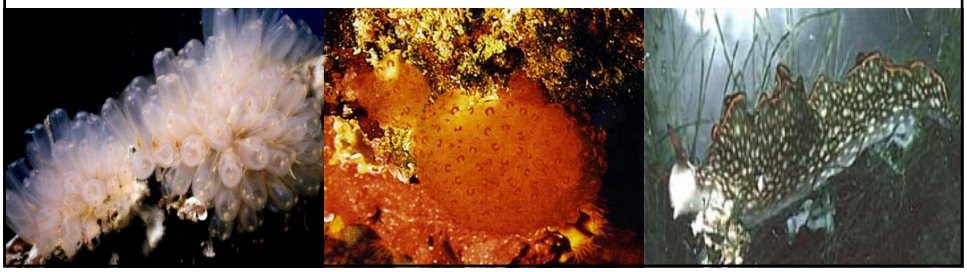
Zeltia

Oct 2006

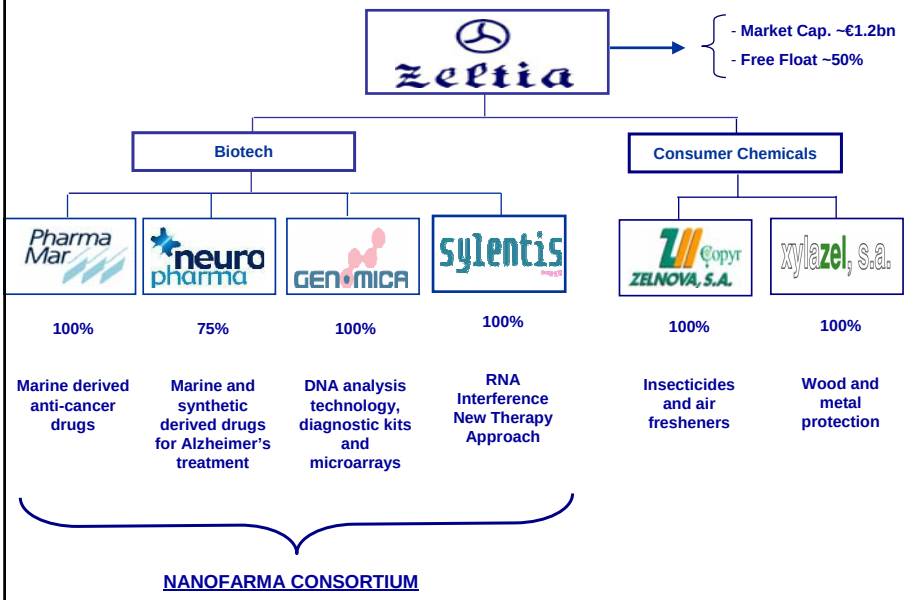


Zeltia

Disclaimer

This information includes forward-looking statements based on Management's current expectations. Factors that could cause future results to differ materially from such expectations include, but are not limited to: the success of the Company's research strategy; the applicability of discoveries made therein; the difficulties inherent in the development of pharmaceuticals, including uncertainties as to the timing and results of preclinical studies; delayed achievements of milestones; reliance on collaborators; uncertainty as to whether the Company's potential products will succeed in entering human clinical trials and uncertainty as to the results of such trials; uncertainty as to whether adequate reimbursement for these products will exist from the government, private healthcare insurers and third-party payers; and the uncertainties as to the extent of future government regulation of the pharmaceutical business.

Group Structure



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neuro pharma

- Ownership structure:
  - ✓ 75% Zeltia
  - ✓ 25% private placement raised €16m in Aug 04
- Second round of financing to take place in late 06 / early 07
- Focusing on CNS and neurodegenerative diseases, particularly Alzheimer's
- NP12 entered Phase I Clinical trials for Alzheimer in March 2006
- NP61 in clinic shortly
- 2 further compounds in advanced preclinical phase

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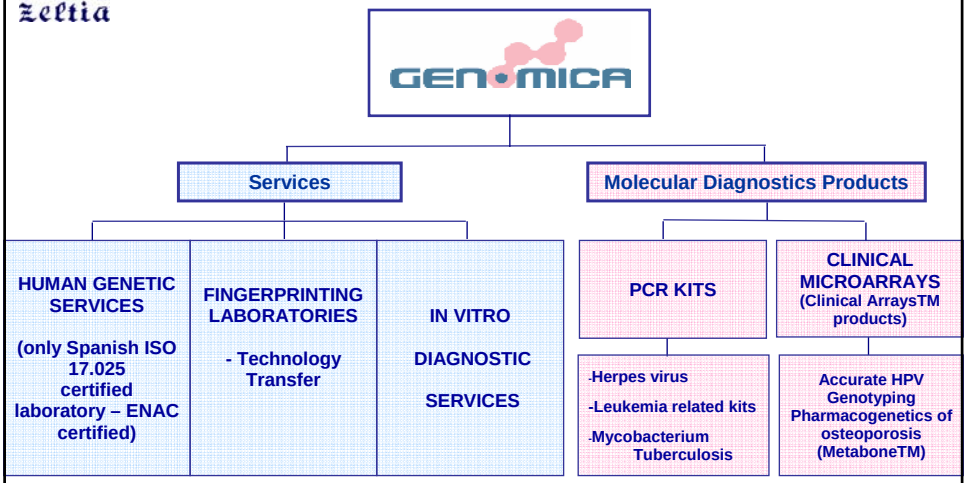
Zeltia



- **Leading Spanish Company in Molecular Diagnostics**
- **Strategic alliance with the German company Clondiag, a leader in nanotechnology platforms**
- **Sales in 2005 €2,3m**

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Zeltia

sylentis

- Spain's first company to research gene silencing (RNAi)
- Began as a research project within Genomica in 2002. First POC obtained in 2004
- RNAi seeks to block gene-mediated protein production so as to impair disease mechanisms and enhance the effect of certain drugs
- Focus initially on 2 indications:
  - ✓ Ophtalmology (glaucoma, dry eye)
  - ✓ The digestive track (Crohn´s disease)
- Cooperation agreements with a number of research centres and with international pharmaceutical companies

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Zeltia

ZELNOVA, S.A.

