



## PRESS RELEASE

### **Crucell Announces Second Quarter 2008 Results**

Total revenue and other operating income increased by 51% to €59.6 million, compared to €39.4 million in the second quarter of 2007.

Solid gross margins of 36% and significantly reduced net loss for the second quarter to €7.9 million compared to €18.2 million in Q207.

**2008 full year guidance reiterated:** total revenue and other operating income growth of 20% in constant currencies<sup>1</sup>; higher margins; positive cash flow.

**Leiden, The Netherlands (August 12, 2008)** – Dutch biopharma company Crucell N.V. (Euronext, Nasdaq: CRXL; Swiss Exchange: CRX) today announced its financial results for the second quarter of 2008, based on International Financial Reporting Standards (IFRS). These financial results are unaudited.

### **Highlights:**

- DSM Biologics and Crucell announced another breakthrough in the production of IgG antibodies using Crucell's PER.C6<sup>®</sup> technology. By employing the PER.C6<sup>®</sup> human cell line and proprietary XD<sup>™</sup> technology, a record yield of over 27 grams per liter has been achieved.
- Product sales increased driven by continued growth of paediatric and travel vaccines; in particular Quinvaxem<sup>®</sup>, Epaxal<sup>®</sup> and Dukoral<sup>®</sup>.
- Crucell's rabies monoclonal antibody cocktail entered a second Phase II clinical trial in the Philippines in May 2008. Preliminary results of Crucell's U.S. Phase II study are expected to be presented on October 1 at the 19th annual RITA meeting in Atlanta.
- Crucell announced three non-exclusive STAR<sup>®</sup> research license agreements; with Bioceros, covering the production of monoclonal antibodies; with Celltrion, Inc. for the manufacturing of biopharmaceuticals and with Toyobo Gene Analysis Co. LTD. for the production of recombinant proteins for third-party customers.
- DSM Biologics and Crucell announced to have entered into an agreement with Avid Bioservices to join their Vendor Network.
- Crucell's operational excellence program "Healthy Ambition" is being rolled out at full steam. Target savings of €30 million by the end of 2009.
- Initial net cost savings of €3 million expected in the second half of 2008.
- Crucell's shareholders appointed Mr. Steve Davis as member of the Supervisory Board at the Annual Meeting for Shareholders, held in May. Dr. Cees de Jong was appointed as a member of the Board of Management for a term of four years.

<sup>1</sup> Constant currencies = Weighted average EUR/USD rate of 1.38 in 2007.





Crucell's Chief Executive Officer Ronald Brus said:

"In the second quarter of 2008 we saw strong growth of our paediatric vaccines, driven by Quinvaxem<sup>®</sup>. This innovative, fully-liquid pentavalent vaccine was described by the World Health Organization (WHO) as 'one of the most advanced immunization products available, enabling countries to make a large stride towards their health targets'. We are very proud to have this product in Crucell's paediatric portfolio and expect to see continued growth going forward."

"Our travel and endemic vaccines, in particular Epaxal<sup>®</sup> and Dukoral<sup>®</sup>, also showed solid growth compared to the second quarter of 2007. We will continue to go after untapped markets, amongst others in the U.S., to expand our geographical presence of our travel and endemic vaccines."

"Together with DSM Biologics we achieved another breakthrough in the production of IgG antibodies using Crucell's PER.C6<sup>®</sup> technology. A record yield of over 27 grams per liter was achieved, which surpasses all other production systems currently available in the market."

"We are rolling out our operational excellence program Healthy Ambition at full steam. As an integral part of our growth strategy, Healthy Ambition's goal is to improve overall business performance and reduce costs with 15% by the end of 2009 resulting in an overall run-rate of €30 million savings."

"In the first half of the year we also started two Phase II clinical studies (in the U.S and in the Philippines) for our Rabies Monoclonal Antibody Cocktail, a collaboration with sanofi pasteur using Crucell's PER.C6<sup>®</sup> technology. The Rabies Monoclonal Antibody Cocktail is to be used in combination with rabies vaccines for post-exposure prophylaxis against this fatal disease. Preliminary results of our U.S. study are expected to be presented in the U.S. on October 1 at the 19th annual RITA meeting in Atlanta."

"Based on our second quarter results we reiterate our guidance of combined total revenue and total other operating income for the full year 2008 to grow by 20%<sup>2</sup>. We further expect higher margins and positive cash flow."

