASE IN CASH AND CAHS EQUIVALENTS	**(4,706)**
STARTING BALANCE OF CASH AND CASH EQUIVALENTS	**18,336**
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**13,630**

NET CASH POSITION	
CASH AND CASH EQUIVALENTS	13,630
CURRENT FINANCIAL ASSETS	6,062
FINANCIAL DEBT	(46,556)
TOTAL NET CASH POSITION	**(26,864)**