- Zelnova is the leading company in Spain, with a 21% market share in the insecticide market
- 2005: sales €36m. EBITDA margin 21%
- Acquired Copyr, the Italian leader in sales of automatic aerosol dispensers
  - ✓ First transaction outside Spain. Part of international expansion strategy
  - ✓ Synergies with Zelnova: production + marketing + provides entry to Italian market for Zelnova´s products
  - ✓ Increases potential of export sales to Eastern Europe, Greece and North Africa
  - ✓ Expected that Copyr could provide Zelnova with 9 million euros of sales in the first year, with an EBITDA of one million euros

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Zeltia

xylazel, s.a.

- 2006 first year with 100% sales of own brand products
- 2005: sales €25m. Net profit €5,1m
- Over 50% of the market for wood protection and decoration in Spain
- Consolidation of a broad range of wood protection products under its own brands: Xylazel decora y protege, Xylazel S Lasur, Xylazel Aqua Lasur…
- Launch of new metal protector products under Oxirite brand and filler products
- Plans for expansion outside Spain

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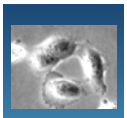
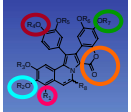
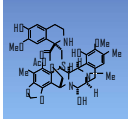
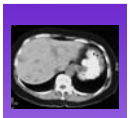
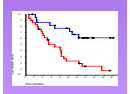
PharmaMar Update

Business Model
Integrated Drug Development Approach

Marine Expeditions	Preclinical Testing	Medicinal Chemistry	Clinical Trials	Production	IP & Trademarks	Marketing & BDL
  	  	 	  	  	  	 
Build a Library	New chemical scaffolds & New MoAs	Synthesis of identified NCEs Activity improvement	International clinical dev. in Europe, US & Canada	Keep last steps of purification or synthesis within PharmaMar	Broad patent coverage	License US & RoW Keep EU rights Generate profits

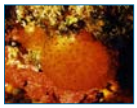
Clinical Pipeline

Ecteinascidia turbinata

Yondelis®

3,696 patients treated

- **Soft Tissue Sarcoma (STS)** – *Orphan drug status* — **Filed with EMEA in July 06**
- **Ovarian** - *Orphan drug status* — ***(Phase III Pivotal ongoing)***
- **Prostate**
- **Breast**
- **Combination studies**



Aplidium albicans

Aplidin®

584 patients treated

- **Multiple Myeloma** – *Orphan drug status*
- **Leukaemia** – *Orphan drug status*
- **Melanoma**
- **Combination studies**

Elysia rufescens

Kahalalide F

271 patients treated

- **Solid Tumours**
- **Severe Psoriasis**

Jorunna funebris

Zalypsis®

43 patients treated

- **Solid Tumours**

Kahalalides Family

PM 02734

24 patients treated

- **Solid Tumours**

Phase	I	II	III

Patient numbers at 30 Sept 06

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Partnership with Johnson & Johnson for Yondelis®

Partnership began August 2001

Drug Development	Cost Sharing & Revenue	Marketing

▪ Joint development plan covers all indications
▪ Single registration strategy:
  ▪ J&J responsible ex EU
  ▪ PharmaMar responsible EU
▪ Parallel timelines
▪ Regulatory advice at all appropriate stages
▪ Clinical trials worldwide
	▪ J&J finances 65% of all development costs
	▪ PharmaMar sole producer of active compound
	▪ Cash received to date €43,3m:
	  ▪ Upfront: €21,7m
	  ▪ Milestones: €7,2m
	  ▪ API sales: €12m
	  ▪ Other income: €2,4m
		▪ Royalty 11.25% - 19.00% increasing with sales volume
		▪ J&J owns marketing rights to Yondelis® excluding EU
		▪ PharmaMar retains rights in EU
		▪ Single brand worldwide
		▪ First Yondelis® indication to reach market in 2007
		▪ Second Yondelis® indication to follow closely

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Yondelis® Joint Development Plan with J&J

SOFT TISSUE SARCOMA Data presented at ASCO 06 ESMO 06	-Filed for MAA at EMEA 27 July 06 -Comparative pivotal trial -Largest ever study in this patient population -Remarkable results in lipo & leiomyosarcomas -Orphan Drug designation by FDA and EU
OVARIAN Data presented at ASCO 06 ESMO 06	-Phase III trial past half point of recruitment -Positive Futility Analysis -Yondelis+Doxil vs Doxil in relapsed patients -Orphan Drug designation by FDA and EU -Filing in 2008 based on PFS
BREAST	-2 Phase II trials completed -Pharmacogenomic potential -Development in combination
PROSTATE	-Phase II trial completed -Development in combination
PEDIATRIC	-Phase II to begin shortly

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Yondelis® Comparative Pivotal Trial Design Soft Tissue Sarcoma STS-201

MAA submitted to the EMEA in July 06

Metastatic / Advanced STS
Leiomyosarcomas / Liposarcomas
Prior therapy with anthracyclines and ifosfamide
Progressive disease