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<sup>2</sup> Constant currencies = Weighted average EUR/USD rate of 1.38 in 2007.



## **Product and Business Update:**

### **Product Update**

Product sales for the second quarter of 2008 amounted to €48.4 million and represent sales of paediatric vaccines (56%), travel & endemic vaccines (29%) and other products (15%).

### **Paediatric**

In the second quarter of 2008 we saw good growth of our paediatric vaccines, mainly driven by Quinvaxem®.

- **Quinvaxem®**: Fully liquid pentavalent vaccine against five important childhood diseases.
- **Hepavax-Gene®**: Recombinant vaccine against hepatitis B.
- **Epaxal® Junior**: Paediatric dose (0.25mL) of Epaxal® - the only aluminum-free vaccine for children against hepatitis A. The product is currently under registration in selected countries worldwide. Sales in South America have started and European launch is being planned.
- **MoRu-Viraten®**: Vaccine for protection against measles and rubella (for all age groups).

### **Travel and Endemic**

The second quarter of 2008 showed continued growth of our travel and endemic portfolio, where Epaxal® and Dukoral® in particular showed growth compared to the second quarter of 2007. We continue to see significant untapped demand and geographical expansion potential of our travel portfolio.

- **Epaxal®**: The only aluminium-free vaccine against hepatitis A.
- **Vivotif®**: The only oral vaccine against typhoid fever.
- **Dukoral®**: The only oral vaccine against diarrhea caused by cholera and ETEC (enterotoxigenic E.coli).

### **Respiratory**

- **Inflexal® V**: A virosomal adjuvanted vaccine against influenza (for all age groups). Due to the seasonality of the product, we build inventory in the first half of the year to sell the respiratory products in the second half of the year.

### **Pipeline Update**

- **Flavimun® - Live Attenuated Yellow Fever Vaccine**: Crucell's management expects the registration submission of the Yellow Fever vaccine in Switzerland before the end of 2008.
- **Influenza - Seasonal Flu Vaccine** (FluCell collaboration with sanofi pasteur): The seasonal influenza vaccine developed by Crucell's partner sanofi pasteur, using PER.C6® technology. Phase II testing of the cell based influenza vaccine was initiated in the U.S. in November 2007. Phase II trials involving healthy adult volunteers in the U.S. focus on the safety profile and immunogenicity of the cell-based vaccine.



- **Influenza - H9N2 Pandemic Flu Vaccine:** Completed in July 2008. Phase I and II studies were carried out and no serious adverse side effects were reported. In the H9N2 trial Crucell's licensed vaccine method, i.e. a virosomal vaccine was compared to methods less suitable for seasonal vaccine production. As expected the immune response to the unlicensed whole virus vaccine, in particular when adjuvanted with aluminium, appeared to be the most suitable way to induce immunity against a pandemic H9N2 influenza strain and possibly H5N1 strains. Results from this trial showed that subjects who were vaccinated with the virosomal vaccine less frequently reported pain as compared to subjects who were vaccinated with whole virus (with or without adjuvation). We have recently shown (Radosevic et al., Vaccine 2008; 26: 3640-46) that our licensed strategy for seasonal influenza vaccination could also be used for pandemic influenza strains when the immune response was enhanced by additional adjuvants. Within the PanFluVac EU consortium this approach will be tested for a virosomal H5N1 vaccine in humans in 2009.
- **Rabies Human Monoclonal Antibody Cocktail:** Crucell's rabies monoclonal antibody cocktail, a collaboration with sanofi pasteur using Crucell's PER.C6<sup>®</sup> manufacturing technology, has entered two Phase II clinical trials (in the US and in the Philippines). The start of these Phase II studies triggered the first milestone payments of a total of up to €66.5 million. This antibody cocktail is to be used in combination with a rabies vaccine for post-exposure prophylaxis against this fatal disease. Based on promising Phase I data in 2007, showing no serious adverse effects and well tolerated treatment, Crucell was granted a Fast Track designation by the FDA Department of Health and Human Services. Crucell will be responsible for the manufacturing of the final product and has retained exclusive distribution rights in Europe, co-exclusive distribution rights in China and the rights to sell to supranational organizations such as UNICEF. Preliminary results of our U.S. study are expected to be presented in the U.S. on October 1 at the 19th annual RITA meeting in Atlanta, at the Centers of Disease Control and Prevention.
- **Malaria Vaccine based on AdVac<sup>®</sup>/PER.C6<sup>®</sup> Technology:** Crucell and its partner, the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), are conducting a Phase I trial in the U.S. The study is being carried out on two sites, Vanderbilt and Stanford University. The first three cohorts, comprising of 18, 17 and 18 volunteers respectively, have been enrolled. Enrollment for the fourth and final group of volunteers is expected to start soon. Initial findings of this Phase I trial are expected to be available in 2008.
- **Tuberculosis Vaccine based on AdVac<sup>®</sup>/PER.C6<sup>®</sup> Technology:** The development of this vaccine is being carried out in collaboration with the Aeras Global TB Vaccine Foundation. A US Phase I trial (in BCG naïve individuals) has been completed, indicating that the vaccine candidate is safe in healthy adults in the US. The results of a second study which took place in South Africa, launched in May 2007, were presented in April at the 'Tuberculosis Vaccines for the World' conference in Atlanta. Preliminary data show encouraging results, whereby CD8 immune responses are



