



ABLYNX ANNOUNCES 2008 FULL YEAR RESULTS

GHENT, Belgium, 24 February 2009 - Ablynx [*Euronext Brussels: ABLX*], a pioneer in the discovery and development of Nanobodies[®], a novel class of antibody-derived therapeutic proteins, announced today its results for 2008, which have been prepared in accordance with IFRS as adopted by the European Union.

2008 Highlights

- €113.6 million in cash, cash equivalents and financial assets at year end
- 69% increase in revenues to €16.8 million (2007: €9.9 million)
- Initiated a Phase Ib study in May in patients for ALX-0081, an anti-thrombotic, and reported in December that the primary endpoint had been achieved
- Initiated a Phase I study in December for ALX-0681, a subcutaneous delivery form of ALX-0081
- Announced a new preclinical development candidate, ALX-0141, a Nanobody[®] against RANKL, a target important in osteoporosis
- Entered into an agreement to co-discover and co-develop Nanobodies[®] with Merck Serono, including a cash up-front payment to Ablynx of €10 million
- Received a \$3 million milestone from Wyeth as their lead TNF-alpha Nanobody[®] entered a Phase I healthy volunteer study
- Received a milestone payment in the Novartis alliance
- Boehringer Ingelheim extended its research collaboration for Alzheimer's disease
- Awarded a total of €2.3 million in grants to explore novel methods for uses of Nanobodies[®]
- Successfully generated Nanobodies[®] against GPCRs
- Increased staff by 42% to 205 and secured future access to 7,000 m² of a new facility to support long-term growth

Post year-end, Ablynx published important initial data on a novel proprietary half-life extension technology as well as demonstrating successful pulmonary delivery of Nanobodies[®]. In addition, the research collaboration, which forms part of the Company's TNF-alpha license agreement with Wyeth Pharmaceuticals, has been extended for another year. This license agreement, which was announced in November 2006, has already resulted in Wyeth taking the lead Nanobody[®] into Phase I clinical trials in December 2008.

Prospects for 2009

Based on the positive Phase Ib results for ALX-0081, Ablynx intends to initiate a multi-centre Phase II clinical trial in PCI patients during the third quarter of 2009. In order to gain additional information on optimal dosing and scheduling in preparation for the Phase II trial, Ablynx has extended its Phase Ib study to look at biological markers, optimization of concurrent treatment with the standard anti-thrombotic regimen, tolerance and administration.

The Company also aims to start a Phase I study for ALX-0141 (anti-RANKL) by the end of 2009.

In line with its stated strategy, Ablynx will continue to develop its product pipeline by advancing other Nanobodies[®] towards the clinic either alone or with partners. The Company will continue to initiate new research programmes during the year as well as further developing its own technology platform and exploiting the key Nanobody[®] advantages in areas such as alternative routes of administration.

Ablynx also anticipates obtaining additional milestones from its current partnerships during 2009.



Commenting on the 2008 results and the significant progress Ablynx made last year, Dr Edwin Moses, Chairman and CEO of Ablynx, said:

“2008 has been another transformational year for Ablynx. It was our first full year as a company listed on Euronext in Brussels. There are now three Nanobody[®]-based products in the clinic, over 20 R&D programmes in progress and the resources in place to continue to fuel our unique technology platform to ensure a stream of clinical candidates. Our strong cash position and our ability to generate income from non-equity sources have given us a significant competitive advantage. Our reputation within the pharmaceutical industry continues to grow as evidenced by the announcement of a risk and reward sharing deal with Merck Serono, as well as extensions of funding support for existing collaborations. All of this, together with some key additions to our management team, makes us very well-positioned to continue to develop Ablynx as one of the most exciting biotechnology companies in Europe.”



FINANCIAL INFORMATION

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU. The financial information included in this press release is an extract from the IFRS consolidated financial statements that will be published before the end of March 2009.