CONTROL (Arm A)
Yondelis™ 0.580 mg/m² wkly X3 / 4 wks

STANDARD (Arm B)
Yondelis™ 1.5 mg/m2 (24 hrs) / 3 wks

SPA*

Number of patients: 260
Trial completed

*Special Protocol Assessment granted by FDA

Trial Design accepted according to the EMEA guidelines

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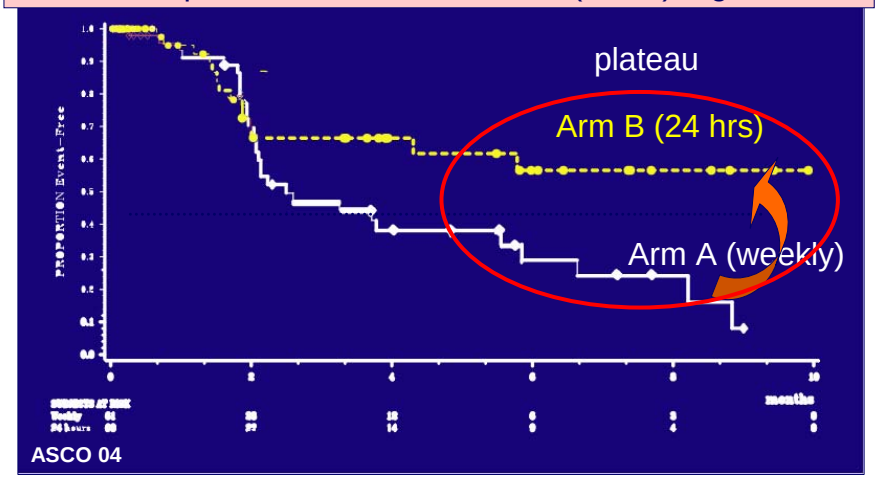
Yondelis® Comparative Pivotal Trial
Soft Tissue Sarcoma STS-201

IDMC recommendations based on Time To Progression (TTP)

Invite patients to switch to Arm B (24hrs) regime



NO UNEXPECTED TOXICITIES WERE IDENTIFIED

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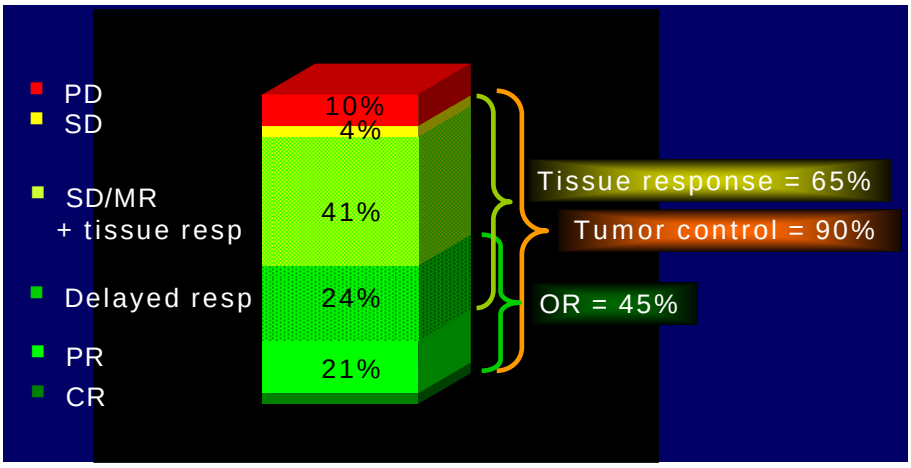
Patterns of Tumor Response to Yondelis
Advanced Pretreated Myxoid Liposarcoma



F.Grosso et al. Procc ASCO'06

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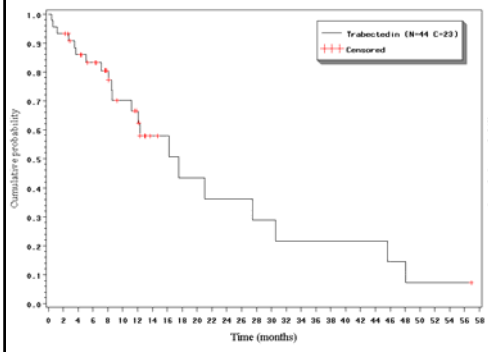
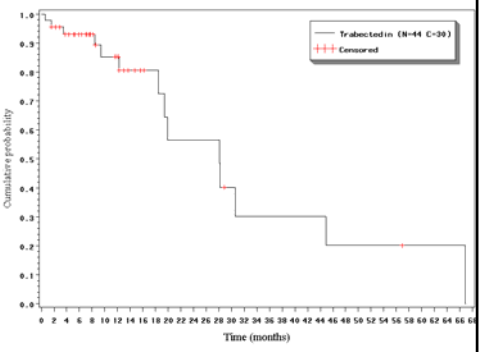
PFS & Survival to Yondelis
Advanced Pretreated Myxoid Liposarcoma (N=44)

Progression Free Survival



Survival



Median PFS = 17 mos

Median Survival = 28 mos

PFS @6mos = 80% **Median follow-up: 14 mos**

F.Grosso et al. Procc ASCO'06

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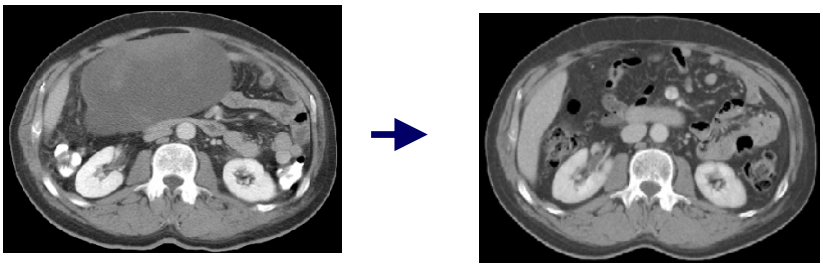
RECIST Partial Response
Advanced Pretreated Myxoid Liposarcoma



