REPORT AT 30 SEPTEMBER 2013

Madrid, 24 October 2013

9M13 HIGHLIGHTS

Group

- Gross oncology revenues increased in the first nine months by 17.5% with respect to the same period last year, reflecting the impact of the restoration of the Caelyx supply.
- Net commercial revenues expanded by 12% in the same period (eliminating the impact of the sale of raw materials to partners last year).
- Consumer chemical revenues recovered a portion of the ground lost in the first half of the year.
- Group net revenues fell by 2% in the first six months but improved in the following three months, in line with September 2012 figures, to 109 million euro.
- In the first nine months of 2013, 59% of total Group revenues and 89% of oncology revenues came from outside Spain.
- Group EBITDA amounted to 21.8 million euro.
- Net income attributable to the Group improved by 65%, as research spending was focused on oncology.
- Group debt as a whole declined by 13% since the beginning of 2013.

Oncology

- The Phase II trial with PM01183 vs. topotecan in patients with platinum-resistant or refractory ovarian cancer yielded excellent results.

Diagnostics

- Exports expanded by 24%, driven by the good performance in Latin America.

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 FOR THE FIRST NINE MONTHS OF 2013

Period	09/30/2013	09/30/2012	Δ%	Q3 13	Q3 12	Δ%
Net Revenue (€ 000)						
Consumer Chemicals	51,193	54,746	*-6.49%*	18,406	18,036	2.05%
Biopharmaceuticals	57,430	54,012	*6.33%*	19,332	18,437	4.85%
Unallocated	621	776	*-19.97%*	196	303	-35.31%
Total Group	**109,244**	**109,534**	***-0.3%***	**37,934**	**36,776**	**3.15%**
Cost of goods sold (€ 000)	30,427	32,881	*-7.46%*	10,716	11,370	-5.75%
Gross Income	**78,817**	**76,653**	***2.82%***	**27,218**	**25,406**	**7.13%**
Gross Margin	72.15%	69.98%	*3.10%*	71.75%	69.08%	3.86%
Other operating revenues						
Consumer Chemicals	10	8	*25.00%*	1	0	
Biopharmaceuticals	20,891	22,367	*-6.60%*	1,033	1,347	
Unallocated	1	6	*-83.33%*	-13	6	
	20,902	**22,381**	***-6.6%***	**1,021**	**1,353**	
TOTAL REVENUE	**130,146**	**131,915**	***-1.34%***	**38,955**	**38,129**	**2.17%**
EBITDA (€ 000)						
Consumer Chemicals	4,634	5,486	*-15.53%*	1,470	998	
Biopharmaceuticals	22,669	22,061	*2.76%*	2,491	1,867	
Unallocated	-5,508	-5,492	*-0.29%*	-1,864	-1,671	
Total Group	**21,795**	**22,055**	---	**2,097**	**1,194**	
R&D Expenditure						
Oncology	26,468	24,996	*5.89%*	8,521	8,028	6.14%
Other	5,399	4,037	*33.74%*	1,652	1,282	28.86%
Total Group	**31,867**	**29,033**	***9.76%***	**10,173**	**9,310**	**9.27%**
Marketing & Commercial Expenses						
Consumer Chemicals	14,089	15,207	*-7.35%*	5,307	5,801	-8.52%
Biopharmaceuticals	17,343	17,520	*-1.01%*	5,714	6,211	-8.00%
Other	7	11		2	5	
Total Group	**31,439**	**32,738**	***-3.97%***	**11,023**	**12,017**	**-8.27%**
Income for the year attributable to equity-holders of the parent company	**14,094**	**8,546**	***64.92%***	**-309**	**-2,723**	
Profit for the year from discontinued operations	**-477**	**-7,641**		**-2**	**-2,399**	

(Thousand euro)

Due to the discontinuation of the Group's activities relating to the Central Nervous System (mainly Alzheimer's disease), this area is reflected in a single line item, "Income from discontinued operations", to which the area's results for January-September 2012 have also been reclassified to facilitate comparison. Noscira, the company that carried on this activity, is currently being dissolved.

Net sales

Group net sales totalled 109.2 million euro in 9M13, in line with the same period of 2012 (109.5 million euro), reflecting a recovery from the 2% decline in the first six months.

Net sales in the Biopharmaceutical business amounted to 57.4 million euro, an improvement of 6.3% compared with 9M12 (54.0 million euro).

Of those 57.4 million euro, oncology (i.e. PharmaMar) accounted for 53.3 million euro (49.6 million euro in 9M12), i.e. 7.3% more than in the same period last year. Excluding the sale of raw materials (2.2 million euro) from 9M12 revenues for comparison purposes, commercial revenues expanded by 12.2%.

