REPORT AT 31 MARCH 2011

Madrid, 28 April 2011

HIGHLIGHTS OF THE FIRST QUARTER 2011

- Consolidated net revenues amounted to 35.4 million euro, a 7.5% increase over the same period of 2010.

Oncology

- Gross sales of Yondelis® increased by 12% with respect to the same period of 2010.
- The Italian authorities (AIFA) approved reimbursement for Yondelis® for the treatment of relapsed platinum-sensitive ovarian cancer. The commercial launch of Yondelis® for this therapeutic use is planned for April.
- Recruitment commenced for a new Phase II trial on patients with luminal breast cancer (subtypes HR+ and HER 2-) stratified on the basis of XPG expression.

Nervous system (Alzheimer's disease)

- The first patients were treated in the new Phase IIb trial on Alzheimer's disease.

RNAi:

- The Spanish Medicines Agency authorised Sylentis as a research drug analysis facility.

Clinical diagnostics

- Genómica obtained commercialisation approval for its CLART® products in Brazil.

Mª Luisa de Francia
CFO
ZELTIA, S.A.
José Abascal, 2 Madrid
Telephone 91.444.45.00

José Luis Moreno
Head of Investor Relations
ZELTIA, S.A.
José Abascal, 2 Madrid
Telephone 91.444.45.00

FIGURES TO MARCH 2011

Period	03/31/2011	03/31/2010	Δ%	Q1 '11	Q1 '10	Δ%
Net Revenue (€ 000)						
Consumer Chemicals	14,536	14,271	*1.86%*	14,536	14,271	*1.86%*
Biopharmaceuticals	20,706	18,469	*12.11%*	20,706	18,469	*12.11%*
Unallocated	177	206	*-14.08%*	177	206	*-14.08%*
Total Group	**35,419**	**32,946**	***7.51%***	**35,419**	**32,946**	***7.51%***
Cost of goods sold (€ 000)	-10,102	-8,604	*17.41%*	-10,102	-8,604	*17.41%*
Gross Income	25,317	24,342	*4.01%*	25,317	24,342	*4.01%*
Gross Margin	71.48%	73.88%	---	71.48%	73.88%	---
EBITDA (€ 000)						
Consumer Chemicals	1,391	1,491	---	1,391	1,491	---
Biopharmaceuticals	-1,949	604	---	-1,949	604	---
Unallocated	-1,717	-1,813	---	-1,717	-1,813	---
Total Group	**-2,275**	**282**	---	**-2,275**	**282**	---
R&D Expenditure						
Oncology	8,228	7,696	*6.91%*	8,228	7,696	*6.91%*
CNS	3,810	2,612	*45.87%*	3,810	2,612	*45.87%*
Other	1,398	901	*55.16%*	1,398	901	*55.16%*
Total Group	**13,436**	**11,209**	***19.87%***	**13,436**	**11,209**	***19.87%***
Marketing & Commercial Expenses						
Consumer Chemicals	3,912	4,290	*-8.81%*	3,912	4,290	*-8.81%*
Biopharmaceuticals	6,093	4,762	*27.95%*	6,093	4,762	*27.95%*
Other	2	130	---	2	130	---
Total Group	**10,007**	**9,182**	***8.98%***	**10,007**	**9,182**	***8.98%***

(Thousand euro)

Net revenue

Group net revenues amounted to 35.4 million euro in 1Q11, 7.5% more than in the same period of 2010 (32.9 million euro).

Net sales in the Biopharmaceutical business amounted to 20.7 million euro (18.5 million euro in 1Q10), of which 19.6 million euro correspond to Yondelis sales by PharmaMar (16.6 in 1Q10). The process of seeking additional price and reimbursement approvals continued in the first quarter, although no new approvals were obtained in the quarter. Genómica contributed 1.1 million euro in sales in this segment (1.9 million euro in 1Q10).Sales in this sector accounted for 58.5% of Group net sales (56% in 1Q10).

Net sales by the consumer chemicals subsidiaries totalled 14.5 million euro (13.3 million euro in 1Q10).This segment accounted for 41% of the Group's total revenues in the first quarter of 2011 (43% in 1Q10).

EBITDA

In the first quarter of 2011, the Group had negative EBITDA amounting to 2.3 million euro, contrasting with positive EBITDA of 0.3 million euro in 1Q10. EBITDA declined, despite higher sales, as a result of increased spending on R&D by both PharmaMar and Noscira, and on the PharmaMar sales network.

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

R&D expenditure

R&D expenditure increased by 20% year-on-year. A total of 13.4 million euro was spent on research and development in 1Q11, broken down as follows: PharmaMar 8.2 million euro (7.7 in 1Q10), Noscira 3.8 million euro (2.6 in 1Q10), Sylentis 0.7 million euro (0.6 million euro in 1Q10) and Genómica 0.4 million euro (0.2 million euro in 1Q10).