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F.Grosso et al. Procc ASCO'06

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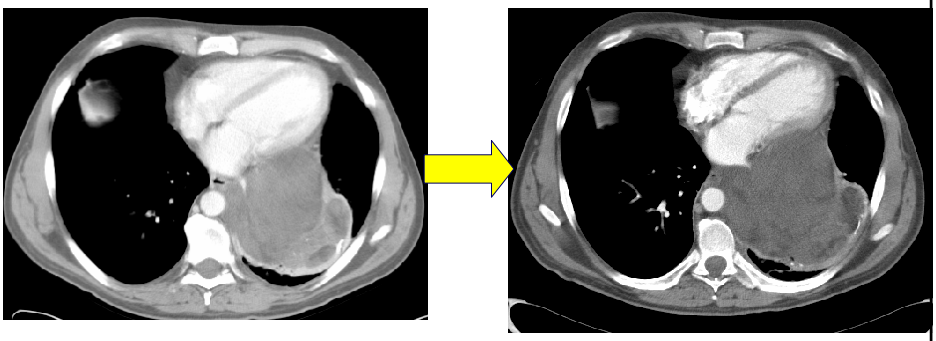
Tissue Response
Advanced Pretreated Myxoid Liposarcoma



Basal 1 Cycle

F.Grosso et al. Procc ASCO'06

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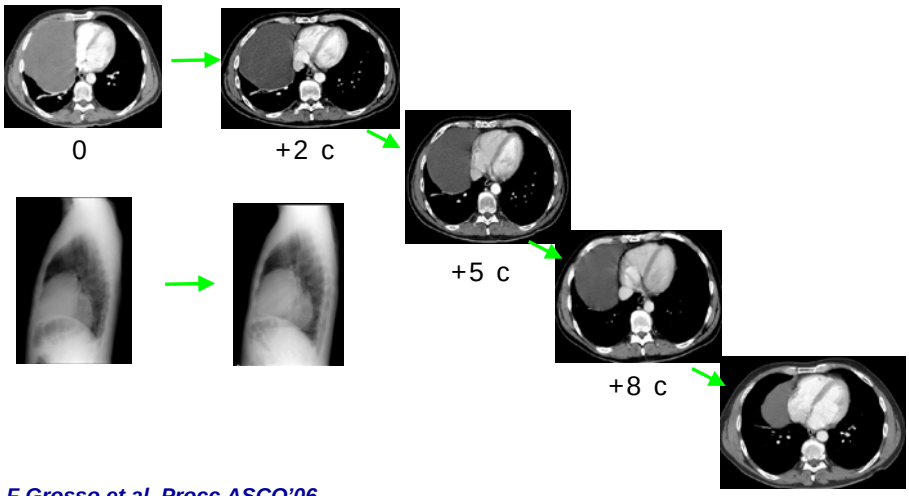
Delayed RECIST Response
Following Tissue Response



F.Grosso et al. Procc ASCO'06

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Yondelis™ in Ovarian Cancer
Phase III Pivotal Randomized Trial (OVA-301)

Began April 2005, Midpoint reached Sept 06

Metastatic / Advanced Ovarian Cancer

Relapsed after first / second line with platinum based chemotherapy

Doxil 50 mg/m² / 4 wks	**Doxil 30 mg/m² + Yondelis™ 1.1 mg/m2 (3 hrs) / 3 wks**

Primary end-point: Overall Survival

Secondary end-points: PFS, ORR, Safety

Number of patients: 650 (325 recruited at Sept 06)

Sites in USA, EU, Russia, Canada, Australia

SPA*

Positive Futility Analysis by IDMC**

**Special Protocol Assessment*

***Independent Data Monitoring Committee*

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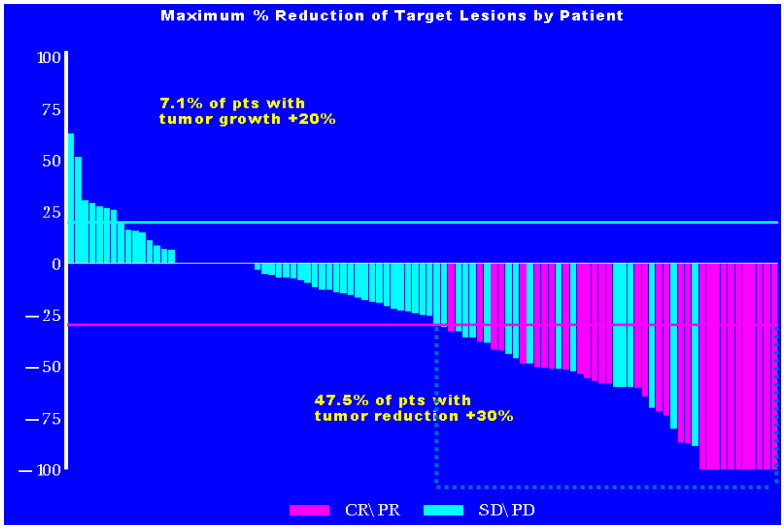
Yondelis in Advanced Relapsed Ovarian Cancer