Also in the Biopharmaceutical segment, the diagnostics area (Genómica) obtained 4.2 million euro in net sales, compared with 4.4 million euro in 9M12.

Consumer Chemicals sales amounted to 51.2 million euro in 9M13, i.e. 6.5% less than in the same period of 2012 (54.7 million euro). However, it's worth noting that sales in the third quarter recovered part of the ground lost in the first half of the year. Sales in 1H13 slipped by 11% compared with 1H12. Of the 51.2 million euro in total sales, 39.4 million euro is attributable to insecticides, air fresheners and other household products (Zelnova) and 11.8 million euro to wood and metal protectors (Xylazel).

Other operating revenues

This heading refers to revenues from royalties, subsidies, and licensing agreements, including milestone and similar payments.

Other operating revenues totalled 20.9 million euro in 9M13 (22.4 million euro in 9M12). The breakdown is as follows: 18.4 million euro for attaining the third milestone under the new agreement with Janssen Pharmaceuticals, LP, in connection with a new plan of action to reinforce the development of Yondelis® in the US. The payment amounted to 25 million dollars, plus 1.5 million euro in royalties on sales of the drug outside of the European Union, 0.9 million euro in R&D subsidies from public authorities in Spain and elsewhere in Europe, and 0.1 million euro in other revenues.

Total revenues and revenues from outside Spain

Group revenues (net sales plus other operating revenues) totalled 130.1 million euro in the first nine months of 2013, of which 59% (76.9 million euro) came from outside Spain.

That amount of foreign sales was an increase of 3.7% with respect to the same period of 2012 (74.2 million euro).

In the Biopharmaceutical segment, sales outside Spain accounted for 85% of the total, and 89% of oncology revenues came from other countries.

EBITDA

Group EBITDA expanded by 3% due to improved productivity in the consumer chemicals segment and to impact on cost of goods sold of the sale of raw material by PharmaMar in 2012.

Group EBITDA from ongoing activities totalled 21.8 million euro in 9M13 (22.5 million euro in 9M12).

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

R&D expenditure

R&D expenditure increased by 9% year-on-year. Expenditure in Oncology in 9M13 totalled 26.5 million euro (25 million euro in the first nine months of 2012). R&D expenditure amounted to 4.8 million euro in Diagnostics and RNA interference (3.8 million euro in 9M12) and 0.6 million euro in consumer chemicals in 9M13.

Marketing and commercial expenses

Marketing and commercial expenses amounted to 31.4 million euro in 9M13 (32.7 million euro in 9M12). Within the Biotechnology segment, 17.3 million euro was spent in 9M13 (17.5 million euro in 9M12). Consumer chemical companies accounted for 14.1 million euro in the quarter (15.2 million euro in 9M12),

Income from discontinued operations

Due to the discontinuation of the Group's activities relating to the Central Nervous System (Noscira; mainly Alzheimer's disease) in the fourth quarter of 2012, this area is recognised in a single line item, "Income from discontinued operations", to which the area's 9M12 results have also been reclassified to facilitate comparison. That line item amounted to -0.5 million euro in 9M13 and -7.6 million euro in 9M12. Noscira, the company responsible for this activity, is currently being dissolved.

Income attributable to the parent company

Income attributable to the parent company amounted to 14 million euro, compared with 8.5 million euro in the same period of 2012. This increase is due to the Group's focus on oncology after discontinuing its research on the Central Nervous System (carried on through Noscira).

Cash, debt and cash flow

The net cash position (cash + cash equivalents + current financial assets) amounted to 21 million euro (34 million euro at 31 December 2012). The Group's total financial debt amounted to 101.8 million euro, i.e. 13% less than at the beginning of the year (116.7 million euro).

In the first nine months of 2013, the company amortised 32 million euro in debt, of which 21 million was from banks, 7 million was from official bodies, and another 4 million was other debt. The company obtained 16.1 million euro in new loans from banks (8.7) and official bodies (7.4), and it renegotiated the maturity of another 4 million euro maturing in September 2013, deferring it by 12 months.

Total debt is broken down as follows, at amortized cost:

Total financial debt:	**09/30/2013**	**12/31/2012**
- Bank loan	50,022	62,446
- Govt. agencies: R&D funding (interest free debt)	28,414	28,754
- Others loan	4,034	8,002
- Credit facilities	14,991	13,346
- Effects and certifications	3,394	3,942
- Interest	945	260
	101,800	**116,750**

The Group has 26.5 million euro in available credit lines; all lines that matured in the first nine months of 2013, amounting to 23.9 million euro, were renewed (or replaced by others). The balance available in credit lines was 11.5 million euro at 30 September.

