

**BioAlliance
Pharma**



**Innovation
and performance**

BioAlliance Pharma

Innovation and performance with the patient in mind

Cancer and associated pathologies

Dedicated to specialty and orphan pharma products in oncology and supportive care, with a focus on resistance targeting, BioAlliance Pharma conceives and develops innovative products for specialty markets especially in the hospital setting and for orphan or rare diseases.

Created in 1997 and introduced on Euronext Paris market in 2005, the Company aims to become a leading player in these fields by combining innovation and patient needs.

Targeting: Fighting drug resistance

Targeting (mucosal targeting, cellular targeting and molecular targeting) and fighting resistance – in which targeting can be a key efficacy factor – are at the core of BioAlliance Pharma's therapeutic approaches. The Company develops mucosal and nanoparticle delivery technologies as well as breakthrough technologies for targeted therapies that allow local and precise action and reduce drug resistance and intolerance.

From R&D to the market

BioAlliance Pharma has the key skills to conceive, develop, register and bring innovative drugs to market in Europe and the United States. Products are marketed through a network of international partners in Europe, the United States and Asia.

318

patents and patent
applications at
31 December 2010

€48 M

already received
from established
international
partnerships

Loramyc® and Oravig®
registered and

marketed in
Europe and the
United States

Message from the Chief Executive Officer

What, in your view, was the most significant event in 2010 for BioAlliance Pharma?

Dominique Costantini: "The year 2010 was very eventful with many successes. Nevertheless, I believe that the year's major achievement was the registration of our Oravig® product in the U.S. in April. This was a long-term group effort that called upon the company's combined expertise: preclinical and industrial development, the clinical teams and regulatory affairs. The U.S. Food and Drug Administration, the FDA, conducted multiple audits during the registration process and we passed every test, which few innovative SMEs have succeeded in doing so far. Today, we have the strength to register products internationally; this is a major advantage for our second product, Sitavir®."

This U.S. FDA registration also strengthened your cash position. What was BioAlliance Pharma's financial picture at end 2010?

D.C.: "The MA for Oravig® actually allowed us to receive a major milestone payment of US\$20 million from our partner Par/Strativa, or nearly €15 million. This was in addition to the €7.5 million from our new European partner, Therabel, who will pay us another €4 million in 2011. These combined elements allowed us both to fund our operations and strengthen our cash position, which in one year increased from €14.7 million to €20.9 million at end 2010. Since 2007, we've signed several international licensing agreements for our first product, Loramyc®/Oravig®, for a total of nearly €120 million. We've already received €48 million of that amount, which constitutes a powerful means of non-dilutive financing."

The health of the company is also reflected in your share price, which showed robust growth in 2010. What is your analysis?

D.C.: "Our shares rose 14% last year, more than the industry indices, and this certainly reflects the progress of our projects. It is clear that BioAlliance Pharma's fundamentals are solid, with a balanced product portfolio based on a general concept of targeting and fighting resistance in the area of treatment and supportive care in oncology, in rare or severe diseases. Today we are a pharmaceutical company with one product commercialized and skills extending from R&D to the market. This is an undeniable competitive advantage in today's industry landscape."

You base your growth on innovation: what projects are in the pipeline?

D.C.: "First, I would mention our treatment against recurrent herpes labialis, Sitavir®, using our Lauriad™ mucosal drug delivery technology, which has already been validated by Loramyc®. A single 50 mg tablet prevents the occurrence of vesicular lesions, accelerates their healing and significantly delays the time to recurrence to the next episode of infection, which is important in a disease where the patient often suffers from repeated outbreaks. The Lauriad™ technology is also applied to another product, which entered into Phase II clinical trial in late 2009: clonidine Lauriad™, developed for the treatment of mucositis, a severe inflammation of the oral mucosa induced by chemoradiation cancer therapy. There is currently no effective treatment, and we are focusing on efficacy with this mucosal targeting approach. In addition, the Company's first product using Transdrug™ nanoparticle technology, Livatag® (doxorubicin Transdrug™), showed highly significant and promising survival increase data in primary liver cancer, a severe and resistant orphan disease. The Phase II trial follow-up results showed a median survival of 32 months in the group treated with Livatag® as compared with 15 months for patients who received the standard treatment. This trial was suspended in July 2008 due to serious adverse events, but on the basis of these dramatic results jointly with a new administration rationale to reduce pulmonary adverse events, the Company plans to reopen discussions on clinical development with the French drug agency. Last, but not least, is our AMEP® biotherapy, funded by [French innovation agency] OSEO-ISI, which is a genuine breakthrough treatment for metastatic melanoma, a severe and invasive cancer. This product is currently in Phase I clinical trial."