The statutory auditor, PricewaterhouseCoopers Reviseurs d'Entreprises SCCRL, represented by Raf Vander Stichele, has confirmed that his audit work, which is substantially complete, has not revealed any significant matters requiring adjustments to the 2008 consolidated balance sheet and consolidated statements of income, cash flow and changes in shareholders' equity, included in this press release.

ANALYSIS OF RESULTS OF OPERATIONS

Revenue

Revenue increased 69% to €16.8 million in 2008 (2007: €9.9 million).

This increase was primarily attributable to a €6.8 million increase in research and development revenue, resulting mainly from the collaborative agreements with Novartis, Wyeth, Boehringer Ingelheim and Merck Serono. In addition, Ablynx had a €0.1 million increase in grant revenue and obtained two new grants from the government which will result in the Company receiving €2.3 million in further funding between 2008 and 2011.

Research and development expenses

Research and development expenses increased by 59% to €29.9 million for 2008 (2007: €18.7 million). This increase was primarily attributable to a €4.6 million increase in external development costs and a €3.7 million increase in personnel costs as research and development staff increased to 170 as at the end of 2008. It also reflects a €3.3 million increase in laboratory expenses, depreciation and other operating expenses; patent costs decreased to €1.2 million from €1.6 million in 2007.

General and administrative expenses

General and administrative expenses increased €2.0 million from €5.5 million in 2007 to €7.5 million in 2008. This increase primarily resulted from a €1.3 million increase in consultancy costs, including lawyers, and from a €0.2 million increase in personnel costs, including share based payments.

Other operating income and expenses

Other operating income and expenses amounts to €6,000 in 2008 (2007: €5,000).

Operational result

As a result of the foregoing, the loss from continuing operations before tax and net finance income increased from €14.3 million in 2007 to €20.6 million in 2008.

Finance income (net)

Finance income primarily comprises interest from deposits and floating and fixed rate notes. Finance income increased €3.6 million to €5.4 million in 2008 (2007: €1.8 million).

The increase was principally due to increased income from deposits arising principally from the proceeds of the IPO (€85.2 million) in November 2007.

Loss for the period

As a result of the foregoing, the Company's loss increased to €15.2 million in 2008 (2007: €12.5 million).

BALANCE SHEET ANALYSIS

The Company's intangible assets of €0.8 million include a portfolio of patents which are being depreciated over approximately 12 years and a technology license that is depreciated over 18 years. The Company has not capitalized any other patents and it expenses all of its research and development activities. The intangible assets also include software licenses acquired primarily over the last two years.

The Company's non-current tangible assets of €4.2 million include the Company's laboratory and office equipment. The Company does not own any real estate property. The increase in non-current assets essentially relates to the increase in equipment as the Company has increased the scope of its research activities.

The Company's current assets of €121.5 million essentially consist of trade receivables, available-for-sale financial assets and cash and cash equivalents. The decrease in 2008 primarily relates to the decrease in cash and cash equivalents¹.

The Company's current liabilities of €32.6 million primarily relate to deferred income from collaborative arrangements and trade payables. The increase in deferred income is related to new deals with partners.

The Company's non-current liabilities relate to a leasing contract.

CASH FLOW ANALYSIS

Cash flow from operating activities represented a net inflow of €3.0 million in 2007 and a net outflow of €9.6 million in 2008 respectively. Unlike last year, the increased operating expenses were only partially offset by the positive impact of new collaborative agreements on revenue and working capital.

Cash flow from investing activities represented a net outflow of €39.5 million in 2008 (2007: net outflow of €2.0 million). These changes primarily reflect the inclusion of available-for-sale financial assets (€36 million)¹ together with increased investments in laboratory and office equipment during the periods.

Cash flow from financing activities was a net inflow of €0.3 million in 2008 (2007: €99.7 million). The decrease is primarily because €85.2 million was raised as part of the IPO in 2007.