Impact on Tumor Growth



Del Campo et al. Asco' 06

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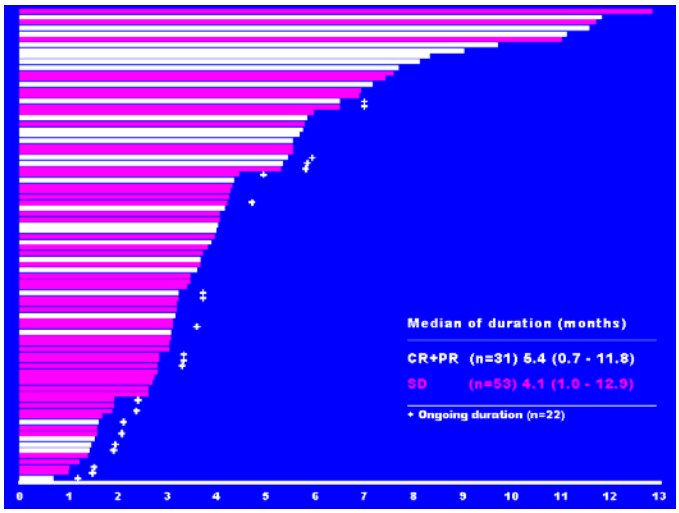
Yondelis in Advanced Relapsed Ovarian Cancer
Duration of Response



Del Campo et al. Asco '06

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Weekly Yondelis in Advanced Taxotere Pretreated Prostate Cancer
Impact on Tumor Related Sympthoms

Oxycontin Dose (mg)

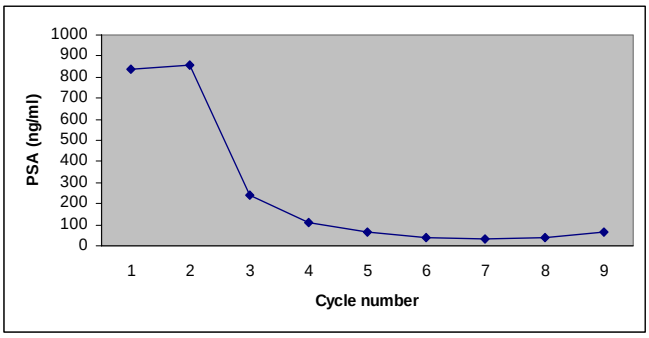
Cycle 1 – 20 TID (+ prn)

Cycle 2 – 20 BID

Cycle 3 – 10 BID

Cycle 4 – 10 QHS

Cycle 5 – OFF



* PSA response in taxotere resistant pts = 14%

M Dror et al. Proc ASCO'05

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Correlation between the ERCC1 mRNA Expression Levels and Response

Parameter	ERCC1 mRNA Expression Levels: < Median	ERCC1 mRNA Expression Levels: ≥ Median
PR + MR / Total (%)	4 / 46 (9%)	8 / 42 (19%) ★
PFS>6 mo	6 / 46 (13%)	13 / 41 (32%) ★

★ p = 0.09

★ p = 0.02

P. Schöffski et al. Procc ASCO'06

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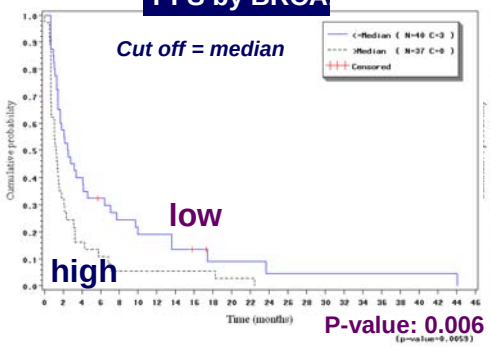
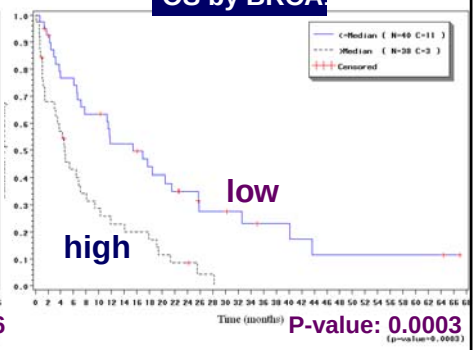
Impact of the BRCA1 mRNA Expression Levels (78 pts)

PFS by BRCA



OS by BRCA1



	<=Median	> Median	Parameter	p-value
N	40	37		
Median	2.5	1.3	HR: 1.934 CI 95% (1.21 -3.093)	0.0059
PFS at 3 months	45%	24.32%	Diff:20.68%	0.0504
PFS at 6 months	32.5%	10.81%	Diff:21.69%	0.0159

	<=Median	> Median	Parameter	p-value
N	40	38		
Median	15.4	4.7	HR: 2.599 CI 95% (1.544 -4.374)	0.0003
OS at 12 months	52.36%	22.88%	Diff:29.48%	0.0063
OS at 24 months	35.01%	8.58%	Diff:26.43%	0.0043

P. Schöffski et al. Procc ASCO'06

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Response of sarcoma pts according BRCA1 + ERCC1 expression

Patients of favorable expression Low BRCA1 + High ERCC1

Patient #	Response	PFS months	OS months
22	PR	13,6	20,4
166	MR	9,7	25,8
37	MR	7,1	10,2
173	MR	UK	UK
129	SD	17,3	22,6
41	SD	15,8	18,4
105	SD	7,7	25,7
75	SD	6,4	11,5
104	SD	3,2	40,1
43	PD	2,2	7,7
47	PD	1,1	3,9
107	PD	1,0	22,7
106	PD	1,0	17,7
138	PD	0,7	3,2
48	PD	0,7	0,8

Response	%	PFS Median	OS Median
PR+MR	26,7%	4,8	18,1
SD	33,3%		
PD	40,0%		
PFS>6	50,0%		