I believe that you shared some good news in 2010 about Sitavir® that will allow you to bring it to market soon...

D.C.: "Let's not get ahead of ourselves! It is true that we conducted meetings and discussions last year with regulatory agencies in the United States and Europe to see if we could register our product based on the one Phase III trial that we had conducted. We received a positive response from the agencies and the registration application is expected to be filed in late 2011, subject to additional requests by the agencies. This is currently a priority for BioAlliance Pharma, and our teams are focused on finalising the documents. As part of the effort, we are also working to establish international commercial partnerships for this product."



Dominique Costantini, Chief Executive Officer

Other than Sitavir[®], what is your outlook for 2011 and beyond?

D.C.: "Growth above all! With Loramyc[®] and Sitavir[®], we've proven our ability to carry out the full development of innovative new drugs. With our key expertise and know-how, our technologies and targeted approaches, we now need to boost our product portfolio and optimise promotion of the products we develop. We have strong potential in attractive areas of research: rare cancers and severe and orphan associated pathologies, for which few or no therapies are available. Moreover, we are also exploring strategies for external growth that would fit well with our areas of expertise.



Judith Greciet, Chief Operations Officer

In this context, we were very pleased early March to welcome Judith Greciet as Chief Operations Officer, Operations and R&D. She will also contribute her know-how by setting up new partnerships and defining strategic guidelines for the Company, and will assist us in our relations with the financial community.

We look forward to working with Judith to begin this new step of BioAlliance Pharma's development, with our shareholders who have given us their confidence over the past years. I would like to personally thank them for their support to the company and to say that we are all fully committed to the success of BioAlliance Pharma."

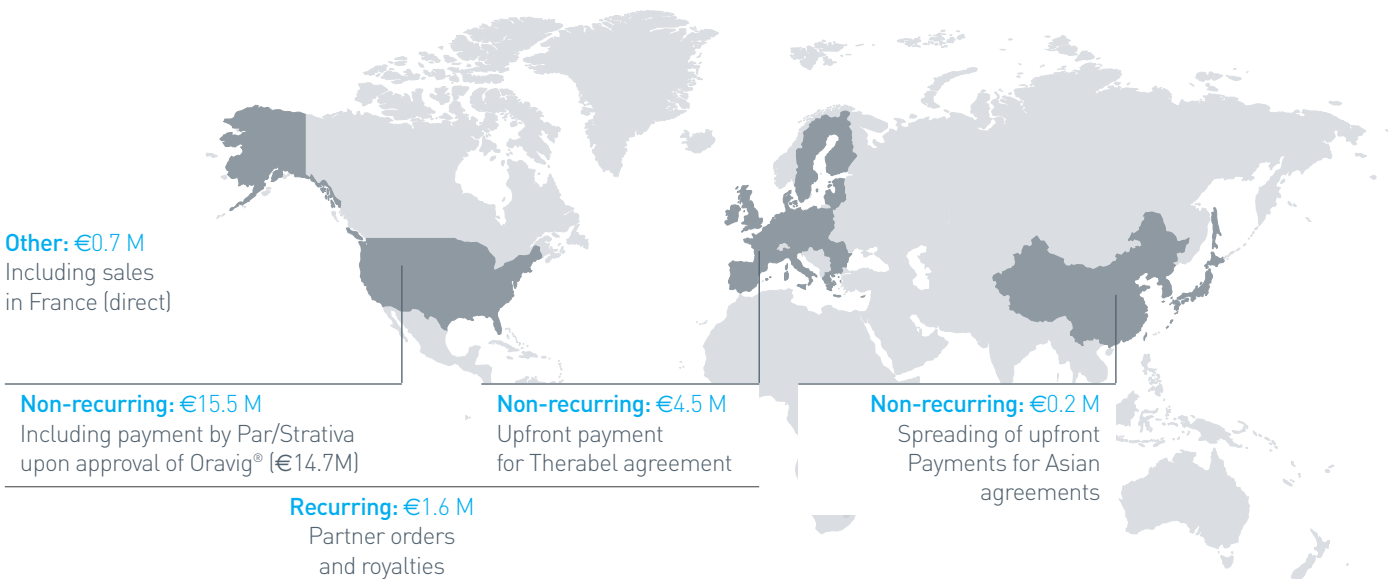
Key figures, Stock market and shareholders

KEY FIGURES

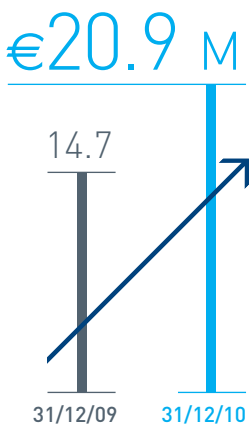
Through licensing agreements signed for Loramyc®/Oravig®, the company received exceptional non-recurring payments in 2010 that strengthened its cash position and resulted in very robust growth in net sales. Loramyc®/Oravig®, already marketed in France, was launched in the U.S. in September 2010. Sales of the product have triggered royalty payments to BioAlliance Pharma, forming the basis of recurring and durable revenues.