Net cash flow from operating activities totalled 1.6 million euro. Both business segments—Biopharmaceuticals and Consumer Chemicals—attained positive operating cash flow. Nevertheless, compared with the same period last year, OCF was penalised in 9M12 due to the delays in payment by the Spanish regional health authorities.

BUSINESS PERFORMANCE.

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

B) Biopharmaceuticals

1.- Oncology: PharmaMar

a) Yondelis®:

Soft-tissue sarcoma

Recruitment is advancing ahead of schedule for the Phase III pivotal registration trial in L-sarcoma, sponsored by Janssen, which seeks to obtain registration for Yondelis® in the US and other parts of the world, according to information provided by Janssen.

Recruitment has commenced for the pivotal clinical trial in ovarian cancer in the US, also sponsored by Janssen.

Taiho reports that recruitment continues without incident for the two registration trials in Japan which that company has sponsored in patients with translocation-related sarcomas; the goal is to obtain registration for Yondelis® in Japan.

The observational and post-authorisation trials with Yondelis® in cooperation with various European and American groups are also advancing on schedule.

Recruitment is advancing very well in nine European countries for the Y-IMAGE prospective, multi-centre observational trial to evaluate the response to treatment with Yondelis®.

The clinical phase has been completed for the LMS-02, TRUSTs (EORTC) and GEIS20 (Spanish Sarcoma Research Group) trials, which explore the efficacy of Yondelis®+doxorubicin in different doses as first-line treatment. The results are currently being analysed and presented. Recruitment continues for the observational trial required by the Dutch authorities to obtain the reimbursement of Yondelis®; it is expected to be completed in 2013.

Ovarian cancer

Recruitment was completed ahead of schedule for the Phase II trial with Yondelis® in patients with advanced breast cancer who are carriers of the BRCA1 and BRCA2 mutations and the BRCAness phenotype.

Recruitment commenced for a Phase II trial to evaluate the efficacy of Yondelis®+bevacizumab, with and without carboplatin, undertaken by the Mario Negri Institute in Milan.

Other indications

The Mario Negri Institute for Pharmacological Research, in cooperation with the Department of Medical Oncology at San Gerardo Hospital (Monza, Italy), has commenced a Phase II trial (ATREUS) to evaluate the activity and safety of Yondelis® in malignant pleural mesothelioma (MPM).

Eight abstracts (1 oral communication and 7 posters) were presented at the European Cancer Congress (ECCO-ESMO-ESTRO), which was held in Amsterdam (The Netherlands) from 27 September to 1 October.

b) Aplidin®

Multiple myeloma

Following the positive recommendation by the Independent Data Monitoring Committee (IDMC), recruitment for the ADMYRE Phase III trial is advancing on schedule.

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.

d) PM01183

Resistant/refractory ovarian cancer

The results obtained in the randomised Phase IIb trial in patients with platinum-refractory/resistant ovarian cancer were presented at the European Cancer Congress (ECCO-ESMO-ESTRO), held in Amsterdam in September. This trial demonstrated that our compound is superior to topotecan in terms of overall response (OR) and progression free survival (PFS). Median PFS in platinum-resistant patients treated with PM01183 was 4.8 months, compared with 1.7 months in patients treated with topotecan.

Advanced breast cancer

Recruitment 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.

Non-small-cell lung cancer (NSCLC)

Recruitment of patients with non-small cell lung cancer commenced in Spain, and hospitals in Italy, France, the US and Belgium are expected to participate in the very near future.

Advanced leukaemias

Recruitment is advancing 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 in the second dose level.

Combination trials

The Phase Ib trial with our compound in combination with doxorubicin has been reopened to recruit more patients with pathologies in which there are preliminary results of high efficacy, especially non-small cell lung cancer, and neuroendocrine and endometrial tumours. The preliminary results of this trial were also presented at the European Cancer Congress (ECCO-ESMO-ESTRO) in Amsterdam.

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

e) PM060184

Recruitment is advancing on schedule for the two Phase I trials being conducted in the US, France and Spain. The preliminary results of these trials, which show that the drug is active in various types of tumours, were presented at the European Cancer Congress (ECCO-ESMO-ESTRO) in Amsterdam.