Patients of disfavorable expression High BRCA1 + Low ERCC1

Patient #	Response	PFS months	OS months
3	PD	0,6	0,6
18	PD	0,7	3,0
29	PD	0,7	3,8
31	PD	1,5	1,5
39	PD	1,6	4,5
59	PD	UK	1,1
64	PD	1,3	1,4
72	PD	3,3	3,5
96	PD	1,3	21,4
99	PD	0,6	1,4
103	PD	1,1	10,2
124	PD	0,7	4,5
126	PD	1,4	5,4
148	PD	0,0	0,1

Response	%	PFS Median	OS Median
PR+MR	0,0%	1,1	3,3
SD	0,0%		
PD	100,0%		
PFS>6	0,0%		

P. Schöffski et al. Procc ASCO'06

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Aplidin® Development Plan

Priority Indications to be developed in combination:

MULTIPLE MYELOMA	-Phase II clinical trials -Orphan Drug designation by FDA and EU
ACUTE LYMPHOBLASTIC LEUKAEMIA	-Phase II clinical trials -Orphan Drug designation by FDA and EU
PEDIATRIC Data presented at ASCO 06	-Phase I-II Clinical and Pharmacokinetic Study in Children with Malignant Tumors -Anti-tumor activity: *Neuroblastoma: 1 PR in refractory neuroblastoma and 1 SD *Medulloblasstoma: 1 SD after rapid disease progresion before the treatment with Aplidin *Pancreatoblastoma: 1 SD with associated serum tumor market reduction
RENAL AND COLORECTAL Data presented at ESMO 06	-Phase II clinical trials -Randomised clinical and pharmacokinetic study -Anti-tumor activity observed in patients with previously treated renal cancer (partial response 5.4% and 48.7% with stable disease)
MELANOMA	-Phase I / II combination with DTIC (ongoing)

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Phase II Aplidin Study in Multiple Myeloma Activity

	30 Patients
PR	2
MR	1
NC/SD	9
PD	12
NE	6

Objetive Response (PR+MR): 3/30 (10%)

Rate of Tumour Control PR + MR + SD = 12/30 (40%)

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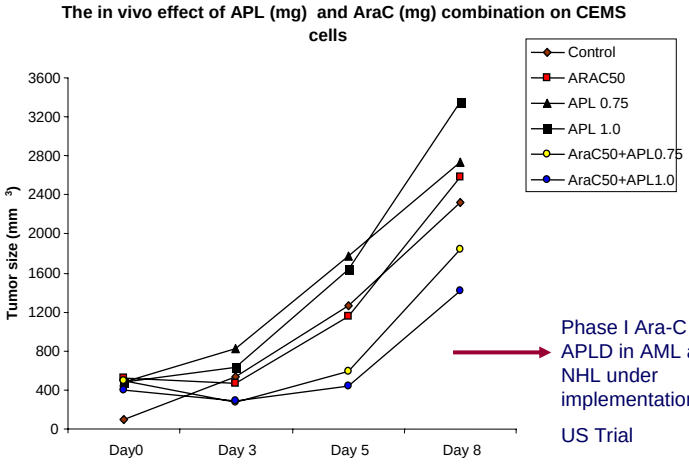
In vivo Synergism of Aplidin + Ara-C combination in ALL



Phase I Ara-C + APLD in AML and NHL under implementation.

US Trial

D Banerjee et al. Proc VI Int Symp Leukemia and Lymphoma, 2005

30

Aplidin phase II Study in Patients with Advanced Pretreated and Progressive Renal Cancer

No. Patients	PR		SD > 3m		Rate Tumor Control
38	2	23.3+ m. 13.8+ m.	7	(3.3 – 12) (median 8 m)	9/ 38 (24%)

MA CLiment et al. ESMO'06

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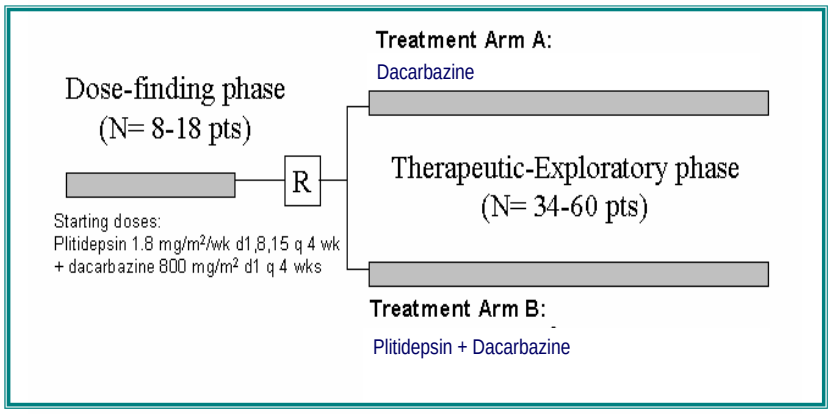
Aplidin Malignant Melanoma Combination study



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Aplidin Phase II - Malignant Melanoma Responding Patients

PT #	Age	Baseline LDH	1º Mets	Prior Tx	Prior Best resp	Cycls	Best resp	TTP (wks)
207	48	1.06 x ULN	Lung	DTIC	PD	21+	**PR**	34.0+
320	42	0.78 x ULN	Skin, Soft Tissue, Lymph nodes	DTIC + CDDP	PD	12	**PR**	19.0
218*	34	2.22 x ULN	Lung, Soft Tissue, Pancreas, Adrenal	DTIC CC5013	SD PD	15	**SD**	10
436	46	1.04 x ULN	Lung, Liver, Lymph nodes	Temozol.	PD	5+	**SD**	10+
314	68	2.11 x ULN	Lung, pleura, Liver, lymph nodes, bone	DTIC Epothil. + Capecita.	PD SD	4	**SD**	10+
226	55	2.16 x ULN	Liver, Lung, Soft tissue	DTIC Thalidom.	PD PD	4	**SD**	10+

