REPORT AT 30 JUNE 2009

Madrid, 30 July 2009

MILESTONES

PharmaMar:

- Sales increased by 43% with respect to the same period in 2008
- An opinion issued by the Food and Drug Administration's (FDA) Oncologic Drugs Advisory Committee (ODAC) deemed the risk-benefit profile for Yondelis to be inadequate for treating ovarian cancer
- Phase I clinical trials began with a new marine compound: PM1183

Noscira:

- Recruitment of patients with Alzheimer's disease was completed for the first Phase II clinical trial with the compound NP-12, recently named NYPTA®.
- The Phase II clinical trial with NP-12 in patients with Progressive Supranuclear Palsy (PSP) was designed in twenty centres throughout three European countries and the US; an international CRO was selected to carry out the trial.

Genómica:

- Is currently working in a kit for the specific urgent application of the Influenza A virus subtype H1N1.

Group:

- Consolidated revenues increased 11% year-on-year to 60.2 million euro.
- The investment in R&D reaches 25,5 million euros.
- EBITDA improved 83% as a result of the biopharmaceutical segment's good performance
- Net income attributable to the parent company improved 44% with respect to June 2008

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FIGURES TO JUNE 2009
(Thousand euro)

NET SALES

ZELTIA GROUP TOTAL	June 2009	June 2008	Change (%)
Net revenue	60,198	54,173	11.1
Cost of goods sold	(20,923)	(22,634)	- 7.6
Gross income	**39,275**	**31,539**	**24.5**
%	65%	58%	

	June 2009	June 2008	Change (%)
CONSUMER CHEMICALS - Net revenue	37,073	37,606	- 1.4
BIOPHARMACEUTICALS - Net revenue	22,682	15,868	42.9
Unallocated	443	699	- 36.7
TOTAL	**60,198**	**54,173**	**11.1**

EBITDA

	June 2009	June 2008	Change (%)
Consumer Chemicals	6,036	5,983	0.9
Biopharmaceuticals	(4,854)	(13,683)	- 64.5
Unallocated	(2,949)	(2,625)	12.4
ZELTIA GROUP TOTAL	**(1,767)**	**(10,325)**	**- 82.9**

R&D EXPENDITURE

	June 2009	June 2008	Change (%)
PharmaMar	16,700	18,795	- 11.1
Noscira	6,942	6,269	10.7
Genómica	458	333	37.6
Sylentis	1,392	812	71.5
GROUP TOTAL	**25,493**	**26,209**	**- 2.7**

Net revenue

Group net revenues totalled 60.2 million euro in 1H09, 11% more than in the same period of 2008 (54 million euro).

Revenues at the consumer chemicals subsidiaries totalled 37.1 million euro (37.6 million euro in 2008). Those companies accounted for 61.6% of the Group's total revenues at June 2009 (69.4% in 2008).

Revenues in the Biopharmaceutical business amounted to 22.7 million euro (15.9 million euro in 1H08): 19.4 million euro at PharmaMar for Yondelis sales (13.3 million euro in 1H08) and 3.3 million euro at Genómica (2.4 million euro in 1H08). Sales in this sector accounted for 38% of Group net revenues (29% in 2008).

R&D expenditure

R&D expenditure is down 3% year-on-year. A total of 25.5 million euro was spent on research and development in the first six months of 2009, broken down as follows: PharmaMar 16.7 million euro (18.8 in 1H08), Noscira 6.9 million euro (6.3 in 1H08), Sylentis 1.4 million euro (0.8 in 1H08) and Genómica 0.5 million euro (0.3 in 1H08).

Marketing and commercial expenses

Marketing and commercial expenses amounted to 18.6 million euro in 1H09 (15.1 million euro in 1H08), a 23% increase.

The Consumer Chemicals division accounted for 10.2 million euro in 1H09, up 4% with respect to 1H08 (9.8 million euro).

Within the Biotechnology segment, 8.4 million euro (5.3 million euro in 1H08) was spent developing the Yondelis sales network in Europe in 1H09.