considerably higher than previously ever seen in a tuberculosis vaccine study. A third phase I study in healthy adults in St. Louis, US was launched in December 2007 and focuses on the immunogenicity and safety of two AERAS-402/Crucell Ad35 boost doses administered at three to six month intervals after BCG priming in healthy adults.

- **Ebola Vaccine based on AdVac<sup>®</sup>/PER.C6<sup>®</sup> Technology:** For the Phase I study for the Ebola vaccine, which Crucell is developing in partnership with the Vaccine Research Center (VRC) of the National Institute of Allergy and Infectious Diseases (NIAID), two groups of 16 volunteers have been enrolled and vaccinated. The clinical data is still blinded, however initial indications suggest that the vaccine is safe at the tested doses and appears to be immunogenic in a subset of subjects.
- **Blood Coagulation Factor V<sup>L/c</sup>:** Preclinical work on this program continues but conclusive proof of concept is not expected in the near future.
- **HIV Vaccine based on AdVac<sup>®</sup>/PER.C6<sup>®</sup> Technology:** The Investigational New Drug Application (IND) for Phase I of the trial with Harvard Medical School (supported by the NIH) was approved by the FDA in January 2008. In April, Crucell announced that the novel recombinant vaccine (using the adenovirus serotype 26 (rAd26) as vector), which is jointly developed with the Beth Israel Deaconess Medical Center (BIDMC), has gone into a Phase I clinical study to test a new HIV vaccine. The rAd26 vector is specifically designed to avoid the pre-existing immunity to the more commonly used adenovirus serotype 5 (Ad5). The phase I clinical study is being conducted at the Brigham and Women's Hospital (BWH) in Boston and is focused on assessing the safety and immunogenicity of the vaccine. The study involves 48 healthy volunteers.
- **H5N1 - Human Monoclonal Antibodies against Flu:** Crucell's scientists discovered a set of 21 human monoclonal antibodies that provides immediate protection and neutralizes the broadest range of H5N1 strains in preclinical models. These were found to be able to neutralize the H5N1 virus of avian influenza, which currently presents a global threat. The most potent of the antibodies was shown to neutralize the broadest range of H5N1 strains that have emerged between 1997 and 2004. This antibody prevents flu, in pre-clinical models, when given twenty four hours before a challenge with a lethal dose of the pathogenic H5N1 virus. When given three days after infection, it also was shown to prevent death and cure the disease. Therefore this antibody may provide a powerful tool in pandemic preparedness.



#### **Healthy Ambition:**

- After a phase of thorough analysis and business process redesign, the operational excellence program Healthy Ambition is now being rolled out into Crucell. Important elements of the program are: product portfolio optimization, process and infrastructure optimization, network rationalization and further integration and streamlining of various functions. Target savings of €30 million are expected to be achieved by the end of 2009. In the second half of 2008 net savings of €3 million are expected.

#### **PER.C6<sup>®</sup> technology platform:**

- **DSM Biologics** and **Crucell** announced another breakthrough in the production of IgG antibodies using Crucell's PER.C6<sup>®</sup> technology. By employing the PER.C6<sup>®</sup> human cell line and proprietary XD<sup>™</sup> technology, a record yield of over 27 grams per liter has been achieved. In March 2008 a yield of 15 grams per liter was reported.  
This milestone is the new manufacturing paradigm for mammalian cell culture to produce protein products effectively, where the industry has struggled to date with low yields and unstable platforms. This record surpasses all other production systems including those previously set by PER.C6<sup>®</sup> technology itself.

