REPORT AT 30 JUNE 2012

Madrid, 23 July 2012

1H12 HIGHLIGHTS

Group

- Total operating income of the Zeltia group increased by 13% compared to the same period last year
- Group EBITDA amounted to 16 millon euro and net profit to 11 million euro
- In April, the company received the second 25 million dollar payment under the agreement with Janssen Pharmaceutical LP
- The Group received 9.5 million euro as part of the Spanish central government's Supplier Payment Plan, thus improving the cash position of the company
- The company continues with its efforts to improve its cost efficiency. In this regard, during the first half of 2012 the group reduced its operating costs by 6,5% compared to the same period last year.

Oncology

- A Phase II trial with **PM01183** commenced on patients with breast cancer.

Central Nervous System:

- Noscira presented the positive results shown by tideglusib at the Alzheimer Association International Congress (AAIC) in Vancouver

Diagnostics

- Exports of diagnostic kits increased.

RNAi:

- Start of phase II clinical trial with SYL040012 for glaucoma

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 2012

Period	06/30/2012	06/30/2011	Δ%	Q2 '12	Q2 '11	Δ%
Net Revenue (€ 000)						
Consumer Chemicals	36,710	39,916	*-8.03%*	23,371	25,380	*-7.92%*
Biopharmaceuticals	35,575	41,029	*-13.29%*	17,759	20,323	*-12.62%*
Unallocated	473	360	*31.39%*	310	183	*69.40%*
Total Group	**72,758**	**81,305**	***-10.51%***	**41,440**	**45,886**	***-9.69%***
Cost of goods sold (€ 000)	21,511	24,148	*-10.92%*	13,533	14,046	*-3.65%*
Gross Income	51,247	57,157	*-10.34%*	27,907	31,840	*-12.35%*
Gross Margin	70.43%	70.30%	*0.19%*	67.34%	69.39%	*-2.95%*
Other operating revenues						
Consumer Chemicals	8	17	*-52.94%*	-20	-16	*25.00%*
Biopharmaceuticals	23,223	3,921	*492.27%*	22,150	2,685	*724.95%*
Unallocated	2	27	*-92.59%*	2	2	*0.00%*
	23,233	**3,965**	***485.95%***	**22,132**	**2,671**	***728.60%***
TOTAL REVENUE	**95,991**	**85,270**	***13%***	**63,572**	**48,557**	***31%***
EBITDA (€ 000)						
Consumer Chemicals	4,488	6,702	*-33.03%*	3,854	5,311	*-27.43%*
Biopharmaceuticals	15,487	-3,560	*-535.03%*	17,624	-1,611	*-1193.98%*
Unallocated	-3,949	-3,831	*-3.08%*	-2,049	-2,114	*-3.07%*
Total Group	**16,026**	**-689**	---	**19,429**	**1,586**	---
R&D Expenditure						
Oncology	16,968	17,473	*-2.89%*	8,604	9,245	*-6.93%*
CNS	5,694	8,569	*-33.55%*	2,560	4,759	*-46.21%*
Other	2,755	2,530	*8.89%*	1,306	1,132	*15.37%*
Total Group	**25,417**	**28,572**	***-11.04%***	**12,470**	**15,136**	***-17.61%***
Marketing & Commercial Expenses						
Consumer Chemicals	9,406	9,832	*-4.33%*	5,695	5,920	*-3.80%*
Biopharmaceuticals	11,323	12,384	*-8.57%*	6,102	6,291	*-3.00%*
Other	6	6		-8	4	
Total Group	**20,735**	**22,222**	***-6.69%***	**11,789**	**12,215**	***-3.49%***

(Thousand euro)

Net revenue

Group net revenues amounted to 72.8 million euro in 1H12, 10.5% less than in the same period of 2011 (81.3 million euro).

Revenues in the Biopharmaceutical business amounted to 35.6 million euro (41 million euro in 1H11), 32.6 million euro at PharmaMar from Yondelis sales (38.2 million euro in 1H11) and 3 million euro at Genómica (2.8 million euro in 1H11). In order to compare Pharmamar sales figures of the two periods, it should be taken into account that during the first half of 2011 the company sold €3 million in raw material to Janssen Pharmaceutical. Moreover, in that period the company was not yet affected by the shortage of Caelyx, which has been causing a negative impact on Yondelis sales during the first half of this year. Caelyx is used in combination with Yondelis for the treatment of relapsed ovarian cancer.

Net sales by the Consumer Chemicals subsidiaries totalled 36.7 million euro (39.9 million euro in 1H11). Sales have been affected during the first half of this year by the decrease in consumer spending due to the economic crisis in Spain.