* Ocular melanoma

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Aplidin Phase II Study in Advanced Pretreated Melanoma

Safety Profile

	CTC grade								Total
	0		1		2		3		
	N	%	N	%	N	%	N	%	N
Hemoglobin	6	20.0	18	60.0	5	16.7	1	3.3	30
Lymphocytes	8	27.6	9	31.0	11	37.9	1	3.4	29
Platelets	28	93.3	2	6.7	--	--	--	--	30
Wbc	29	96.7	1	3.3	--	--	--	--	30
Cpk	22	73.3	5	16.7	3	10.0	--	--	30
Vomiting	19	63.3	9	30.0	2	6.7	--	--	30
Mucositis	--	--	--	--	--	--	--	--	--
Fatigue	21	70.0	3	10.0	5	16.7	1	3.3	30
Muscle Cramps	27	90.0	3	10.0	--	--	--	--	30
Muscle Weakness NOS	29	96.7	1	3.3	--	--	--	--	30
Myalgia	20	66.7	7	23.3	--	--	3	10.0	30

T Eisen et al. Procc ESMO'04

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Kahalalide F Development Plan

Non-small cell Lung Cancer (NSCLC) Data presented at ESMO 06	-Phase II clinical trials -Second line therapy -One partial response was observed and stable disease was reported in eight patients (26%)
Hepatocarcinoma (HC) Data presented at ESMO 06	-Phase II clinical trials -First line therapy -Study in patients with metastatic or irresectable HC. Stable disease was reported in ten patients (45%)
Malignant Melanoma (AMM) Data presented at ESMO 06	-Phase II clinical trials -Stable disease lasting more than three months was reported in five patients (21%)
Severe Psoriasis	-Phase II clinical trials

In all theses trials Kahalalide F was very well tolerated with no serious adverse events reported, showing an excellent tolerability profile

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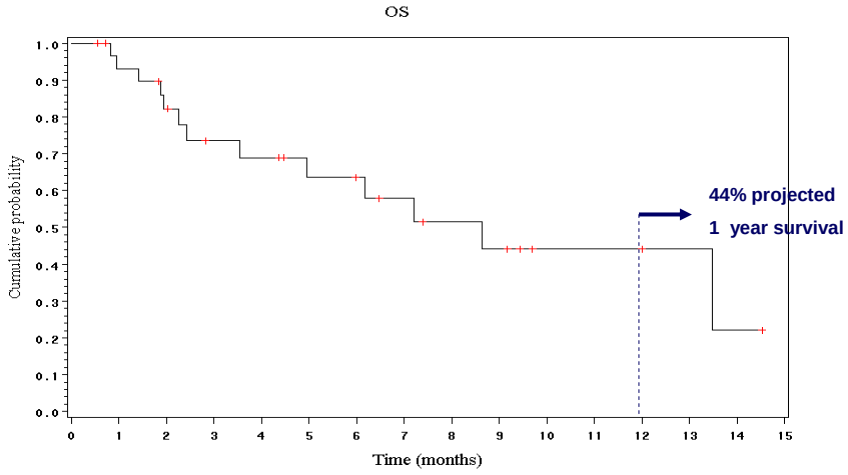
Phase II Study with KF in Patients with Advanced Progressive Pretreated NSCLC Survival



Median 8.7 IC95% [5,.]
OS at 6 months: 63.63% IC95% [44.1%,83.17%]
OS at 12 months: 44.08% IC95% [21%,67.15%]

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Phase II Study with KF in Patients with Advanced Progressive Pretreated NSCLC

Activity

No. Patients	PR	SD	Rate Tumor Control
24	1	8	9/ 24 (37%)

- Median age 64 years
- Median number of previous therapies 1 (1-4)
- 64% sympthomatic patients
- Most of responses noted in squamous cell carcinoma
- Median number of KF cycles = 8 (2-40)

M Provencio et al. Procc. ESMO'06

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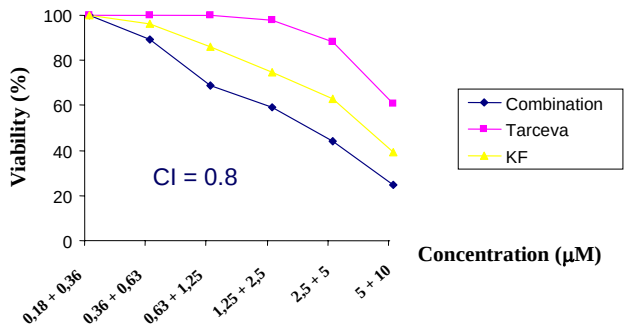
Kahalalides: Synergistic effects with Tarceva (I)

Lung Cancer



S. Ramón y Cajal (Report 4/06)

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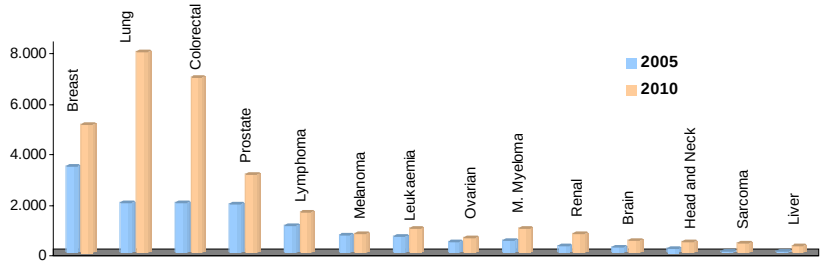
World Cancer Market