#### **Licensing Agreements:**

- **Crucell** announced a non-exclusive STAR<sup>®</sup> research license agreement with **Bioceros**. The license agreement covers the production of monoclonal antibodies. Financial details of the agreement were not disclosed.
- **Crucell** announced a non-exclusive STAR<sup>®</sup> research license agreement with **Celltrion, Inc.** for the production of recombinant proteins. Under the agreement, Celltrion will evaluate Crucell's STAR<sup>®</sup> technology for generating cell lines for the manufacturing of biopharmaceuticals. Financial details of the agreement were not disclosed.
- **Crucell** announced a non-exclusive STAR<sup>®</sup> research license agreement with **Toyobo Gene Analysis Co. LTD.** Under the agreement, Toyobo Gene Analysis will evaluate Crucell's STAR<sup>®</sup> technology for generating cell lines for the production of recombinant proteins for third-party customers. Financial details of the agreement were not disclosed.



#### **Vendor Network:**

- DSM Biologics and Crucell announced to have entered into an agreement with **Avid Bioservices**, Inc. of Tustin, California to join their Vendor Network. Under the terms of the agreement, Avid will be a pre-approved contract manufacturer for licensees of the PER.C6<sup>®</sup> cell line located in the western U.S. Avid is the first U.S.-based contract manufacturer to be awarded this status.

#### **Appointments:**

- Crucell's Annual General Meeting of Shareholders (AGM), held in Leiden on May 30th, approved the resignation of Mr. Dominik Koechlin as a member of the Supervisory Board. In addition Mr. Steve Davis was appointed as member of the Supervisory Board for a term of four years, until 2012.
- As member of the Board of Management the shareholders appointed Dr. Cees de Jong for a term of four years. The other members of the Board of Management, Dr. Ronald Brus, Mr. Leonard Kruimer and Dr. Jaap Goudsmit were re-appointed for a term of four years by Crucell's shareholders.

#### **Patents:**

In Q2 2008 Crucell received a total of 25 granted patents, including patents for:

- Methods for producing multiple proteins or multimeric proteins using STAR<sup>®</sup> technology, in Australia and the U.S.
- Methods of producing particular antibody fragments in PER.C6<sup>®</sup> cells, in Europe.
- Improved methods for the production of viruses using PER.C6<sup>®</sup> cells, in Australia.
- Adenoviral vector based malaria vaccines, in the U.S.

#### **Financial Review**

##### **Total Revenue and Other Operating Income**

Total revenue and other operating income was €59.6 million for the second quarter of 2008, an increase of 51% compared to the same quarter of 2007 (63% in constant currencies). The increase was driven by continued strong sales of paediatric and travel vaccines as well as higher license fees.

Increase of license revenues was driven by milestone payments as a result of the start of two Phase II clinical studies of our Rabies program.

Product sales for the second quarter amounted to €48.4 million and represent sales of paediatric vaccines (56%), travel vaccines (29%) and other products (15%).



License revenues were €5.5 million in the second quarter, an increase of €4.0 million compared to the same quarter of 2007. License revenues consist of initial payments from new contracts as well as milestones and other payments on existing contracts.

Service fees for the quarter were €2.3 million, compared to €3.2 million last year. Service fees represent revenue for product development activities performed under contracts with partners and licensees.

Total other operating income was €3.4 million for the quarter, compared to €2.4 million in the second quarter of 2007.

#### **Cost of Goods Sold**

Cost of goods sold for the second quarter of 2008 amounted to €35.8 million, €34.0 million of which represents product costs and the remainder of €1.7 million the cost of service and license activities.

Gross operating margins of 36% compared to 39% in the second quarter of 2007 due to a variation in the product mix in this quarter. Gross margins in the second half of 2008 are expected to be positively influenced by the seasonality of our flu product (Inflexal® V) in particular.

#### **Expenses**

Total expenses consist of research and development (R&D) expenses, marketing and sales (M&S) and general and administrative (G&A) expenses. Total expenses for the period were €33.5 million for the second quarter, representing a €1.7 million decrease over the same period in 2007.