EXCEPTIONAL NET SALES OF €22.5 MILLION

Up sharply from €7.5 million in 2009



STRONGER CASH POSITION

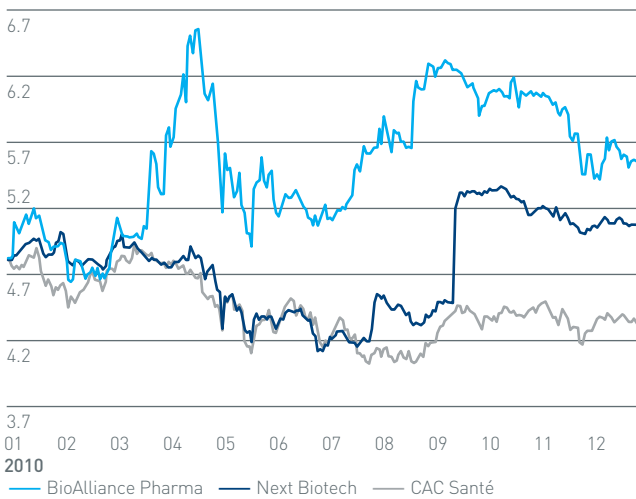


“With exceptional net sales tripling in 2010 and a stronger cash position, we’ve confirmed the ability of our first product to generate a rapid return on investment for our shareholders. Our recurring revenues will grow in coming years, thus validating our growth model.”

Nicolas Fellmann
Chief Financial
and Human Resources Officer

SHARE PERFORMANCE IN 2010

Growth of 14%, ahead of industry indices.



Price at 04/01/10:	€4.81
Price at 31/12/10:	€5.50
Highest share price in 2010 (on 23/04/2010):	€6.56
Lowest share price in 2010 (on 08/02/2010):	€4.63
Valuation at 31/12/10:	€74.5 M

ISIN DETAILS

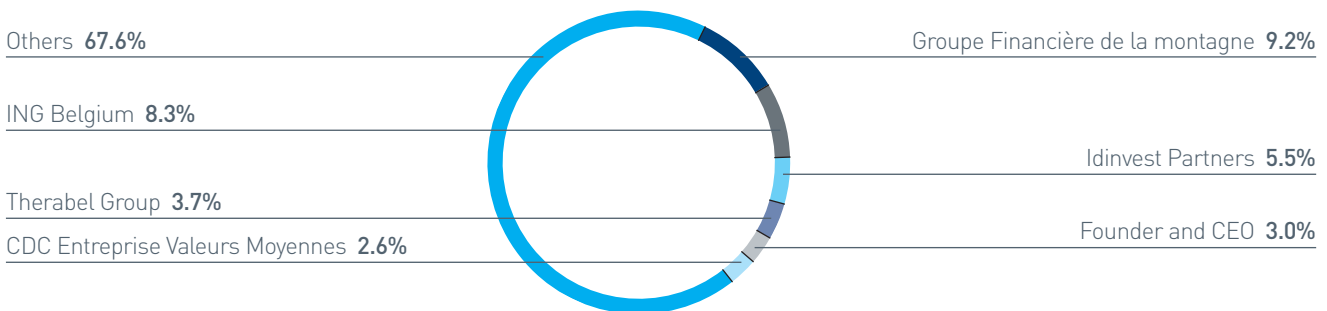
ISIN/Euronext code - FR0010095596
 Tycker symbol: BIO
 Euronext Paris - Compartiment C
 Date of IPO: december 2005
 Number of shares et 31/12/10: 13,536,072
 Share capital: €3,384,018
 Simple voting rights only
 Liquidity contract: CM-CIC Securities

FINANCIAL CALENDAR

10/02/11	Publication of the annual revenue statement for 2010
03/03/11	Publication of the consolidated accounts for 2010
04/03/11	SFAF analyst meeting at the Company's head office
07/04/11	Publication of 2010 Reference Document including the Annual Financial Report
13/05/11	Publication of the revenue statement for Q1 2011
29/06/11	Annual General Meeting at the Company's head office
21/07/11	Publication of the revenue statement for Q2 2011
21/09/11	Publication of the interim consolidated accounts at 30 June 2011
22/09/11	SFAF analyst meeting at the Company's head office
08/11/11	Publication of the revenue statement for Q3 2011

In compliance with the Transparency Directive, all regulated information on BioAlliance Pharma may be consulted on the website: www.bioalliancepharma.com

SHAREHOLDING AT 31 DECEMBER 2010



Innovation and performance

INNOVATION FOCUSED ON TARGETING



Innovative products with the patient in mind

BioAlliance Pharma develops innovative products in treating cancer and its associated pathologies, which are aimed at fighting resistance and improving patient care, particularly in orphan indications.

