REPORT AT 30 SEPTEMBER 2012

Madrid, 25 October 2012

9M12 HIGHLIGHTS

Group

- Group net revenues increased 7% with respect to the same period last year.
- Group sales are still being impacted by the consumer crisis, the austerity measures and the Caelyx® shortage.
- Group EBITDA amounted to 15 million euro and income attributable to the parent company totalled 8.5 million euro.
- The Group's operating cash flow improved notably due to payments received from Janssen Pharmaceutical and under the Spanish central government's Supplier Payment Plan.
- Group debt as a whole declined.

Oncology

- A Phase II trial with PM01183 (Lurbectedin) commenced on patients with breast cancer.
- The US Food and Drug Administration (FDA) awarded orphan drug designation to PM01183.
- The European Medicines Agency's Committee for Orphan Medicinal Products (COMP) issued a positive opinion on orphan drug status for PM01183.
- The Spanish Agency for Medicines and Healthcare Products (AEMPS) temporarily authorised imports of Lipodox by Sun Pharma Global FZE during the shortage of Caelyx® in Europe.

Central Nervous System

- The ARGO Phase II trial with tideglusib in Alzheimer's disease did not attain the primary cognitive endpoint or two of the secondary endpoints.

Diagnostics

- A kit was launched for detecting and identifying genetic spot mutations in three of the genes associated with colorectal cancer, using CLART® technology based on low-density arrays.

RNA interference

- A Phase I/II trial commenced with SYL1001 to treat eye discomfort associated with dry eye syndrome.

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FIGURES TO SEPTEMBER 2012

Period	09/30/2012	09/30/2011	Δ%	Q3 '12	Q3 '11	Δ%
Net Revenue (€ 000)						
Consumer Chemicals	54.746	59.136	*-7,42%*	18.036	19.220	*-6,16%*
Biopharmaceuticals	54.012	61.064	*-11,55%*	18.437	20.035	*-7,98%*
Unallocated	776	499	*55,51%*	303	139	*117,99%*
Total Group	**109.534**	**120.699**	***-9,25%***	**36.776**	**39.394**	***-6,65%***
Cost of goods sold (€ 000)	32.881	35.172	*-6,51%*	11.370	11.024	*3,14%*
Gross Income	76.653	85.527	*-10,38%*	25.406	28.370	*-10,45%*
Gross Margin	69,98%	70,86%	*-1,24%*	69,08%	72,02%	*-4,07%*
Other operating revenues						
Consumer Chemicals	8	18	*-55,56%*	0	1	*-100,00%*
Biopharmaceuticals	24.881	4.808	*417,49%*	1.658	887	*86,92%*
Unallocated	9	21	*-57,14%*	7	-6	*-216,67%*
	24.898	**4.847**	***413,68%***	**1.665**	**882**	***88,78%***
TOTAL REVENUE	**134.432**	**125.546**	***7,08%***	**38.441**	**40.276**	***-5%***
EBITDA (€ 000)						
Consumer Chemicals	5.486	8.713	*-37,04%*	998	2.011	*-50,37%*
Biopharmaceuticals	15.259	-5.513	*376,78%*	-228	-1.953	*88,33%*
Unallocated	-5.750	-6.178	*6,93%*	-1.801	-2.347	*23,26%*
Total Group	**14.995**	**-2.978**	---	**-1.031**	**-2.289**	---
R&D Expenditure						
Oncology	24.996	26.440	*-5,46%*	8.028	8.967	*-10,47%*
CNS	7.631	12.457	*-38,74%*	1.937	3.888	*-50,18%*
Other	4.036	3.917	*3,04%*	1.281	1.387	*-7,64%*
Total Group	**36.663**	**42.814**	***-14,37%***	**11.246**	**14.242**	***-21,04%***
Marketing & Commercial Expenses						
Consumer Chemicals	15.207	15.810	*-3,81%*	5.801	5.978	*-2,96%*
Biopharmaceuticals	17.536	18.306	*-4,21%*	6.213	5.922	*4,91%*
Other	10	15		4	9	
Total Group	**32.753**	**34.131**	***-4,04%***	**12.018**	**11.909**	***0,92%***

(Thousand euro)

Net revenue

Group net revenues totalled 109.5 million euro in 9M12, 9.3% less than in the same period of 2011 (120.7 million euro).