Other operating revenues

Other operating revenues amounted to 23.2 million euro (4 million euro in the same period last year).This section includes the payment of $ 25 million (18.8 million euro) received by PharmaMar in June from Janssen Pharmaceutical as the second milestone payment.

EBITDA

Group EBITDA amounted to 16.03 million euro (contrasting with -0.7 million euro in 1H11). The improvement in the gross margin, plus a reduction in operating costs, contributed to this EBITDA performance.

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

R&D expenditure

R&D expenditure declined by 11% year-on-year. A total of 25.4 million euro was spent on research and development in the first six months of 2012, broken down as follows: PharmaMar 17 million euro (17.5 in 1H11), Noscira 5.7 million euro (8.6 in 1H11), Sylentis 1.7 million euro (1.5 million euro in 1H11) and Genómica 0.7 million euro (0.7 million euro in 1H11).

Noscira focused R&D investment on its Alzheimer's clinical trial (ARGO).

Marketing and commercial expenses

Marketing and commercial expenses amounted to 20.7 million euro in 1H12 (22.2 million euro in 1H11), a 6.7% decline.

Within the Biotechnology segment, 11.3 million euro was spent in 1H12 (12.4 million euro in 1H11). The Chemicals division registered 9.4 million euro of expenses under this heading in 1H12 (9.8 million euro in 1H11).

Cash

The net cash position, defined as cash and cash equivalents, plus current financial assets (49.7 million euro) minus short-term financial debt (53 million euro), totalled -3.3 million euro at the end of June 2012. Long-term debt amounted to 73.8 million euro, which includes 26.3 million euro in interest-free research and development loans from official bodies which are repayable over 10 years with a three-year grace period.

Zeltia Group received a total of 9.5 million euro in 1H12 from Spain's Public Administrations in payment for outstanding invoices to regional governments which matured on 31 December 2011. This payment is part of the Supplier Payment Plan implemented by the Spanish government.

	06/30/2012	06/30/2011
Cash & cash equivalents + current financial investments	**49,739**	**49,325**
Short term interest-bearing debt	**53,020**	**52,686**
Long term interest bearing debt	**73,810**	**83,060**
Bank debt	43,462	52,428
Govt. agencies: R&D funding (interest free debt)	26,348	22,632
Others	4,000	8,000

The net debt of the company has improved by 9.3 million during the first half of the year.

BUSINESS PERFORMANCE.

Below is an overview of the group companies' business performance in the first quarter of 2012.

B) Biopharmaceuticals

Oncology: PharmaMar

Total operating revenues (product sales plus other income, primarily from licensing agreements) amounted to 53 million euro, which included the 19 million euro payment under the agreement with Janssen Pharmaceuticals.

PharmaMar had 32.6 million euro in net commercial sales of Yondelis® in 1H12, i.e. 9.5% less than in 1H11 (excluding sales of the raw material to our partner, Johnson&Johnson, for comparison purposes). This decline is attributable to the shortage in the supply of Caelyx® (antitumour drug belonging to J&J, sold in combination with Yondelis® to treat ovarian cancer) and to the budget austerity policies implemented by several European governments affecting the healthcare sector.

Yondelis®.

The current status of clinical trials with Yondelis® is as follows:

Soft-tissue sarcoma
The Phase III trial on patients with gene translocation-related sarcomas continues, recruitment having been completed for the first phase.

Recruitment for Phase IV trials continues on schedule, specifically one in cooperation with the Spanish Sarcoma Research Group (GEIS); another with the European Organisation for Research and Treatment of Cancer (EORTC) and the US Sarcoma Alliance for Research through Collaboration (SARC); and one with the German Interdisciplinary Sarcoma Group (GISG), in which two leading sarcoma clinical research and treatment centres in Germany are participating.

The observational trial under way in The Netherlands is also advancing on schedule.

Ovarian cancer
Recruitment commenced for a new Phase II trial with Yondelis® on patients with advanced breast cancer with the BRCA1 and BRCA2 mutations and the BRCAness phenotype.

At the annual meeting of the American Society of Clinical Oncology (ASCO), held on 1-5 June in Chicago, the company presented ten abstracts with new data on Yondelis, nine of which focused on sarcoma and one on breast cancer.

Aplidin®.

Multiple Myeloma
Data from the trial continues to be collected and cleaned and will be evaluated by an independent committee in order to advise on the continuity of this registration trial for marketing authorisation in this therapeutic use.

Dedifferentiated liposarcomas
The French Sarcoma Group is involved in this trial, which will be performed at l'Institut Bergonié, where recruitment of patients is ready to commence.

Zalypsis®.