Marketing and commercial expenses

Marketing and commercial expenses amounted to 10 million euro in 1Q11 (9.2 million euro in 1Q10), a 9% increase.

Within the Biotechnology segment, 6.1 million euro was spent in 1Q11 (4.8 million euro in 1Q10) developing the network to sell Yondelis in Europe for ovarian cancer.

The Chemicals division registered 3.9 million euro of expenses under this heading in 1H11, 9% less than in 1Q10 (4.3 million euro).

Cash

The net cash position, defined as cash and cash equivalents plus current financial assets (49.4 million euro) minus short-term financial debt (57.8 million euro), totalled -8.4 million euro in March 2011. Long-term debt amounted to 80.8 million euro, which includes 21.3 million euro in interest-free research and development loans from official bodies which are repayable over 10 years, with a three-year grace period.

	03/31/2011	12/31/2010
Cash & cash equivalents + current financial investments	**49,444**	**66,580**
Short term interest-bearing debt	**57,807**	**62,860**
Long term interest bearing debt	**80,826**	**85,338**
Bank debt	59,515	64,426
Govt. agencies: R&D funding (interest free debt)	21,311	20,912

(Thousand euro)

BUSINESS PERFORMANCE.

Below is an overview of the group companies' business performance in the first quarter of 2011.

B) Biopharmaceuticals

Oncology: PharmaMar

Net revenue in Europe in 1Q11 amounted to 19.6 million euro, a 18% increase with respect to the same period of 2010.

Yondelis® attained another approval outside the European Economic Area: in Chile, for relapsed platinum-sensitive ovarian cancer in combination with Caelyx® (pegylated liposomal doxorubicin).

At the end of March, the Italian authorities (AIFA) approved the reimbursement of Yondelis® for treating relapsed platinum-sensitive ovarian cancer. The commercial launch of Yondelis® for this therapeutic use is planned for April.

Progress with the compounds undergoing clinical development in the first quarter of 2011:

Yondelis®

Sarcoma:
Active recruitment continues on schedule for the Phase III trial on patients with sarcomas related to gene translocations.

Recruitment is also progressing on schedule for the trials with Institut Gustave Roussy (IGR) in France, with the Spanish Sarcoma Research Group (GEIS), the observational trial in The Netherlands and the Phase IV observational trial in patients with STS.

Breast cancer:
Recruitment commenced for a new Phase II trial on patients with luminal breast cancer (subtypes HR+ and HER 2-) stratified on the basis of XPG expression.

New trial:
Recruitment also commenced in Italy for a new Phase II trial in patients with metastatic pancreatic adenocarcinoma.

Aplidin

Multiple Myeloma:
Recruitment continues for the pivotal (registration) trial of Aplidin® (plitidepsin) in combination with dexametasone for patients with relapsed or refractory multiple myeloma. The trial is being performed in 37 centres in 12 countries.

Lymphoma:
Recruitment continues on schedule of patients with Hodgkin lymphomas and mature noncutaneous T-cell non-Hodgkin lymphomas, for treatment in combination with gemcitabine at hospitals in France, Spain, Italy and the US.

Zalypsis®

Multiple Myeloma:
Recruitment continues in the Phase II trial on multiple myeloma in Spain. Nine centres in Spain are currently participating in this trial.

Bladder cancer:
In the fourth quarter of 2010, the Spanish Agency of Medicines and Medical Devices (AEMPS) approved a Phase II trial in patients with advanced and/or metastatic urothelial carcinoma (bladder cancer). The ethics committees at six Spanish hospitals have cleared this trial and patient recruitment has commenced.

Ewing's sarcoma:
A Phase II trial on patients with Ewing's sarcoma was approved by the US Food and Drug Administration and the Spanish and Italian regulatory authorities late in 2010. There are currently four hospitals participating in this trial (three in the US and one in France), and others are expected to join as the trial advances.

Irvalec®

Recruitment continues for the Phase II trial (IMAGE) in France, Spain and the UK with Irvalec® in pretreated patients with unresectable, locally advanced or metastatic oesophageal, gastro-oesophageal junction or gastric tumours.

PM01183

In the first quarter of 2011, a Phase I trial commenced with this compound as monotherapy against advanced leukaemia. The trial is being conducted in the US, at the Mayo Clinic and the MD Anderson Cancer Center.

An application has also been filed for a Phase II trial as second-line treatment of pancreatic cancer after gemcitabine-based therapies have failed.

PM060184

Clinical development of PM060184, the sixth compound in PharmaMar's pipeline, has commenced. PM060184 is a marine-derived synthetically-produced compound which has shown strong in vitro and in vivo antitumour activity and a favourable safety profile in preclinical toxicology studies.