Authorisations

In September, the FDA responded to the company's request for scientific advice on starting materials in the PM01183 synthesis process. This response is fully aligned with PharmaMar's strategy for producing this compound. All of the steps in the synthesis prior to the starting materials are excluded from the regulatory process, and good manufacturing practices apply from the point where those materials are used. As a result, the process of synthesising PM01183 is very flexible from a regulatory standpoint.

2.- Diagnostics: Genómica

Genómica's revenues amounted to 4.1 million euro in 9M13, compared with 4.3 million euro in 9M12.

Clinical Diagnostic revenues increased by 1% year-on-year to 3.8 million euros. Latin America played a major role in this growth, with exports amounting to 1.5 million euro (1.2 million euro in 2012), offsetting the performance in European markets, which are still weak from the crisis.

Clinical diagnostic sales in the domestic market amounted to 2.3 million euro (2.5 million euro in 2012). The decline is mainly due to the lower budget allocation in 2013 for the Castilla-La Mancha Regional Government's campaign for prevention and early detection of cervical cancer, which was reduced by 26% with respect to the same period of 2012. The decline in net revenues is also attributable, albeit to a smaller degree, to price reductions and budget restrictions affecting institutional clients (public hospitals which are part of the Spanish National Healthcare System).

The Forensic Genetics area, which accounted for 6% of revenues at the end of the third quarter, was notably impacted by the expiration of the cooperation agreement with the Spanish Civil Guard Forensics Unit to provide human DNA identification services. Revenues totalled 240 thousand euro in 9M13 (530 thousand euro in 2012).

Business development by Genomica AB, a wholly-owned subsidiary of Genómica S.A.U., is advancing as expected in Scandinavia.

3.- RNA interference: Sylentis

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

In July 2012, a Phase II clinical trial commenced with SYL040012 in patients with ocular hypertension and glaucoma at 11 centres in Spain, Germany and Estonia. The trial was completed in June 2013, and was definitively closed in the third quarter of 2013. The next clinical trial with this product is currently being planned.

The company's second product in clinical development, 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. Recruitment for that trial commenced in February 2013, and 29 patients have been treated to date.

B) Consumer chemicals:

1.- Xylazel

Sales in the third quarter increased by 8.7% compared with 3Q12 and are substantially better than in 2Q13. The improvement in the third quarter reflects a turning point after five consecutive quarters of falling revenues.

However, the paint and varnish business, which is highly dependent on the construction industry, remains stagnant: revenues fell by 9% year-on-year in 9M13.

Exports accounted for 8.4% of Xylazel's total sales in 9M13, compared with just 2% three years ago. This year, the company began exporting to four new countries: Tunisia, Algeria, Angola and Cameroon.

The company launched two paints as part of its Xylazel Aire Sano line, one for healthcare environments (in June) and the other for children's environments (October).

Average procurement price performance was slightly positive, for both raw materials and packaging. Weighted average procurement prices of our component supplies fell 1.6% in the period. Structural fixed expenses declined by 2.8% with respect to 2012. Other costs, both fixed and variable, declined overall by 6.4% with respect to 2012.

As a result, EBITDA in the period was 1.4 million euro, (1.9 million euro in 2012), i.e. 12.40% of net revenues.

Net profit amounted to 730,000 euro (1 million in 2012), 6.90% of revenues.

2.- Zelnova

The sector in which Zelnova operates had a disparate performance year-to-date.

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.

Performance in July, August and September was more stable, but the company was not able to recover losses from previous months. Performance remains affected by the economic crisis, which is having an impact on consumer spending throughout Europe, especially in Spain and Italy, the main markets of Zelnova and its subsidiary, Copyr.

In this context, Zelnova-Copyr's combined sales declined by 2.4 million euro (-5.6%) compared with the same period of 2012. These declines had a major impact on insecticides, while products that are not weather dependent performed better (household products +1%), as did those in Copyr's organic agriculture channel, which has increased its presence in Europe (+5%) with its line of organic products based on natural pyrethrins.

The table below shows sales by geographic area, evidencing that the decline was more acute 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	22,829	21,299	-1,530	-6.7%
Sales in other countries	19,051	18,223	-828	-4.3%
Total net sales	41,880	39,522	-2,358	-5.6%

Commodities prices remain stable, and no inflationary pressure is expected in the coming months. Nevertheless, the company maintains its policy of actively searching worldwide for alternative suppliers that might offer lower prices. Measures have also been taken to reduce costs and improve productivity in all areas of management, and agreements have been reached with employees which have improved the company's competitiveness.

This has led to a 0.6% increase in the gross margin which, together with a reduction in commercial expenses, improved the EBITDA margin by 0.9 points. As a result, Zelnova-Copyr's combined profit remained stable in year-on-year terms (+1.9 million euro).