EBITDA

Group EBITDA improved by 83% year-on-year. EBITDA in 1H09 amounted to -1.8 million euro, compared with -10.3 million euro in 1H08. The improvement is due basically to 22.7 million euro in net revenues in the biopharmaceutical segment (19.4 million euro from Yondelis sales), plus other revenues in connection with the licensing agreement signed on 30 March between PharmaMar and Taiho Pharmaceutical Co., Ltd. to develop and sell Yondelis® in Japan. PharmaMar received an upfront payment of 1 million yen (7.8 million euro) and it will receive additional payments in the future as other milestones are attained, plus double-digit royalties on sales by Taiho. Taiho will be responsible for all Yondelis® development and commercialisation costs in Japan.

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

Cash

The net cash position, defined as cash and cash equivalents plus current financial assets (62.4 million euro) minus short-term financial debt (35.4 million euro), totalled 27 million euro in 1H09. Long-term debt amounted to 88.7 million euro, which includes bank debt (59.3 million euro) and interest-free research and development loans from official bodies which are repayable over 10 years, with a three year grace period (29.4 million euro).

Cash and cash equivalents + current financial investments	62,378
Short-term interest-bearing debt	35,404
Long-term interest-bearing debt	88,728
Bank debt	*59,310*
Government agencies: R&D funding (interest-free debt)	*29,418*

(Figures in thousand euro)

BUSINESS PERFORMANCE.

Below is an overview of the group companies' business performance in 1H09.

A) Consumer chemicals:

Xylazel

Gross sales amounted to 9.35 million euro in 1H09, down 9.2% with respect to 1H08 (10.28 million euro); however, sales in the second quarter made a significant recovery compared with the first quarter, when they fell 28% with respect to 1Q08.

Due to our strategy of researching and developing new products and constantly innovating current ones, plus the launch of more environmentally-friendly products and a drastic reduction in oil-based components, 14% of total sales in 1H09 are attributable to products launched on the market in the last 3 years.

Raw materials and packing prices have performed disproportionately : while the average price of raw materials declined 7.4% (assisted by a significant drop in prices of oil derivatives), packaging prices increased by 16.3%. Weighted average procurement prices of our component supplies (raw materials and packaging) fell 3.4% in 1H09.

We maintain our cost containment policy, having reduced fixed costs by 2.3% and variable costs by 7.9% in the period. Overall, costs were reduced by 5.4% with respect to 2008.

As a result, EBITDA in 1H09 was 1.5 million euro, 17.96% of net revenues.

Zelnova

Net revenues in 1H09 increased by 1.4% with respect to 1H08. This improvement is visible both in the domestic market and in exports (which increased 7% with respect to the previous year); this performance is particularly significant in view of the widespread crisis that is hitting consumers hard both in Spain and in Italy. The positive performance of sales outside Spain is attributable to the expansion of our operations in Eastern Europe, the UK and northern Africa.

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

(Thousand euro)	June 2008	June 2009	Change	
Domestic (*)	23,934	24,056	+122	+ 0.5%
Exports	4,067	4,346	+279	+ 6.9%
Total net sales	28,001	28,402	+401	+1.4%

(*) Domestic: Spain and Italy

The price of oil derivatives such as butane and solvents remained stable in the first half of 2009; however, the price of metals, which are a major component in aerosol products, rose sharply.

As a result, EBITDA increased with respect to 1H08 to 0.4 million euro (+9.3%), and the company expects this positive performance to continue throughout the year to reach 4.5 million euro.

B) Biopharmaceutical sector:

PharmaMar:

Net sales in 1H09 amounted to 19.2 million euro, up 43% with respect to the same period of 2008.

Regarding the compounds in clinical development:

Yondelis

Centocor Ortho Biotech Products, L.P. (Johnson&Johnson) reported that the US Food and Drug Administration (FDA) Oncologic Drugs Advisory Committee (ODAC) considered that the combination of trabectedin when administered with DOXIL® (pegylated liposomal doxorubicin) did not provide a sufficient benefit-risk profile for the treatment of relapsed ovarian cancer.

Relapsed ovarian cancer is difficult to treat and the disease often recurs in patients who previously have been treated with platinum-based therapy, underscoring the need for non-platinum treatment options. Centocor Ortho Biotech Products continues to believe trabectedin has an important role in the treatment of relapsed ovarian cancer. The company remains committed to working with the FDA to address the committee's concerns.

The committee provides non-binding recommendations based on its evaluation; however, the final decision regarding approval of the drug will be made by the FDA.