Revenues in the Biopharmaceutical business amounted to 54 million euro (61.1 million euro in 9M12): 49.6 million euro at PharmaMar from Yondelis sales (56.6 million euro in 9M11) and 4.4 million euro at Genómica (4.4 million euro in 9M11).

Net sales by the Consumer Chemicals subsidiaries totalled 54.7 million euro (59.1 million euro in 9M11). The sharp decline in the consumer spending in Spain in the first nine months of 2012 is affecting this segment, which had maintained stable sales in previous years. Those companies accounted for 50% of the Group's total revenues through September 2012 (49% through September 2011).

Other operating revenues

Other operating revenues amounted to 24.9 million euro in the first nine months of 2012 (4.8 million euro in the same period last year). This section includes the milestone payments received under the agreement with Janssen Pharmaceuticals, LP, under a new plan of action to reinforce the development of Yondelis® in the US. The payment amounted to 25 million dollars (19 million euro) plus royalties on sales of the drug outside of the European Union and subsidies for R&D from public entities in Spain and elsewhere in Europe.

EBITDA

Group EBITDA amounted to 14.9 million euro (contrasting with -2.9 million euro in 9M11). This increase is due mainly to the milestone payment received under the agreement with Janssen Pharmaceuticals LP, and also to the effects of containing and optimising costs and operating expenses.

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

R&D expenditure

R&D expenditure declined by 14.4% year-on-year. A total of 36.6 million euro was spent on research and development in the first nine months of 2012, broken down as follows: PharmaMar 24.9 million euro (26.4 in 9M11), Noscira 7.6 million euro (12.5 in 9M11), Sylentis 2.6 million euro (2.6 million euro in 9M11) and Genómica 1.2 million euro (1.1 million euro in 9M11).

Marketing and commercial expenses

Marketing and commercial expenses amounted to 32.7 million euro in 9M12 (34.1 million euro in 9M11), a 4% decline.

Within the Biotechnology segment, 17.5 million euro was spent in 9M12 (18.3 million euro in 9M11). The Chemicals division registered 15.2 million euro of expenses under this heading in 9M12 (15.8 million euro in 9M11).

Treasury

At the end of September 2012, cash and cash equivalents plus current financial assets amounted to 44.5 million euro, short-term interest-bearing debt to 54.4 million euro, and long-term debt to 69.1 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.

Zeltia Group received a total of 9.5 million euro in 9M12 from Spain's Public Administrations in payment for outstanding invoices to regional governments which were past-due as of 31 December 2011. This payment is part of the Supplier Payment Plan implemented by the Spanish government.

	09/30/2012	12/31/2011
Cash & cash equivalents + current financial investments	**44.498**	**49.325**
Short term interest-bearing debt	**54.458**	**52.686**
Bank debt	40.498	47.306
Govt. agencies: R&D funding (interest free debt)	5.960	5.380
Others	8.000	0
Long term interest bearing debt	**69.097**	**83.060**
Bank debt	43.360	52.428
Govt. agencies: R&D funding (interest free debt)	25.737	22.632
Others	0	8.000

BUSINESS PERFORMANCE.

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

B) Biopharmaceuticals

Oncology: PharmaMar

Total operating revenue (product sales plus other revenue, primarily from licensing agreements) amounted to 70.8 million euro, which included the 19 million euro payment under the agreement with Janssen Pharmaceuticals as well as royalties. Based on the agreement with Jansen Pharmaceuticals which we disclosed last year, we could expect additional milestone payments of USD 25 million in 2013 and 2014 and an additional USD 10 million in 2015.

PharmaMar obtained 49.6 million euro in net sales of Yondelis® in 9M12, i.e. 12% less than in 9M11.

This decline is attributable to the shortage in the supply of Caelyx, an antitumour drug belonging to J&J, sold in combination with Yondelis® to treat ovarian cancer. The shortage arose in the second half of 2011. Sales were also affected by austerity measures in healthcare implemented by several European governments.

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 stage of the trial.

Recruitment is progressing on schedule for the trials in cooperation with the Spanish Sarcoma Research Group (GEIS), 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 French Sarcoma Group (GSF), as well as for the observational trial in The Netherlands.