R&D expenses for the second quarter amounted to €17.6 million, which represents a €0.8 million increase versus the second quarter of 2007. The increase can be attributed to the timing of specific R&D expenses during the year. Overall R&D spending for the full year is expected to be around € 70 million.

M&S expenses for the quarter were €8.1 million, which represents a €1.3 million decrease versus the second quarter of 2007. This decrease was due to higher one-off expenses in the same quarter last year.

G&A expenses for the second quarter of 2008 were €7.8 million and represent a decrease of €1.2 million over the same quarter in 2007, which include costs related to the 'Healthy Ambition' program.

Net financial income in the second quarter of €2.3 million was the result of foreign exchange gains mainly caused by the strengthening of the Swiss Franc against the Euro.

#### **Net Loss**

The Company reported a net loss of €7.9 million for the second quarter of 2008 compared to €18.2 million in the same period of 2007. This amounted to €0.12 net loss per share, compared to a net loss per share of €0.28 in the second quarter of 2007.



### **Balance Sheet**

Tangible fixed assets amounted to €148.5 million on June 30, 2008. Intangible assets represent assets acquired in acquisitions and amounted to €84.0 million. This figure represents acquired in-process research and development; developed technology; patents and trademarks; and value of customer and supplier relationships.

Investments in associates and joint ventures amount to €8.7 million and mainly represent investments in AdImmune and PERCIVIA. The Company's investment in Galapagos NV is classified under available-for-sale investments.

Total equity on June 30, 2008 amounted to €413.3 million. A total of 65.7 million ordinary shares were issued and outstanding on June 30, 2008.

### **Cash Flow and Cash Position**

Cash and cash equivalents decreased by €15.0 million in the second quarter to €106.9 million.

Reduction of cash flow in the second quarter was due to the seasonality of our business, in which we build inventory in the first half of the year to sell our products in the second half of the year.

Net cash used in operating activities in the second quarter of 2008 was €18.0 million. Overall investments in net working capital increased mainly due inventory build-up in preparation for the flu season as well as accounts receivable.

In the second quarter net cash from investing activities amounted to €1.3 million. In the quarter net cash from financing activities amounted to €2.5 million.

### **Outlook 2008:**

CruCell expects combined full year 2008 total revenue and total other operating income to grow by 20% in constant currencies<sup>3</sup>. The Company expects higher margins compared to 2007 and positive cash flow.

### **Phasing in 2008:**

We expect revenues and operating income to be phased throughout 2008 like in 2007. As expected, cash flow and working capital deteriorated significantly in the first half of 2008 due to the seasonality of our business in which we build inventory in the first half of the year to sell our products in the second half. We expect the negative cash flow in the first nine months to reverse in the final quarter of 2008, to end the year with a positive cash flow.

<sup>3</sup> Constant currencies = Weighted average EUR/USD rate of 1.38 in 2007.



### **Forward-looking statements**

*This press release contains forward-looking statements that involve inherent risks and uncertainties. We have identified certain important factors that may cause actual results to differ materially from those contained in such forward-looking statements. For information relating to these factors please refer to our Form 20-F, as filed with the U.S. Securities and Exchange Commission on May 7, 2008, and the section entitled "Risk Factors". The Company prepares its financial statements under International Financial Reporting Standards (IFRS).*

#### **Conference Call and Webcast**

At 14:00 Central European Time (CET), Crucell's management will conduct a conference call, which will also be webcast. To participate in the conference call, please call one of the following telephone numbers 10 minutes prior to the event:

+44 203 023 4471 for the UK;  
+1 646 843 4608 for the US; and  
+3120 794 8426 for the Netherlands

Following a presentation of the results, the lines will be opened for a question and answer session.

The live audio webcast can be accessed via the homepage of Crucell's website at [www.crucell.com](http://www.crucell.com) and will be archived and available for replay following the event.