Multiple Myeloma
After defining the recommended dose, the Phase II trial is progressing on schedule. Two additional hospitals are participating in the trial, for a total of 11 hospitals in Spain.

At the 103 Annual Meeting of the American Association for Cancer Research (AACR), held from 31 March to 4 April in Chicago, the company presented the results of a Phase I clinical trial to determine the maximum tolerated dose and the recommended dose of Zalypsis® in combination with carboplatin in patients with advanced solid tumours.

PM01183.

Platinum-resistant/refractory ovarian cancer
The trial, now randomised, in patients with platinum-refractory/resistant ovarian cancer obtained positive results in the first phase, with the result that recruitment for the second and final phase of the trial, now in Phase II, commenced in May.

Pancreatic cancer
Recruitment was completed for the first stage of the Phase II trial as second-line treatment in patients with pancreatic cancer where gemcitabine-based therapies have failed. Interim efficacy data is currently pending.

Advanced breast cancer
A Phase II trial in patients with breast cancer has commenced at hospitals in Spain and the US. The endpoint is to evaluate the compound's antitumour activity as second- to fourth-line treatment in patients with this illness. The first phase will include at least 50 patients and at most 117 patients.

Advanced leukaemias
Active recruitment continues for the Phase I clinical trial with PM01183 as monotherapy to treat advanced leukaemias; the maximum tolerated dose has already been identified.

Solid tumours
Recruitment continues on schedule for two Phase I clinical trials with PM01183 in combination with doxorubicin and with gemcitabine in solid tumours.

The Phase I clinical trial evaluating an alternative infusion scheme on days 1 and 8 every three weeks in patients with solid non-colorectal tumours continued on schedule.

PM060184.

Recruitment continues on schedule for the two Phase I trials in the US, France and Spain. In a few months, the recommended dose is expected to be defined in the two treatment patterns with a view to commencing the Phase II trials in the second half of 2012.

Central Nervous System: Noscira

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

Treatment of patients in the Phase II trial (ARGO) with tideglusib in Alzheimer's disease will be completed in mid-July, with a withdrawal rate that is lower than initially estimated. The Data and Safety Monitoring Board (DSMB) met three times during the trial, allowing it to continue without changes. Around 250 patients are expected to complete the principal treatment period of 26 weeks, and around 70 will complete an additional period of up to 39 weeks. At least 80 brain MRIs are expected to be performed. Efforts are under way to monitor and complete treatment at the centres, review and process the data and perform the statistical analyses with a view to obtaining the first results of the trial in October 2012.

In the meeting of the Alzheimer's Association International Conference (AAIC), held in Vancouver, which took place from 14 to 19 July, Noscira presented a sub-trial using magnetic resonance imaging (MRI) as part of Phase II of the Tauros trial with its compound tideblusib. This sub-trial detected a significant diminution (vs placebo) in the progression of global cerebral atrophy in patients treated with tideglusib. These results may be indicative of a possible neuroprotective effect by this compound in the brain, which should be evaluated in subsequent trials.

Noscira has been authorised as a pharmaceutical laboratory to manufacture research drugs for quality control and batch release. The authorisation, which was obtained following the required inspection by the Spanish Agency for Medicines and Healthcare Products (AEMPS), completes the process of adapting facilities, equipment and procedures, coordinated by the Department of Pharmaceutical Technology with Quality Assurance. As a pharmaceutical lab, Noscira may take part directly in the logistics of clinical trial medication, reducing associated costs.

Noscira will perform another equity issue with a view to completing the ARGO trial. The company's General Shareholders' Meeting unanimously agreed to increase capital by 3 million euro by issuing 3 million shares with a par value of 1 euro each.

Diagnostics: Genómica

Genómica obtained 3,011 thousand euro in revenues in the first half of 2012, i.e. an improvement of 7.5% with respect to the same period last year (2,801 thousand euro).

The Clinical Diagnosis division accounted for 87% of revenues.

International markets are the fastest-growing segment in the Diagnosis area, accounting for 855 thousand euro in sales, an 8% increase over 2011 (792 thousand euro). Sales in Spain fell 2% in the first half, to 1,716 thousand euro (1,744 thousand euro in 2011). The slight decline is due to the lower budget in 2012 for the Castilla-La Mancha Regional Government's campaign for prevention and early detection of cervical cancer, since sales of CLART® products increased by 10% in the first half, to 1,357 thousand euro (from 1,231 thousand euro in 2011).

The difficulties in the euro area were offset by business growth for Genómica in South America, where sales totalled 247 thousand euro (106 thousand euro in 2011). This growth was driven by Brazil, which accounted for 56% of sales in South America (up from 24% in 2011).