The trial is being performed in hospitals in the US, and also in France and Spain. The primary endpoints of this Phase I trial are to identify the dose-limiting toxicity (DLT), the maximum tolerated dose (MTD) and the recommended dose (RD) of PM060184.

Central Nervous System: Noscira

Nypta® (tideglusib) for Alzheimer's disease (AD)

During the quarter, the company responded to queries raised by regulatory agencies and ethics committees in several countries about the Phase IIb trial on Alzheimer patients, who will be treated between 6 and 15 months. The trial has been approved in Spain and Finland and is expected to be approved in the UK, Germany and France in April. Participating centres in those countries have been selected and contract procedures are currently under way. Spain is the first country to commence the clinical trial, with opening and recruitment of patients at three centres in March. The investigators meeting has been scheduled for 1 April and patients will begin treatment in that month.

Zentylor™ (tideglusib) for Progressive Supranuclear Palsy (PSP)

The "Tauros" Phase II multi-centre trial is advancing as expected in the four countries where it is under way: Spain, United Kingdom, Germany and the United States. All patients have now exceeded 6 months

of treatment and some of them have concluded their participation in the trial. Work is proceeding with a view to having results by year-end.

Other significant events

Noscira participated actively in the 10th International Congress on Alzheimer's & Parkinson's Diseases (AD/PD), which was held in Barcelona from 9 to 13 March. A number of Noscira scientists attended the event and presented posters with the key advances obtained in the company's various lines of research. In particular, Noscira organised a round table discussion entitled "Progressive Supranuclear Paralysis as a model of tauopathy", moderated by Dr Teodoro del Ser, Noscira's Director of Clinical Development. Other participants included Günter Höglinger (Marburg, Germany), Jorge Barrio (University of California) and Eduardo Tolosa (Hospital Clínic de Barcelona), who presented the latest information about clinical aspects, diagnosis, neuroimaging and therapeutic developments in this orphan pathology. The round table raised awareness of Noscira's work in clinical development for Progressive Supranuclear Palsy and the ongoing Tauros clinical trial.

Diagnostics: Genómica

Genómica's 1Q11 revenues amounted to 1.113 million euro (1.858 million euro in 1Q10).

The Clinical Diagnostics area was the top performer in the first quarter, with 1.092 million euro in revenues (1.386 million euro in 1Q10).

Sales of the CLART® platform in Spain amounted to 760 thousand euro, an 11% decline with respect to 1Q10. This change was due to a delay not attributable to Genómica in the execution of the contract awarded last year by the Castilla-La Mancha Regional Government for prevention and early detection of cervical cancer; the reduction will be offset in subsequent quarters.

Additionally, Genomica obtained commercialisation approval for its CLART® products in Brazil in March.

RNAi: Sylentis

In the first quarter of 2011, the company continued advancing its R&D lines, working to develop new structures and formulations for compounds based on RNAi (gene silencing).
Recruitment continued for the Phase I/II clinical trial of SYL040012 in glaucoma, which commenced in November 2010.
The company applied to the Spanish Medicines Agency in March for approval to commence a Phase I trial of its second compound, SYL1001, on eye discomfort associated with dry eye syndrome.
In January, the Spanish Medicines Agency authorised Sylentis as a research drug analysis facility. The company also received the "Madrid Excelente" distinction in that same month. Madrid Excelente is a distinction granted by the Madrid Regional Government in recognition of quality and excellence in business with a view to fostering competitiveness.

B) Consumer chemicals:

Xylazel

Although economic performance in the first quarter was in line with previous quarters (i.e. stagnation in the residential construction market, credit crunch, and a general decline in consumer spending), we managed to increase sales by 16.1% in 1Q11 with respect to 1Q10.

However, average procurement prices of raw materials and packaging increased in the quarter, by a weighted average of 6.6%.

As a result, EBITDA in 1Q11 amounted to 504 thousand euro, 13% of total sales (3.5 points higher than in 1Q10).

Net profit in the quarter amounted to 266 thousand euro, 6.9% of sales. Although first-quarter figures cannot be meaningfully extrapolated to the full year, it is notable that net profit was 93% higher than in 1Q10 (138 thousand euro).

Zelnova

In the first quarter, combined sales by Zelnova-Copyr experienced a slight decline with respect to 1Q10 (-200 thousand euro). This decline is not significant given the strong seasonal fluctuations in sales, which are concentrated in the second and third quarters.

Actions to boost exports continue to be successful. Copyr increased exports by 200 thousand euro (+16.6%) in 1Q11 with respect to 1Q10.In contrast, the domestic markets (Spain and Italy) remained weak, affecting the product lines that are most exposed to the economic cycle (primarily air fresheners and retailer-brand products).