### **About Crucell**

Crucell N.V. (Euronext, NASDAQ: CRXL; Swiss Exchange: CRX) is a global biopharma company focused on research, development, production and marketing of vaccines, proteins and antibodies that prevent and treat primarily infectious diseases. Its vaccines are sold in public and private markets worldwide. Crucell's core portfolio includes a vaccine against hepatitis B, a fully-liquid vaccine against five important childhood diseases and a virosome-adjuvanted vaccine against influenza. Crucell also markets travel vaccines, such as the only oral anti-typhoid vaccine, an oral cholera vaccine and the only aluminum-free hepatitis A vaccine on the market. The Company has a broad development pipeline, with several product candidates based on its unique PER.C6<sup>®</sup> production technology. The Company licenses its PER.C6<sup>®</sup> technology and other technologies to the biopharmaceutical industry. Important partners and licensees include DSM Biologics, sanofi-aventis, Novartis, Wyeth and Merck & Co. Crucell is headquartered in Leiden, the Netherlands, with subsidiaries in Switzerland, Spain, Italy, Sweden, Korea and the US. The Company employs over a 1000 people. For more information, please visit [www.crucell.com](http://www.crucell.com).



**Financial Calendar:**

11 November 2008 Q3 Results 2008

17 February 2009 Q4 Results 2008

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## CONSOLIDATED STATEMENTS OF OPERATIONS

in EUR '000 (except per share data)

	6 months ended		Second Quarter	
	June 30,			
	2008	2007	2008	2007
	unaudited	unaudited	unaudited	unaudited
Product sales	83,910	58,876	48,367	32,234
License revenues	10,755	4,266	5,534	1,530
Service fees	4,302	5,330	2,287	3,216
<b>Total revenue</b>	<b>98,967</b>	<b>68,472</b>	<b>56,188</b>	<b>36,980</b>
Cost of product sales	-58,760	-43,187	-34,014	-20,901
Cost of service fees	-2,603	-3,532	-1,738	-1,696
<b>Total cost of goods sold</b>	<b>-61,363</b>	<b>-46,719</b>	<b>-35,752</b>	<b>-22,597</b>
<b>Gross margin</b>	<b>37,604</b>	<b>21,753</b>	<b>20,436</b>	<b>14,383</b>
Government grants	2,103	4,605	175	2,098
Other income	6,458	1,517	3,245	298
<b>Total other operating income</b>	<b>8,561</b>	<b>6,122</b>	<b>3,420</b>	<b>2,396</b>
Research and development	-33,455	-33,388	-17,626	-16,802
Selling, general and administrative	-31,240	-32,789	-15,883	-18,441
Reversal of impairment	5,153	0	0	0
<b>Total other operating expenses</b>	<b>-59,542</b>	<b>-66,177</b>	<b>-33,509</b>	<b>-35,243</b>
<b>Operating loss</b>	<b>-13,377</b>	<b>-38,302</b>	<b>-9,653</b>	<b>-18,464</b>
Financial income & expenses	-2,093	2,013	2,297	1,262
Results investments non-consolidated companies	-183	-527	-66	-51
<b>Loss before tax</b>	<b>-15,653</b>	<b>-36,816</b>	<b>-7,422</b>	<b>-17,253</b>
Income tax	-1,239	134	-464	-924
<b>Loss for the period</b>	<b>-16,892</b>	<b>-36,682</b>	<b>-7,886</b>	<b>-18,177</b>
Attributable to:				
Equity holders of the parent	-16,892	-36,682	-7,886	-18,177
Minority interest	0	0	0	0
	<b>-16,892</b>	<b>-36,682</b>	<b>-7,886</b>	<b>-18,177</b>
Net loss per share - basic and diluted	-0.26	-0.57	-0.12	-0.28
Weighted average shares outstanding - basic and diluted	65,478	64,921	65,569	65,010