The Genetic-Forensic division's revenues amounted to 388 thousand euro in the first half of 2012 (208 thousand euro in the first half of 2011), performing in line with expectations.

In April, it launched the CLART® CMA KRAS·BRAF·PI3K kit for detection and genetic identification of three spot mutations in genes in the EGFR (epidermal growth factor) route associated with colorectal cancer—KRAS, BRAF and PI3K—using multiplex PCR and subsequent visualisation using CLART® low-density array technology. The kit design enables users to pick and choose, combining the various amplification references and viewing them in a single array. This is Genomica's first venture in the area of diagnosis using biomarkers.

The foregoing performance, coupled with strict control and management of expenditure, enabled the company to obtain 460 thousand euro in EBITDA in the first half (vs. 391 thousand euro in 2011).

RNAi: Sylentis

The company advanced its R&D lines in the first half of 2012, working to develop new structures and formulations for compounds based on RNAi technology, and it commenced the search for new molecules to treat eye allergies.

Regarding SYL040012, which is undergoing clinical trials for glaucoma, the Phase I/II clinical trial in patients with ocular hypertension that commenced in November 2010 was completed in May. Based on the data from that trial, authorisation was obtained to begin another Europe-level Phase II trial, to be conducted in Spain and Estonia. In May, applications were made to the ethics committee and the German regulator to enable a German centre to participate in that Phase II trial.

As for the company's second compound, SYL1001, a Phase I safety trial for treating eye pain associated with dry eye syndrome, was completed on healthy volunteers at the Navarra University Clinic. In that trial, 30 healthy volunteers were treated with no adverse effects.

B) Consumer chemicals:

Xylazel

Sales totalled 9.9 million euro in the first half of 2012, a 2.3% decline with respect to the same period of 2011 (10.1 million euro). Although consumption appeared to pick up in the first quarter, it decelerated once again in the second quarter.

The deceleration in consumption expenditure and pressure on prices were partly offset by the company's strategy of focusing on the building refurbishment and DIY markets and on expanding exports. As a result of growth in exports sales, this segment accounted for 7.5% of the company's total sales in 2012, up from just 2% in 2010. In line with the company's policy of research, development and innovation, 13.2% of total sales in the period were from products or presentations that did not exist three years ago.

Cost controls enabled fixed costs to be reduced by 1% with respect to the previous year, while variable costs rose by 5.9%, driven by higher costs of raw materials and packaging. Overall, expenses increased by 3.2% with respect to the same period of 2011.

As a result, EBITDA amounted to 1.441 million euro in the first six months of 2012 (16.2% of net revenues), having declined by 25% with respect to last year.

Zelnova

The company's performance in recent months has inevitably been affected by the deep widespread financial crisis, which is having a serious impact on consumer spending throughout Europe, especially in Spain and Italy, the main markets of Zelnova and Copyr. This situation is being aggravated by the growing number of customers that are experiencing solvency problems, making it necessary to suspend sales to them or, in the best case, minimise exposure within a necessarily conservative sales policy.

In this context, Zelnova-Copyr's combined sales declined by 3.0 million euro (-9.9% compared with the same period of 2011). This decline affected almost all of the business areas and a large number of customers in both insecticides and the areas which are more cyclical, such as the Home and Air Freshener lines.

The decline was lower in export sales, contributing to attenuate the sharp decline in the domestic market and vindicating the policy of internationalisation implemented by the company in recent years.

(Thousand euro)	2011	2012	Change	
Sales in Spain	17,140	14,641	-2,499	- 14.6%
Sales in other countries	13,516	12,991	- 525	- 3.9%
Total net sales	30,656	27,632	-3,024	- 9.9%

As for costs, the price of oil derivatives (butane and solvents) remained stable in the last few weeks, having actually begun to decline. The extent to which this positive trend is maintained in the coming months remains to be seen. The other input prices remained stable. The company also took measures to cut costs in all areas.

Nevertheless, the decline in revenues had a significant impact on earnings, with the result that Zelnova-Copyr combined EBITDA fell by 1.7 million euro in the first half, from 5.2 million euro in 2011 to 3.5 million euro in 2012.

Description of risks and uncertainties in the second half:

In Consumer Chemicals, which is a mature, stable industry, the main uncertainties in the second half relate to weak private expenditure in the domestic market and the possibility that some customers may be unable

to honour their commitments. The customers of Zelnova and Xylazel are generally creditworthy. We do not yet know how the new taxation measures, which will come into force in the second half of the year, will affect us, if at all

The main uncertainties and risks for the Biopharmaceutical segment in the second half of 2012 (in addition to the standard risks of research) include: risk of pressure on drug prices and of discounts in Europe as a result of the adjustment measures being adopted in the countries where we sell; risk of collection periods in southern Europe; risk of delays in obtaining price and reimbursement approval in countries were we have not yet begun to sell.