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

New data on Yondelis® for ovarian cancer and soft tissue sarcoma was presented at the 37th Congress of the European Society for Medical Oncology (ESMO 2012), held in Vienna from 28 September to 2 October.

Aplidin®.

Multiple myeloma
Data from the trial continues to be collected and cleaned and will be evaluated during the fourth quarter of 2012 by an independent committee, which will advise on the continuity of this pivotal registration trial which is aimed at requesting marketing authorisation in this therapeutic use.

Dedifferentiated liposarcomas

Recruitment continues for the clinical trial in four French hospitals in cooperation with the French Sarcoma Group.

Zalypsis®.

Multiple myeloma
The second phase of recruitment for the Phase II trial in Zalypsis® for multiple myeloma is advancing on schedule.

The results of the Phase II clinical trial in Zalypsis® in patients with urothelial tumours that have progressed after first-line treatment with platinum were presented at the ESMO 2012 Congress in Vienna.

PM01183.

Platinum-resistant/refractory ovarian cancer
Recruitment for the second and final phase of this randomised Phase II trial in patients with platinum-refractory/resistant ovarian cancer continues on schedule.

ESMO's Scientific Committee selected the trial's preliminary results to be presented orally during a special session. The first phase of this trial evaluated the product's efficacy against platinum-resistant/refractory ovarian cancer; control of the disease was achieved in 73% of cases and the response rate was 27%.

Pancreatic cancer
Having achieved the efficacy target according to the interim analysis, recruitment commenced for the second stage of the Phase II trial as second-line treatment in patients with pancreatic cancer where gemcitabine-based therapies have failed.

Advanced breast cancer
Recruitment in Spain 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. Recruitment of patients in American hospitals is scheduled to commence in 4Q12.

Advanced leukaemias
An amendment to the Phase I clinical trial with PM01183 as monotherapy to treat advanced leukaemia is currently being evaluated with a view to obtaining a more appropriate administration pattern in patients.

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

Data was presented at ESMO 2012 on the trial in combination with gemcitabine, which evidenced the compound's promising activity, especially in non-small cell lung cancer, where the drug evidenced an acceptable safety profile below the maximum tolerated dose.

Recruitment was completed for the Phase I clinical trial to evaluate a different infusion scheme on days 1 and 8 every three weeks in patients with solid non-colorectal tumours, after the recommended dose was defined.

PM060184.

Recruitment continues on schedule for the two Phase I trials in the US, France and Spain. The recommended dose will be defined in the coming months with a view to commencing Phase II trials subsequently.

Central Nervous System: Noscira

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

The ARGO Phase II trial with tideglusib in Alzheimer's disease did not attain the primary cognitive endpoint or two of the secondary endpoints. This 26-week trial assessed the efficacy of tideglusib against placebo plus the standard treatment in patients with mild to moderate Alzheimer's disease.

Tideglusib, an inhibitor of the GSK-3 enzyme, was found to be relatively well tolerated in the trial, which involved 306 patients. No additional safety alerts were observed.

The remaining analysis of the other secondary variables, sub-populations, biomarkers and the nuclear magnetic resonance (NMR) sub-study will be completed in the coming weeks.

Diagnostics: Genómica

Genómica's revenues amounted to 4.378 million euro in the first nine months of 2012, compared with 4.431 million euro in 9M11.

The Diagnostics area accounted for 88% of total revenues, and Forensic Genetics for the other 12%.

Diagnostics sales in Spain amounted to 2.538 million euro in the first nine months of 2012, i.e. an overall decline of 0.9% with respect to the same period of 2011 (2.560 million euro). The slight decline is due to the lower budget allocation in 2012 for the Castilla-La Mancha Regional Government's campaign for prevention and early detection of cervical cancer, while sales of CLART® products increased by 5% in the first nine months, to 1.870 million euro (from 1.779 million euro in the same period of 2011).

Exports amounted to 1.209 million euro in the period, compared with 1.258 million euro in 2011. This small reduction is attributable to a lag in the sale of CAR (Clinical Array Reader) platforms, manufactured by Genómica, which is expected to reverse in the fourth quarter. Exports of CLART® kits performed well, amounting to 1.149 million euro, a 9% increase over the same period of 2011 (1.054 million euro); once again, export growth was driven by strong performance in Latin America.