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

(Thousand euro)	March 2010	March 2011	Change	
Domestic (*)	9,243	8,744	-499	- 5.4%
Exports	1,603	1,869	+ 266	+ 16.6%
Total net sales	10,846	10,613	- 233	- 2.1%

(*) Domestic: Spain and Italy

The price of oil derivatives such as butane and solvents continued to increase in the first quarter. The prices of other raw materials also increased, although to a lesser extent.

This had a negative impact on Zelnova-Copyr's combined EBITDA, which declined in 1Q10 by 300 thousand euro to 1.2 million euro (vs. 1.5 million euro in 1Q10).

The outlook for the remainder of the year is for sales and earnings to be stable with respect to 2010.

BALANCE SHEET *(Thousand euro)*	03-31-2011	12-31-2010
ASSETS		
Non-current assets	**87,460**	**87,416**
Property, plant & equipment	35,753	36,570
Investment properties	6,014	6,014
Intangible assets	14,955	14,448
Deferred tax assets	25,797	25,504
Long-term financial assets	2,393	2,332
Goodwill	2,548	2,548
Current assets	**133,428**	**143,407**
Inventories	30,325	29,197
Customer and other receivables	45,510	41,408
Other current assets	3,309	2,456
Receivable from public authorities	4,840	3,766
Current financial assets	20,437	25,985
Cash & cash equivalents	29,007	40,595
Non-current assets held for sale	**0**	**0**
TOTAL ASSETS	**220,888**	**230,823**

BALANCE SHEET *(Thousand euro)*	03-31-2011	12-31-2010
EQUITY		
Shareholders' equity	**33,023**	**35,205**
Share capital	11,110	11,110
Share premium	323,286	323,286
Treasury shares	(8,351)	(9,741)
Revaluation and other reserves	(1)	0
Retained earnings and other reserves	(293,021)	(289,450)
Minority interest	**-1,959**	**-345**
TOTAL EQUITY	**31,064**	**34,860**
LIABILITIES		
Non-current liabilities	**88,653**	**92,644**
Financial debt	80,826	85,338
Deferred tax liabilities	6,323	6,154
Non-current deferred revenues	1,048	836
Other non-current liabilities	456	316
Current liabilities	**101,171**	**103,319**
Supplier and other accounts payables	36,500	32,677
Financial debt	57,807	62,860
Provisions for other liabilities & expenses	3,070	5,285
Current deferred revenues	56	701
Other current liabilities	3,738	1,796
TOTAL LIABILITIES	**189,824**	**195,963**
TOTAL LIABILITIES AND EQUITY	**220,888**	**230,823**

INCOME STATEMENT		
Thousand euro	**03-31-2011**	**12-31-2010**
Net revenues	35,419	32,946
Cost of sales	(10,102)	(8,604)
Gross income	**25,317**	**24,342**
Other operating revenues	1,294	1,740
Marketing & commercial organisation expenses	(10,007)	(9,182)
General and administration expenses	(5,413)	(5,081)
Research & development expenses	(13,436)	(11,209)
Capitalised in-house work	551	214
Other operating expenses	(1,985)	(1,914)
Net operating profit (loss) (EBIT)	**(3,679)**	**(1,090)**
Net financial results	(1,045)	(868)
Profit (Loss) before taxes	**(4,724)**	**(1,958)**
Corporate income tax in the period	0	0
Profit (Loss) for the year	**(4,724)**	**(1,958)**
Attributable to minority interest	1,615	0
Attributable to equity holders of the parent	**(3,109)**	**(1,958)**

Net operating profit (loss) (EBIT)	(3,679)	(1,090)
Amortisation and depreciation	1,404	1,372
EBITDA	**(2,275)**	**282**

CONSOLIDATED CASH FLOW STATEMENT	03-31-2011
NET CASH FLOW FROM ORDINARY ACTIVITIES	**(7,206)**
Profit/(loss) before tax	**(4,724)**
Adjustements for:	**2,768**
Amortisation and depreciation	**1,404**
Other adjustements	**1,364**
Variation in working capital	**(4,211)**
Other net cash flow	**(1,038)**
Financial expenses	(1,276)
Financial revenues	238
NET INVESTMENT CASH FLOW	**5,209**
Purchases of property, plant & equipment and intangible assets	(502)
Other financial assets	5,711
CASH FLOW IN FINANCING ACTIVITIES	**(9,591)**
Amortisation	(44)
Debt with credit entities (+)	1,065
Repayment from debt with credit entities (-)	(3,208)
Other net financing activities cash flow	(7,404)
NET DECREASE/INCREASE IN CASH AND CAHS EQUIVALENTS	**(11,588)**
STARTING BALANCE OF CASH AND CASH EQUIVALENTS	**40,595**
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**29,007**

NET CASH POSITION	
CASH AND CASH EQUIVALENTS	29,007
CURRENT FINANCIAL ASSETS	20,437
FINANCIAL DEBT	(57,807)
TOTAL NET CASH POSITION	**(8,363)**