.

BALANCE SHEET *(Thousand euro)*	06-30-2012	12-31-2011
ASSETS		
Non-current assets	**88,037**	**88,285**
Property, plant & equipment	32,348	33,862
Investment properties	6,014	6,014
Intangible assets	18,186	17,325
Goodwill	2,548	2,548
Long-term financial assets	1,955	2,162
Deferred tax assets	26,986	26,374
Current assets	**142,453**	**129,531**
Inventories	27,203	25,309
Customer and other receivables	58,492	50,441
Current financial assets	24,614	18,944
Receivable from public authorities	3,373	1,710
Other current assets	3,646	2,746
Cash & cash equivalents	25,125	30,381
TOTAL ASSETS	**230,490**	**217,816**

BALANCE SHEET *(Thousand euro)*	06-30-2012	12-31-2011
EQUITY		
Shareholders' equity	**48,170**	**39,553**
Share capital	11,110	11,110
Share premium	323,286	323,286
Treasury shares	(5,819)	(6,872)
Revaluation and other reserves	1	1
Retained earnings and other reserves	(280,408)	(287,972)
Minority interest	**(3,183)**	**(5,051)**
TOTAL EQUITY	**44,987**	**34,502**
LIABILITIES		
Non-current liabilities	**85,892**	**93,947**
Financial debt	73,810	83,060
Derivatives	186	176
Deferred tax liabilities	8,448	7,836
Non-current deferred revenues	2,927	2,423
Other non-current liabilities	521	452
Current liabilities	**99,611**	**89,367**
Supplier and other accounts payables	39,735	29,879
Financial debt	53,020	52,686
Provisions for other liabilities & expenses	4,130	4,628
Current deferred revenues	38	49
Other current liabilities	2,688	2,125
TOTAL LIABILITIES	**185,503**	**183,314**
TOTAL LIABILITIES AND EQUITY	**230,490**	**217,816**

INCOME STATEMENT		
Thousand euro	**06-30-2012**	**06-30-2011**
Net revenues	72,758	81,305
Cost of sales	(21,511)	(24,148)
Gross income	**51,247**	**57,157**
Other operating revenues	23,233	3,965
Marketing & commercial organisation expenses	(20,735)	(22,222)
General and administration expenses	(12,249)	(11,134)
Research & development expenses	(25,417)	(28,572)
Capitalised in-house work	1,209	1,489
Other operating expenses	(4,325)	(4,384)
Net operating profit (loss) (EBIT)	**12,963**	**(3,701)**
Net financial results	(2,666)	(2,600)
Profit (Loss) before taxes	**10,297**	**(6,301)**
Corporate income tax in the period	(559)	0
Profit (Loss) for the year	**9,738**	**(6,301)**
Attributable to minority interest	(1,531)	(3,258)
Attributable to equity holders of the pa	**11,269**	**(3,043)**

Net operating profit (loss) (EBIT)	12,963	(3,701)
Amortisation and depreciation	3,063	3,012
EBITDA	**16,026**	**(689)**

CONSOLIDATED CASH FLOW STATEMENT	06-30-2012
NET CASH FLOW FROM ORDINARY ACTIVITIES	**9,310**
Profit/(loss) before tax	**10,297**
Adjustements for:	**4,761**
Amortisation and depreciation	**3,063**
Other adjustements	**1,698**
Variation in working capital	**(3,039)**
Other net cash flow	**(2,709)**
Financial expenses	(3,070)
Financial revenues	455
Other adjustements	(93)
NET INVESTMENT CASH FLOW	**(6,560)**
Purchases of property, plant & equipment and intangible assets	(6,527)
Other financial assets	(32)
CASH FLOW IN FINANCING ACTIVITIES	**(8,006)**
Emission	1,226
Amortisation	(19)
Acquisition	(848)
Sales of treasury shares	550
Debt with credit entities (+)	11,519
Repayment from debt with credit entities (-)	(16,431)
Other net financing activities cash flow	(4,004)
NET DECREASE/INCREASE IN CASH AND CAHS EQUIVALENTS	**(5,256)**
STARTING BALANCE OF CASH AND CASH EQUIVALENTS	**30,381**
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**25,125**

NET CASH POSITION	
CASH AND CASH EQUIVALENTS	25,125
CURRENT FINANCIAL ASSETS	24,614
FINANCIAL DEBT	(53,020)
TOTAL NET CASH POSITION	**(3,281)**