## CONSOLIDATED BALANCE SHEETS

in EUR '000

	June 30	March 31	December 31
	2008 unaudited	2008 unaudited	2007 audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment, net	148,537	152,088	145,525
Intangible assets	83,967	89,911	94,045
Goodwill	44,155	45,175	44,377
Investments in associates and joint ventures	8,691	8,890	9,070
Net pension asset	2,556	2,616	2,479
Available-for-sale investments	6,227	7,396	10,009
Other financial assets	13,464	16,408	16,153
	<u>307,597</u>	<u>322,484</u>	<u>321,658</u>
<b>Current assets</b>			
Cash and cash equivalents	106,883	121,863	163,248
Financial assets, short-term	190	0	0
Trade accounts receivables	42,977	38,830	47,563
Inventories	88,387	76,585	67,233
Other current assets	24,512	23,797	25,218
	<u>262,949</u>	<u>261,075</u>	<u>303,262</u>
<b>TOTAL ASSETS</b>	<b><u>570,546</u></b>	<b><u>583,559</u></b>	<b><u>624,920</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	15,762	15,701	15,685
Other reserves	744,125	742,320	743,918
Translation reserve	-35,854	-26,220	-28,542
Accumulated deficit	-310,711	-302,825	-293,819
Total equity	<u>413,322</u>	<u>428,976</u>	<u>437,242</u>
<b>Non-current liabilities</b>			
Long-term financial liabilities	26,366	26,833	28,030
Long-term provisions	4,392	4,605	4,573
Deferred tax liabilities	27,852	28,625	28,210
Other non-current liabilities	10,094	11,967	12,123
	<u>68,704</u>	<u>72,030</u>	<u>72,936</u>
<b>Current liabilities</b>			
Accounts payable	41,667	35,311	50,970
Short-term financial liabilities	17,383	18,108	24,765
Other current liabilities	28,261	28,083	37,897
Tax payable	728	349	349
Short-term provisions	481	702	761
	<u>88,520</u>	<u>82,553</u>	<u>114,742</u>
<b>Total liabilities</b>	<b>157,224</b>	<b>154,583</b>	<b>187,678</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b><u>570,546</u></b>	<b><u>583,559</u></b>	<b><u>624,920</u></b>



## CONSOLIDATED STATEMENTS OF CASH FLOW

in EUR '000

	6 months ended		Second Quarter	
	June 30,		2008 unaudited	2007 unaudited
	2008 unaudited	2007 unaudited		
<b>Cash flows from/(used in) operating activities</b>				
Loss for the period	-16,892	-36,682	-7,886	-18,177
Reversal of non-cash items				
Tax	1,239	-134	464	924
Results investments non-consolidated companies	191	527	72	51
Financial income and expenses	2,093	-2,013	-3,102	-1,262
Depreciation	7,375	6,826	4,187	3,475
Amortization	5,847	6,119	2,893	3,025
Reversal of Impairment	-5,153	0	0	0
Fair value write-down on Inventory	585	3,598	156	765
Change in long-term liabilities and provisions	-2,174	-184	-1,837	-321
Gain on disposal of non-current assets	-83	-68	-83	-52
Stock based compensation	2,403	3,390	1,258	2,074
	<b>-4,569</b>	<b>-18,621</b>	<b>-3,878</b>	<b>-9,498</b>
Change in net working capital				
Trade accounts receivable	3,036	29,865	-6,074	4,726
Inventories	-28,486	-16,174	-14,987	-10,289
Other current assets	-3,173	2,823	11	4,492
Trade accounts payable	-6,442	-8,562	7,614	2,265
Other current liabilities	-10,983	-8,690	220	360
Short-term provisions	-183	-1,162	-144	-1,230
Interest paid	-561	-1,330	-269	-731
Income taxes paid	-250	-844	-123	-865
Payments out of provisions	-333	-1,106	-324	556
<b>Net cash from/(used in) operating activities</b>	<b>-51,944</b>	<b>-23,801</b>	<b>-17,954</b>	<b>-10,214</b>
Cash flows from/(used in) investing activities				
Purchase of property, plant and equipment	-6,346	-8,482	-3,228	-4,277
Proceeds from sale of equipment	56	90	12	-71
Proceeds from disposal of intangible assets	0	11	0	0
Proceeds from financial assets	3,936	659	3,131	454
Interest received	2,302	3,036	1,347	1,621
<b>Net cash from/(used in) investing activities</b>	<b>-52</b>	<b>-4,686</b>	<b>1,262</b>	<b>-2,273</b>
Cash flows from/(used in) financing activities				
Proceeds from issue of share capital	1,907	1,390	1,903	652
Proceeds from financial liabilities	13,302	2,293	13,302	2,246
Repayment of financial liabilities	-19,279	-748	-12,707	-51
<b>Net cash from (used in) financing activities</b>	<b>-4,070</b>	<b>2,935</b>	<b>2,498</b>	<b>2,847</b>
Effects of exchange rate on cash and cash equivalents	-299	-1,475	-786	-654
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-56,365</b>	<b>-27,027</b>	<b>-14,980</b>	<b>-10,294</b>
Cash and cash equivalents at beginning of period	163,248	157,837	121,863	141,104
<b>Cash and cash equivalents at end of period</b>	<b>106,883</b>	<b>130,810</b>	<b>106,883</b>	<b>130,810</b>