Key development principles:

- Delivering sufficient concentrations through the mucosa;
- Increasing efficacy by targeting diseased organs and cells or key receptors;
- Avoiding drug resistance;
- Reducing the number of doses or facilitating administration of the medication;
- Minimising adverse events.

Technological know-how in targeting and fighting resistance

Innovative delivery systems:

BioAlliance Pharma has developed exclusive expertise in mucosal targeting: the Lauriad™ muco-adhesive tablet adheres to the oral mucosa, allowing rapid and sustained delivery of high concentrations of the active ingredient. Capitalising on this patented technology, validated by Loramyc® and Sitavir®, with chemical molecules, BioAlliance Pharma is developing three other Lauriad™ products. Meanwhile, the Company is exploring new developments for the mucosal delivery of complex biological products (small-interfering RNA in prostate cancer and the Fluriad™ vaccine project).

In addition, BioAlliance Pharma is one of the pioneers of intracellular targeting using nanoparticles. Its Transdrug™ nanoparticlee technology, developed with doxorubicin in the treatment of advanced liver cancer, bypasses the mechanisms of multidrug resistance by a protective masking of the anticancer drug, which allows it to reach its target. The Company is also developing an innovative oral formulation of sustained release nanoparticles (SRN), which allows an optimal concentration of the product and prolonged exposure to cancer cells, thereby improving the efficacy and safety of the product. This technology is under study with Irinotecan.

Innovative action mechanisms:

The Company also develops products with innovative action mechanisms that represent a real breakthrough in therapeutic strategies: targeting of enzymes or key receptors (AMEP® biotherapy in melanoma); induction of the return of a tumorous cell to a normal phenotype (zyxin programme in invasive tumours).

These new therapeutic approaches aim to provide answers where traditional treatments run into limits of resistance and tolerance. They seek to improve the care of patients with severe diseases, who most often have limited therapeutic alternatives.



A PRODUCT PORTFOLIO DESIGNED FOR GROWTH AND BALANCED RISK

Products indication	Preclinical	Phase I/II	Phase II/III	Registration	Market
BA-001 / Loramyc® / Oravig® (Miconazole Lauriad™) Oropharyngeal candidiasis	→				Launched Europe / US
BA-030 / Sétofilm® Antiemetic	→			Approved Europe	
BA-021 / Sitavir® (Acyclovir Lauriad™) Recurrent herpes labialis	→			In preparation	
BA-003 / Livatag® / (Doxorubicine Transdrug™) Primary liver cancer	→		Ongoing		
BA-028 / Clonidine Lauriad™ Oral mucositis	→	Ongoing			
BA-015 / AMEP® Metastatic melanoma	→	Ongoing			
BA-041 / Fentanyl Lauriad™ Chronic cancer pain	→	Ongoing			
BA-026 / Lauriad™ Corticosteroid Severe inflammation of the mouth	Ongoing				
BA-011 / Integrase inhibitors HIV infection	Ongoing				
BA-018 / Irinotecan Transdrug™ Oral cancer treatment	Ongoing				
BA-016 / Zyxin Invasive cancers	Ongoing				

BioAlliance has structured its portfolio to progressively bring these drugs to market, through controlled, gradual investment. It targets markets where accelerated development strategies apply (orphan products).

All new, innovative developments are covered by specific industrial property protections.



“The independence of its clinical and preclinical projects allows BioAlliance Pharma to manage the risks inherent in pharmaceutical research. We can thus determine our priorities for accelerating development at any time based on the results obtained, in a constant search for growth.”

Judith Greciet
Chief Operations Officer,
Operations and R&D

Significant events in 2010 and outlook for the future

EUROPEAN COMMERCIAL PARTNERSHIP CONCLUDED WITH THERABEL



European commercial partnership concluded with Therabel

After it demonstrated the commercial potential of Loramyc® in France, BioAlliance Pharma signed an exclusive partnership agreement with the Therabel Group to market Loramyc® and Setofilm® throughout Europe, including France. Under this agreement, the French sales organisation was transferred to Therabel.