¹ The treatment of the €36 million investment in available-for-sale financial assets has an unfavourable effect on the reported cash flow per IFRS and the amount of cash and cash equivalents apparently available. The Board of Directors of Ablynx believes that inclusion of this amount, in the cash flow (increasing it from -€48.8 million to -€12.8 million) and the addition to the amount of available cash (increasing it from €77.6 million to €113.6 million) better reflects the actual situation.

CONSOLIDATED INCOME STATEMENT

(€ '000)	Year ended 31 December	
	2008	2007
Revenue:		
Research and development	15,557	8,785
Grants	1,198	1,135
Total revenue	16,755	9,920
Research & development expense	(29,889)	(18,750)
General & administrative expense	(7,447)	(5,482)
Total operating expenses	(37,336)	(24,232)
Other operating income/(expense)	6	5
Operating result	(20,575)	(14,307)
Finance income (net)	5,352	1,785
Loss before taxes	(15,223)	(12,522)
Income tax expense	-	-
Loss for the year	(15,223)	(12,522)
Loss attributable to equity holders	(15,223)	(12,522)
Basic and diluted loss per share	(0.42)	(0.49)

CONSOLIDATED BALANCE SHEET

(€'000)	As at 31 December	
	2008	2007
Non-current assets	5,001	3,505
Intangible fixed assets	801	751
Property, plant & equipment	4,200	2,754
Current assets	121,522	130,831
Trade receivables	4,167	2,082
Other current assets	1,901	1,037
Accrued income and deferred charges	1,920	1,223
Available-for-sale financial assets	35,901	-
Cash and cash equivalents	77,633	126,489
Total assets	126,523	134,336
Equity attributable to equity holders	93,870	108,175
Share capital	62,485	61,970
Share premium account	88,851	88,851
Share-based payments	2,053	1,551
Fair value reserves	(99)	-
Retained earnings	(59,420)	(44,197)
Non-current liabilities	3	61
Borrowings	3	61
Current liabilities	32,650	26,100
Borrowings	57	112
Trade payables	6,626	5,223
Other current liabilities	2,068	1,689
Deferred income	23,899	19,076
Total liabilities	32,653	26,161
Total equity and liabilities	126,523	134,336

CONSOLIDATED CASH FLOW STATEMENT

(€'000)	Year ended 31 December	
	2008	2007
Cash flows from operating activities		
Loss before income tax	(15,223)	(12,522)
Adjustments for:		
Amortization	179	159
Depreciation	1,859	866
(Profit)/loss on disposal of property, plant and equipment	(6)	-
Share-based payment expense	644	793
Finance income – net	(5,503)	(1,809)
Net movement in trade and other receivables	(3,646)	(1,996)
Net movement in trade and other payables	6,604	15,700
Cash used in operations	(15,086)	1,191
Interest paid	(6)	(7)
Interest received	5,509	1,816
Income tax paid	-	-
Net cash used in operating activities	(9,583)	3,000
Cash flows from investing activities		
Purchases of property, plant and equipment	(3,308)	(1,994)
Proceeds from sale of property, plant and equipment	6	-
Purchases of intangible assets	(229)	(11)
Purchases of available-for-sale financial assets	(36,000)	-
Net cash used in investing activities	(39,531)	(2,005)
Cash flows from financing activities		
<i>Proceeds from issuance of ordinary shares</i>	<i>371</i>	<i>99,855</i>
<i>Repayments of borrowings</i>	<i>(113)</i>	<i>(160)</i>
Net cash generated from financing activities	258	99,695
Net (decrease)/increase in cash and cash equivalents	(48,856)	100,690
<i>Cash and cash equivalents at beginning of the period</i>	<i>126,489</i>	<i>25,799</i>
Cash and cash equivalents at end of the period	77,633	126,489