The Forensic Genetics division's revenues amounted to 535 thousand euro in the first nine months of 2012 (538 thousand euro in the same period of 2011), performing in line with expectations for the year.

Genómica has entered the market in Biomarkers for diagnostics with the launch of CLART® CMA KRAS·BRAF·PI3K in April. This is a 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 with CLART® low-density array technology. The kit has aroused considerable interest since its launch.

The foregoing performance, coupled with strict control and management of expenditure, enabled the company to obtain 945 thousand euro in EBITDA in the first nine months (vs. 486 thousand euro in 2011).

RNAi: Sylentis

During the third quarter of 2012, the company advanced its R&D lines, 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.

The current status of clinical trials is as follows:

Recruitment has commenced for a Phase II trial with SYL040012, a compound for treating glaucoma. This multi-centre trial, which is planned to include 80 patients, will be conducted in Estonia, Spain and Germany. So far, start-up visits have been made to the participating centres in Estonia (2) and Spain (6), while the three chosen centres in Germany are in the process of signing the contracts.

Regarding SYL1001, a compound for treating the eye discomfort associated with dry eye syndrome, the company has applied to the Spanish Medicines Agency to perform a proof-of-concept trial (Phase I/II) on 60 patients with moderate dry eye syndrome. So far, Ethics Committee approval has been obtained and the Company is awaiting authorisation from the Spanish Medicines Agency, since the Phase I trial concluded without any adverse side effects.

Under the glaucoma project, a patent has been granted in Mexico and five applications have been filed in the US to protect target genes of interest to Sylentis.

B) Consumer chemicals:

Xylazel

Net sales amounted to 13 million euro in the first nine months of 2012, i.e. 6% less than in the same period of 2012 (13.9 million euro) due to intense price pressure.

The general deceleration in consumer spending continued to have an impact in the third quarter, diluting the increase in sales in the first quarter.

The sales strategy, focused on the refurbishment and DIY markets, led to a 6.5% year-on-year increase in sales through big box DIY stores. Exports increased by 95% and now account for 7.5% of total revenues, up from barely 2% two years ago. The Large Paint Wholesaler Channel, the largest single sales channel, continues to bear the brunt of the crisis, with sales down 18%.

Average input prices increased by 2.4%.

Structural fixed expenses fell by 0.9% overall with respect to the first nine months of 2011.

As a result, EBITDA amounted to 1.9 million euro in the first nine months of 2012, down 29.7% year-on-year, and the EBITDA margin was 15.1%.

Net profit in the first nine months of 2012 totalled 1.06 million euro, 8% of sales.

A new valued-added product was launched in the third quarter: Xylazel Aire Sano, a paint that is suitable for persons with allergy or asthma, is expected to help boost sales in the remainder of the year.

Zelnova

Zelnova'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 3.6 million euro (-7.8%) 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	26,034	22,829	-3,205	- 12.3%
Sales in other countries	19,407	19,051	- 356	- 1.8%
Total net sales	45,441	41,880	-3,561	- 7.8%

As for costs, the price of oil derivatives (butane and solvents) has begun to rise slightly, after declining moderately in the first half of the year. Volatility is the main defining feature of these markets in the short term, while the medium/long-term trend appears to be slightly upwards.

The company continues to apply cost cutting measures in all areas to partly offset the decline in margins. Nevertheless, the decline in revenues had a significant impact on Zelnova's earnings, with the result that Zelnova-Copyr combined EBITDA fell by 2.1 million euro in the first nine months of 2012, to 4.3 million euro (from 6.4 million euro last year). Net profit in the first nine months amounted to 1.25 million euro.

Macroeconomic projections for the remainder of 2012 and much of 2013 suggest that the weak economic situation will persist, with the result that the recovery might be set back until the early months of 2014.