At 2Q09, our partner Centorcor Ortho Biotech Products, a J&J subsidiary, submitted the registration dossier for Yondelis for soft tissue sarcoma in 30 countries; approval was obtained in six, and special import approval was obtained in Macao and Venezuela. The registration dossier for Yondelis for ovarian cancer was also presented in seven countries outside the US; approval was obtained in the Philippines.

Our partner commenced sales of the product in the countries where it has been approved, leading to accrual of royalties in 2Q09.

Soft-tissue sarcoma (STS). At the annual meeting of ASCO (The American Society of Clinical Oncology), held in Florida from 29 May to 2 June, a number of papers were presented describing the role of Yondelis in treating: advanced uterine leiomyosarcoma in patients where doxorubicin has failed, re-treatment of myxoid liposarcoma, and as neoadjuvant therapy in patients with myxoid liposarcomas.
Recruitment continued on schedule in the ET-C-002-07 multicentre, randomised Phase 3 clinical trial with Trabectedin (Yondelis®) versus doxorubicin-based chemotherapy as a first line of treatment in patients with translocation-related sarcoma (TRS).

Breast cancer. According to a new Phase II trial presented at ASCO, Yondelis has an acceptable safety profile in three groups of patients with metastatic breast cancer, and promising efficacy in certain subcategories of tumours associated with specific molecular profiles related to DNA repair processes.

Aplidin

The development of Aplidin® as monotherapy and in combination on solid and haematological tumours continues. Significant activities and milestones in the second quarter include:

Peripheral T-cell lymphoma: In view of encouraging results from the aggressive lymphoma trial (33% ORR for peripheral T-cell lymphoma), the study has been expanded to focus recruitment on peripheral T-cell lymphoma, confirm activity and obtain sufficient information to discuss a registration strategy for this indication with the EMEA and the FDA. The number of participating centres was expanded, including hospitals in Italy and Spain, and recruitment is under way in Latin American centres.

Multiple Myeloma: With a view to accelerating the registration of Aplidin for this therapeutic use, a clinical trial was designed for Aplidin in combination with dexametasone for patients who have relapsed or are refractory to all standard therapies. Scientific advice has been requested of the EMEA on this matter, and an answer is expected at the end of July. Furthermore, a meeting was requested with the FDA and is scheduled for August.

Solid tumours: Approval was obtained from the French authorities for the trial with Aplidin in undifferentiated liposarcomas. Recruitment continues for the Aplidin trial in combination with sorafenib and gemcitabine and for the Aplidin trial in combination with avastin and docetaxel. The recommended dosis for the branch in combination with sorafenib is expected by the end of the year.

Zalypsis

In recent months, recruitment of patients for all Phase I trials was completed, and the key objective of defining the maximum tolerated dose (MTD) and the recommended dose (RD) for the four administration patterns under evaluation was achieved. In all cases, the limiting toxicities were haematological.

Data accumulated from Phase I trials show that Zalypsis® as monotherapy has a good safety profile and is easily used in clinical trials. As a result, new trials are expected in 2H09 to continue the clinical development of Zalypsis®.

In the second quarter of 2009, the company obtained approval from the Spanish Agency and from ethics committees for a new Phase I trial with Zalypsis® in combination with carboplatin. This combination has proved to be highly synergistic in pre-clinical models.

Paperwork to commence a new Phase II clinical trial for Zalypsis® as monotherapy in endocervical and endometrial cancer in various US hospitals has been submitted to the FDA and local IRBs (institutional review boards) and is at a very advanced stage.

PharmaMar presented data from various clinical and preclinical trials on the safety profile of Zalypsis®, and its activity and mechanism of action, including results in combination with carboplatin at the annual meetings of the American Association for Cancer Research (AACR) in April 2009 in Denver (US) and the American Society of Clinical Oncology (ASCO) in June 2009 in Florida (US).

Irvalec

Active recruitment continued in the second quarter of 2009 for the dose escalating phase of the Phase I trial of Irvalec in combination with erlotinib (tarceva). Active recruitment also continues for the Phase II trial of Irvalec as monotherapy against squamous non-small cell lung cancer.