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

(€'000)	Share capital	Share premium	Share-based payments	Retained loss	Fair value reserve	Total equity
Balance at 31 December 2005	17,661	13,425	241	(18,442)		12,885
Capital increase	26,895	13,105				
Of which unpaid capital	(20,000)					
Issuance costs	(140)					
Share-based payments			539			
Loss of the year				(13,233)		
Balance at 31 December 2006	24,416	26,530	780	(31,675)	-	20,051
Unpaid capital paid up	20,004					
Capital increase	22,880	62,316				
Of which unpaid capital						
Issuance costs	(5,463)					
Exercise of warrants	133		(22)			
Share-based payments			793			
Share premium		5				
Loss of the year				(12,522)		
Balance at 31 December 2007	61,970	88,851	1,551	(44,197)	-	108,175
Exercise of warrants	515		(141)			
Share-based payments			644			
Loss of the year				(15,223)		
Fair value reserve					(99)	
Balance at 31 December 2008	62,485	88,851	2,053	(59,420)	(99)	93,870

- ends -

About Ablynx [Euronext Brussels: ABLX] - <http://www.ablynx.com>

Founded in 2001 in Ghent, Belgium, Ablynx is a biopharmaceutical company focused on the discovery and development of Nanobodies[®], a novel class of therapeutic proteins based on single-domain antibody fragments, for a range of serious and life-threatening human diseases. The Company currently has over 200 employees. Ablynx completed a successful IPO on Euronext Brussels [ABLX] on 7 November 2007.

Ablynx is developing a portfolio of Nanobody[®]-based therapeutic programmes in a number of major disease areas, including inflammation, thrombosis, oncology and Alzheimer's disease. Nanobodies[®] have been generated against more than 100 different disease targets. Importantly the Nanobodies[®] which naturally exist in llamas have a very high homology with humans. Efficacy data has been obtained in over 25 *in vivo* models for Nanobodies[®] against a range of different targets.

Ablynx has an extensive patent position in the field of Nanobodies[®] for healthcare applications. It has exclusive and worldwide rights to more than 50 families of granted patents and pending patent applications, including the Hamers patents covering the basic structure, composition, preparation and uses of Nanobodies[®].

Ablynx has ongoing research collaborations and significant partnerships with several major pharmaceutical companies, including Boehringer Ingelheim, Merck Serono, Novartis and Wyeth Pharmaceuticals. Ablynx is building a diverse and broad portfolio of therapeutic Nanobodies[®] through these collaborations as well as through its own internal discovery programmes. The Company's lead programme, ALX-0081, an intravenously administered novel anti-thrombotic has reached its primary endpoint in a multi-dose Phase Ib study in patients undergoing PCI and ALX-0681, also an anti-thrombotic but with a subcutaneous route of administration has started Phase I in healthy volunteers. Ablynx has progressed ALX-0141, an anti-RANKL Nanobody[®] for bone disorders into preclinical development. In addition, Ablynx's partner Wyeth Pharmaceuticals has initiated a Phase I study in December 2008 for an anti-TNF alpha Nanobody[®].

Nanobody[®] is a registered trademark of Ablynx NV.

For more information, please contact:

College Hill Life Sciences – for UK/International media enquiries:

Sue Charles, Justine Lamond, Dr John McIntyre

t: +44 (0)20 7866 7857

e: ablynx@collegehill.com

Ablynx:

Dr. Edwin Moses

Chairman and CEO

t: +32 (0)9 262 00 07

m: +44 (0)7771 954 193 / +32 (0)473 39 50 68

e: edwin.moses@ablynx.com

Eva-Lotta Allan

Chief Business Officer

t: +32 (0)9 262 00 75

m: +32 (0)475 78 36 21 / +44 (0)7990 570 900

e: eva-lotta.allan@ablynx.com

Wim Ottevaere

Chief Financial Officer

t: +32 (0)9 262 00 11

e: wim.ottevaere@ablynx.com

Certain statements, beliefs and opinions in this press release are forward-looking, which reflect the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, competition and technology, can cause actual events, performance or

results to differ significantly from any anticipated development. Forward looking statements contained in this press release regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, the Company expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this press release as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither the Company nor its advisers or representatives nor any of its or their parent or subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this press release or the actual occurrence of the forecasted developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release.