BALANCE SHEET *(Thousand euro)*	09-30-2012	12-31-2011
ASSETS		
Non-current assets	**87.681**	**88.285**
Property, plant & equipment	31.490	33.862
Investment properties	6.014	6.014
Intangible assets	18.552	17.325
Goodwill	2.548	2.548
Long-term financial assets	1.955	2.162
Deferred tax assets	27.122	26.374
Current assets	**130.792**	**129.531**
Inventories	25.308	25.309
Customer and other receivables	55.568	50.441
Current financial assets	18.074	18.944
Receivable from public authorities	3.512	1.710
Other current assets	1.906	2.746
Cash & cash equivalents	26.424	30.381
TOTAL ASSETS	**218.473**	**217.816**

BALANCE SHEET *(Thousand euro)*	09-30-2012	12-31-2011
EQUITY		
Shareholders' equity	**44.820**	**39.553**
Share capital	11.110	11.110
Share premium	323.286	323.286
Treasury shares	(6.555)	(6.872)
Revaluation and other reserves	1	1
Retained earnings and other reserves	(283.022)	(287.972)
Minority interest	**(3.879)**	**(5.051)**
TOTAL EQUITY	**40.941**	**34.502**
LIABILITIES		
Non-current liabilities	**81.416**	**93.947**
Financial debt	69.097	83.060
Derivatives	210	176
Deferred tax liabilities	8.584	7.836
Non-current deferred revenues	2.983	2.423
Other non-current liabilities	542	452
Current liabilities	**96.116**	**89.367**
Supplier and other accounts payables	33.552	29.879
Financial debt	54.458	52.686
Provisions for other liabilities & expenses	5.997	4.628
Current deferred revenues	41	49
Other current liabilities	2.068	2.125
TOTAL LIABILITIES	**177.532**	**183.314**
TOTAL LIABILITIES AND EQUITY	**218.473**	**217.816**

INCOME STATEMENT		
Thousand euro	**09-30-2012**	**06-30-2011**
Net revenues	109.534	120.699
Cost of sales	(32.881)	(35.172)
Gross income	**76.653**	**85.527**
Other operating revenues	24.898	4.847
Marketing & commercial organisation expenses	(32.753)	(34.131)
General and administration expenses	(17.147)	(16.445)
Research & development expenses	(36.663)	(42.814)
Capitalised in-house work	1.844	2.280
Other operating expenses	(6.460)	(6.798)
Net operating profit (loss) (EBIT)	**10.372**	**(7.534)**
Net financial results	(3.914)	(4.438)
Profit (Loss) before taxes	**6.458**	**(11.972)**
Corporate income tax in the period	(141)	(998)
Profit (Loss) for the year	**6.317**	**(12.970)**
Attributable to minority interest	(2.231)	(4.844)
Attributable to equity holders of the	**8.548**	**(8.126)**

Net operating profit (loss) (EBIT)	10.372	(7.534)
Amortisation and depreciation	4.623	4.556
EBITDA	**14.995**	**(2.978)**

CONSOLIDATED CASH FLOW STATEMENT	09-30-2012
NET CASH FLOW FROM ORDINARY ACTIVITIES	**8.393**
Profit/(loss) before tax	**6.458**
Adjustements for:	**7.000**
Amortisation and depreciation	**4.623**
Other adjustements	**2.377**
Variation in working capital	**(665)**
Other net cash flow	**(4.400)**
Financial expenses	(4.492)
Financial revenues	684
Income tax received/(paid	(449)
Other adjustements	(143)
NET INVESTMENT CASH FLOW	**(332)**
Purchases of property, plant & equipment and intangible assets	(1.409)
Other financial assets	1.077
CASH FLOW IN FINANCING ACTIVITIES	**(12.018)**
Emission	1.226
Amortisation	(19)
Acquisition	(1.584)
Sales of treasury shares	550
Debt with credit entities (+)	15.521
Repayment from debt with credit entities (-)	(22.109)
Other net financing activities cash flow	(5.603)
NET DECREASE/INCREASE IN CASH AND CAHS EQUIVALENTS	**(3.957)**
STARTING BALANCE OF CASH AND CASH EQUIVALENTS	**30.381**
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**26.424**

NET CASH POSITION	
CASH AND CASH EQUIVALENTS	26.424
CURRENT FINANCIAL ASSETS	18.074
FINANCIAL DEBT	(54.458)
TOTAL NET CASH POSITION	**(9.960)**