Approval was obtained from the French health authorities to commence a Phase I trial in which Irvalec will be combined with carboplatin and gemcitabine. The trial is expected to begin in the third quarter of 2009.

Selection of centres to participate in a new Phase II trial in which Irvalec will be administered as monotherapy in patients with gastric cancers has commenced. The trial is expected to begin in the third quarter of 2009.

Results showing that Irvalec induces alterations in the plasma membrane, such as increased permeability and the appearance of phenomena such as blebbing and cell swelling were presented at the last meeting of the American Association for Cancer Research (AACR) in Denver, Colorado. Work continues in order to determine the source of those membrane processes and to characterise the effects of Irvalec on lipid rafts and receptors located in the plasma membranes.

PM1183

A Phase I clinical trial commenced in June with a new anti-tumour compound from PharmaMar's internal research programme. Preclinical trials with PM1183 evidenced strong in vitro and in vivo activity in a wide range of tumour cell lines and human tumour xenografts, and a manageable and reversible toxicological profile.

Other information

A) PharmaMar signed a licensing agreement with US company Medimetriks Pharmaceuticals for Kahalalide F and two of its analogues for uses outside of oncology and neurology. Medimetriks will be responsible for development of the products under license, and PharmaMar will collect royalties in the event that any of the products are launched on the market. If Medimetriks sublicenses, PharmaMar will also be entitled to a percentage of any other revenue obtained by the sublicensee.

Noscira

NP-12/NYPTA – Alzheimer's disease

Recruitment of patients with Alzheimer's disease for the first Phase II clinical trial with NP-12 (recently named NYPTA®) has concluded.

NP-12/NYPTA - PSP

A CRO has been selected to perform the Phase II trial of NP-12 on patients with Progressive Supranuclear Palsy (PSP) at 20 centres located in three European countries and the US. In June, the protocol and trial documentation were prepared for presentation in July to the authorities in Spain, Germany and the UK, and subsequently the US. At the same time, the multinational logistics of the trial is being set in motion.

With a view to presenting the trial in the US, preparations have been made for contact with the FDA and a pre-IND (Investigational New Drug) meeting has been requested for August; this is a pre-requisite for commencing clinical trials in the US with a new research molecule.

Neuroprotector project

In vivo characterisation studies continued on different models to ascertain the efficacy of several compounds with this novel action mechanism. These studies will enable us to optimise these compounds' properties and define the minimum effective dose in animal models.

Genómica:

Although the general economic situation is still uncertain, the outlook for Genómica at this time is favourable in both the domestic and international markets, in line with the objectives for this year. In the first half of the year, it obtained 3.332 million euro in revenues, a 42% increase with respect to the same period of 2008.

Both of the company's divisions performed well, with revenues up 42% year-on-year in Clinical Diagnostics and 41% in Forensic Genetics.

In spite of intense competition, sales of diagnostic kits using the CLART® technology totalled 2.178 million euro in the first half of the year; the Papillomavirus kit accounted for 90% of sales, and the CLART®PneumoVir kit (an in vitro clinical diagnosis kit which, in a single pass, can detect numerous viruses that cause respiratory diseases) for 9%. Genómica is currently working, in cooperation with a number of hospitals in Spain and other countries, to update this kit for the specific urgent application of the Influenza A virus subtype H1N1.

The MetaBone patent application advanced to the national phase in Europe and PCT filings for ENTHERPEX and PneumoVir were presented.
The Spanish Patents and Trademarks Office approved PneumoVir and ENTHERPEX as national trademarks.

Sylentis:

Sylentis received authorisation from the Spanish Medicines and Health Products Agency (Agencia Española de Medicamentos y Productos Sanitarios) to commence Phase I clinical trials with SYL040012 on the ocular hypertension associated with glaucoma. SYL040012 is a new compound developed in Sylentis's R&D programme into ophthalmological disorders.

It is a form of interference RNA that is indicated for treating ocular hypertension and preventing glaucoma. SYL040012 reduces the intraocular pressure by inhibiting the expression of β-adrenergic receptors.

This is first clinical trial of its type in Spain. The Phase I trial with SYL040012 will be performed on healthy volunteers at the Phase I Clinical Trials Unit at the Navarra University Clinic.