The outlook for the remainder of 2013 is for sales to be stable with respect to 2012.

BALANCE SHEET *(Thousand euro)*	09-30-2013	12-31-2012
ASSETS		
Non-current assets	**93,844**	**92,948**
Property, plant & equipment	28,800	29,794
Investment properties	6,014	6,014
Intangible assets	21,412	19,744
Goodwill	2,548	2,548
Long-term financial assets	1,664	2,785
Deferred tax assets	33,406	32,063
Assets classified as held for sale and discontinued operations	**63**	**451**
Current assets	**107,960**	**106,431**
Inventories	23,554	23,502
Customer and other receivables	56,599	41,956
Current financial assets	6,470	16,092
Receivable from public authorities	5,531	3,817
Other current assets	1,234	2,728
Cash & cash equivalents	14,572	18,336
TOTAL ASSETS	**201,867**	**199,830**

BALANCE SHEET *(Thousand euro)*	09-30-2013	12-31-2012
EQUITY		
Shareholders' equity	**56,385**	**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	(272,199)	(285,733)
Minority interest	**(3,731)**	**(3,604)**
TOTAL EQUITY	**52,654**	**38,726**
LIABILITIES		
Non-current liabilities	**66,259**	**73,749**
Financial debt	52,877	62,016
Derivatives	129	199
Deferred tax liabilities	9,891	8,548
Non-current deferred revenues	2,812	2,472
Other non-current liabilities	550	514
Current liabilities	**82,954**	**87,355**
Supplier and other accounts payables	25,247	25,703
Financial debt	48,923	54,734
Provisions for other liabilities & expenses	5,917	5,007
Current deferred revenues	29	33
Other current liabilities	2,838	1,878
TOTAL LIABILITIES	**149,213**	**161,104**
TOTAL LIABILITIES AND EQUITY	**201,867**	**199,830**

INCOME STATEMENT		
Thousand euro	**09-30-2013**	**09-30-2012**
Net revenues	109,244	109,534
Cost of sales	(30,427)	(32,881)
Gross income	**78,817**	**76,653**
Other operating revenues	20,902	22,381
Marketing & commercial organisation expenses	(31,439)	(32,738)
General and administration expenses	(14,778)	(15,254)
Research & development expenses	(31,867)	(29,033)
Capitalised in-house work	2,794	1,844
Other operating expenses	(6,133)	(6,142)
Net operating profit (loss) (EBIT)	**18,296**	**17,711**
Net financial results	(3,719)	(3,614)
Result from continuing operations	**14,577**	**14,097**
Corporate income tax in the period	(133)	(141)
Profit (Loss) for the year	**14,444**	**13,956**
Discontinued operations	**(477)**	**(7,641)**
Attributable to owners of the parent	(350)	(5,410)
Attributable to minority interest	(127)	(2,231)
Profit for the year	13,967	6,315
Attributable to owners of the parent	**14,094**	**8,546**
Attributable to minority interest	(127)	(2,231)

Net operating profit (loss) (EBIT)	18,296	17,711
Amortisation and depreciation	3,499	4,344
EBITDA	**21,795**	**22,055**

CONSOLIDATED CASH FLOW STATEMENT	09-30-2013
NET CASH FLOW FROM ORDINARY ACTIVITIES	**1.390**
Profit/(loss) before tax	**14.100**
Profit before tax from continuing operations	14.577
Profit before tax from discontinued operations	(477)
Adjustements for:	**5.588**
Amortisation and depreciation	3.499
Other adjustements	2.089
Variation in working capital	**(13.696)**
Other net cash flow	**(4.602)**
Financial expenses	(4.707)
Financial revenues	483
Income tax received/(paid	(133)
Other adjustements	(245)
NET INVESTMENT CASH FLOW	**9.912**
Purchases of property, plant & equipment and intangible assets	(1.207)
Other financial assets	11.119
CASH FLOW IN FINANCING ACTIVITIES	**(15.066)**
Collections and (payments) in connection with equity instruments:	**(116)**
Amortisation	(10)
Acquisition	(413)
Sales of treasury shares	307
Collections and (payments) in connection with financial liabilities:	**(15.862)**
Debt with credit entities (+)	16.353
Repayment from debt with credit entities (-)	(32.215)
Other net financing activities cash flow	**912**
NET DECREASE/INCREASE IN CASH AND CAHS EQUIVALENTS	**(3.764)**
STARTING BALANCE OF CASH AND CASH EQUIVALENTS	**18.336**
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**14.572**