Worldwide forecast of main cancer therapy markets, 2005-2010



$m	Breast	Lung	Colort.	Prostate	Lymph	Melan.	Leuka.	Ovarian	M.M.	Renal	Brain	H&N	STS	Liver	TOTAL*
2005	3,473	2,000	2,000	1,977	1,115	705	651	560	500	300	251	180	94	70	$14bn
2010	5,088	8,000	7,000	3,102	1,618	762	997	700	1,000	800	496	442	412	286	$31bn

Highlighted in green: Yondelis® prioritized indications. Highlighted in yellow: Aplidin® prioritized indications. (As of Dec 2005)

- **Market is expected to more than double from $14bn in 2005 to $31bn by 2010 (17.2% CAGR)**
- **Still many modern cancer drugs are of natural origin**
- **PharmaMar's drugs are new chemical entities that target cancer cells in a highly novel way**

Source: Cancer Therapy Worldwide Market Survey, ADIS International May 2001, Nature Reviews Drug Discovery and Company's own sources
•Represents approximately 65% of the total cancer therapy market. Forecast to 2010 includes only currently approved treatments.

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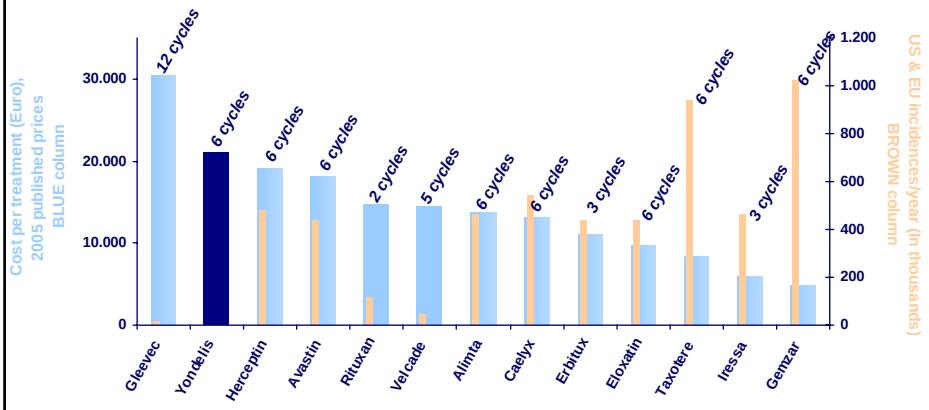
Yondelis® Pricing

Estimated price of cancer treatments & label incidence



Oncology drugs are marketed to specialist prescribers

(1) In Italics, the number of cycles per treatment. Mean cycle duration: 1 month.
(2) Costs derived from published unit prices. Dosages and treatment durations as per SPCs
(3) Average price in EU countries
(4) Source: GLOBOCAN 2002, American Cancer Society, FDA, EC pharmaceuticals, Companies

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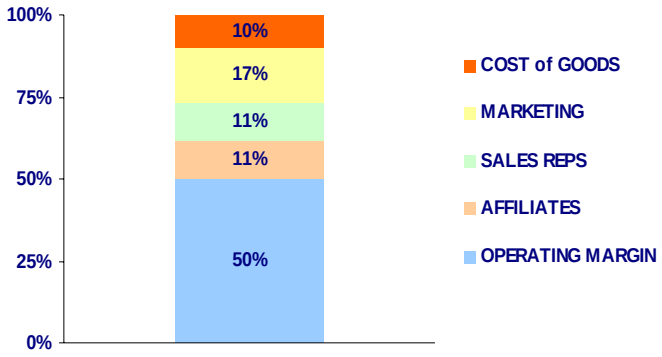
Profitability of Direct Selling in Europe

Illustrative



- **Royalties typically between 10% – 20% maximum**
- **Yondelis® operating margin from direct selling in Europe should follow this pattern within 2 years**

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Yondelis® European Launch Plan

- Oncology is a specialized area where commercial promotion is addressed to a limited audience of prescribers:
  - ~ 20 sales representatives for full launch of Yondelis® in STS. Up to 50 for full marketing of first two indications
- 7 business regions identified
  - UK & Ireland
  - Germany, Austria & Switzerland
  - France & Belgium
  - Italy & Greece
  - Scandinavia & Netherlands
  - Iberia
  - Eastern Europe
- Target: access 75% of the European market in the first year after market authorisation

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Business Objectives

- Establish commercial presence in Europe
- Launch Yondelis® in STS in 2007 and in Ovarian by 2008/09
- Enter into new strategic alliances for drug development and commercialisation
- Increase pipeline renewal: one new compound in clinical trials every 24 months
- Become profitable biopharmaceutical company with launch of second indication

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News-flow calendar 2006

Congress/Presentation	Dates	Place
3Q Financial Results	26 Oct	Madrid, Spain
7th Workshop on Partnering for Rare Disease Therapy Development (EPPOSI)	26-27 Oct	Madrid, Spain
12th Annual Connective Tissue Oncology Society (CTOS) Meeting	2-4 Nov	Venice, Italy
Chemotherapy Foundation Symposium XXII/ Mount Sinai. Innovative Cancer Therapy for tomorrow	8-11 Nov	New York, US
18th EORTC-NCI-AACR Symposium on "Molecular Targets and Cancer Therapeutics"	7-10 Nov	Prague, Czech Republic

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