BALANCE SHEET *(Thousand euro)*	30-jun-09	31-dic-08
ASSETS		
Non-current assets	**81.510**	**82.615**
Property, plant & equipment	39.343	39.903
Investment properties	6.014	6.014
Intangible assets	12.104	11.769
Deferred tax assets	19.467	19.983
Long-term financial assets	2.034	2.398
Goodwill	2.548	2.548
Current assets	**147.232**	**122.616**
Inventories	28.665	26.440
Customer and other receivables	45.500	27.396
Other current assets	3.701	2.026
Receivable from public authorities	6.988	4.412
Current financial assets	28.692	24.535
Cash & cash equivalents	33.686	37.807
Non-current assets held for sale	**2.309**	**2.309**
TOTAL ASSETS	**231.051**	**207.540**

BALANCE SHEET *(Thousand euro)*	30-jun-09	31-dic-08
EQUITY		
Shareholders' equity	**48.994**	**49.344**
Share capital	11.110	11.110
Share premium	323.286	323.286
Treasury shares	-24.560	-27.177
Revaluation and other reserves	-1	-31
Retained earnings and other reserves	-260.841	-257.844
Minority interest	**0**	**0**
TOTAL EQUITY	**48.994**	**49.344**
LIABILITIES		
Non-current liabilities	**95.303**	**92.872**
Financial debt	88.728	86.840
Derivatives	11	0
Deferred tax liabilities	5.492	5.060
Non-current deferred revenues	762	720
Other non-current liabilities	310	252
Current liabilities	**86.754**	**65.324**
Supplier and other accounts payables	39.031	29.491
Financial debt	35.404	23.888
Provisions for other liabilities & expenses	3.879	4.394
Current deferred revenues	2.816	3.706
Other current liabilities	5.624	3.845
TOTAL LIABILITIES	**182.057**	**158.196**
TOTAL LIABILITIES AND EQUITY	**231.051**	**207.540**

INCOME STATEMENT *Thousand euro*	30-jun-09	30-jun-08	Chg. (%)
Net revenues	60.198	54.173	11,1%
Cost of sales	-20.923	-22.634	-7,6%
Gross income	**39.275**	**31.539**	**24,5%**
Other operating revenues	13.824	9.718	42,3%
Marketing & commercial organisation expenses	-18.595	-15.141	22,8%
General and administration expenses	-9.239	-7.413	24,6%
Research & development expenses	-25.493	-26.209	-2,7%
Capitalised in-house work	369	0	
Other operating expenses	-4.487	-5.724	-21,6%
Net operating profit (loss) (EBIT)	**-4.346**	**-13.230**	**-67,2%**
Net financial results	-2.647	-2.025	30,7%
Loss before taxes	**-6.993**	**-15.255**	**-54,2%**
Corporate income tax in the period	-2.143	0	
Loss for the year	**-9.136**	**-15.255**	**-40,1%**
Attributable to minority interest	2.238	2.862	-21,8%
Attributable to equity holders of the parent	**-6.898**	**-12.393**	**-44,34%**

CONSOLIDATED CASH FLOW STATEMENT	30-june-2009
NET CASH FLOW FROM ORDINARY ACTIVITIES	**-18.576**
Profit/(loss) before tax	**-6.993**
Adjustements for:	**5.448**
Amortisation and depreciation	2.733
Other adjustements	2.715
Variation in working capital	**-14.869**
Other net cash flow	**-2.162**
Financial expenses	-2.696
Financial revenues	534
NET INVESTMENT CASH FLOW	**-5.791**
Purchases of property, plant & equipment and intangible assets	-1.931
Other financial assets	-4.157
Other net investment cash flow	297
CASH FLOW IN FINANCING ACTIVITIES	**20.246**
Emission	6.968
Amortisation	-268
Funds from debt	15.362
Repayment from debt	-1.958
Other net financing activities cash flow	142
NET DECREASE/INCREASE IN CASH AND CAHS EQUIVALENTS	**-4.121**
STARTING BALANCE OF CASH AND CASH EQUIVALENTS	**37.807**
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**33.686**
NET CASH POSITION	
CASH AND CASH EQUIVALENTS	33.686
CURRENT FINANCIAL ASSETS	28.692
FINANCIAL DEBT	-35.404
TOTAL NET CASH POSITION	**26.974**