In consideration for this licence, BioAlliance Pharma will receive from Therabel a total of up to €48.5 million, plus significant royalties on sales.

Registration of Setofilm®, the Company's second innovative product, in 16 European countries

On 23 March 2010, BioAlliance Pharma announced the approval of Setofilm® under the decentralised procedure in 16 European countries. Setofilm®, a film strip formulation of ondansetron, is indicated for the prevention and treatment of nausea and vomiting induced by chemotherapy and radiotherapy and occurring post-operatively in adults and children. Because of its innovative form, Setofilm® is the first product in its class to also obtain this indication in the post-operative treatment of children. It will be marketed once the price is set.

Registration of Loramyc® in 13 new countries, for a total of 26 European countries

Loramyc®, already approved in 12 European Union countries for the treatment of oropharyngeal candidiasis in immunocompromised patients, obtained, end of March 2010, marketing authorisation in 13 additional member states under a second-wave mutual recognition procedure, with France as the rapporteur state. Loramyc® is also registered in Switzerland.



REGISTRATION AND LAUNCH OF ORAVIG® IN THE UNITED STATES

Marketing authorisation for Oravig® in the United States

On 16 April 2010, BioAlliance Pharma obtained marketing authorisation for Oravig® (the U.S. trademark for Loramyc®) in the United States for the treatment of oropharyngeal candidiasis in adults. BioAlliance Pharma is the first French innovation Company to obtain a marketing authorisation in the U.S. This major success opens the doors to the world's largest market.

In consideration, the Company received US\$20 million (€15 million) from its partner Par/Strativa Pharmaceuticals, in accordance with the licence agreement signed in July 2007. The agreement also provides for significant royalties on sales.

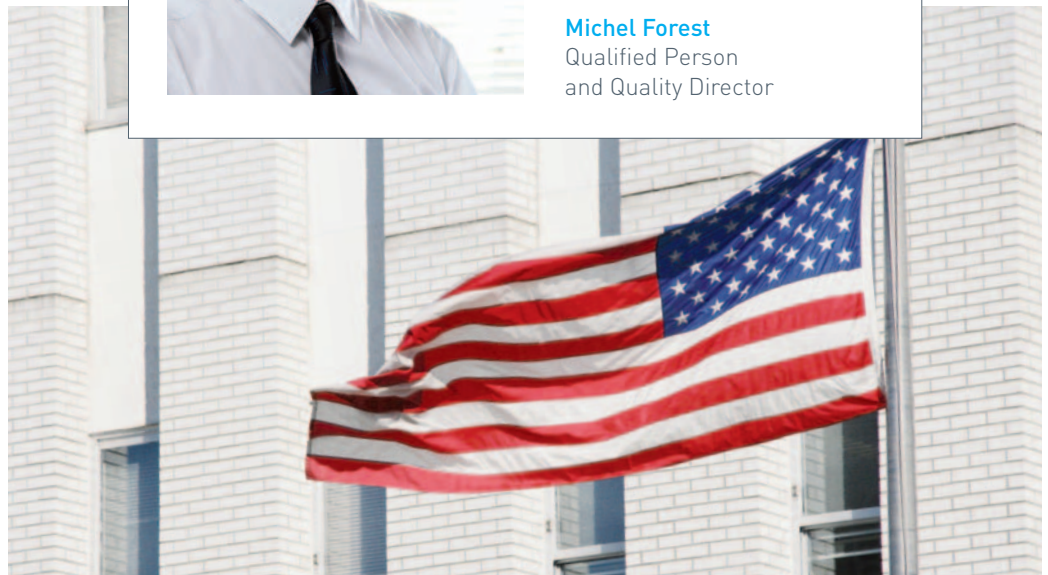
Launch of Oravig® in the U.S. market by BioAlliance Pharma's commercial partner, Par/Strativa Pharmaceuticals

BioAlliance Pharma's commercial partner in the U.S., Par/Strativa Pharmaceuticals, initiated the launch of Oravig® in the United States in September 2010. Strativa has demonstrated a strong commitment and planned significant investments in 2011 to promote Oravig®, its differentiating advantages and patient benefits, in order to progressively add it to the clinicians' therapeutic resources.



"The international registration of Oravig®, including by the FDA, demonstrates the teams' ability to lead projects that meet the authorities' requirements and testifies to our level of Quality Assurance, recently recognised during international inspections."

Michel Forest
Qualified Person
and Quality Director



SITAVIR® (ACYCLOVIR LAURIAD™) CANDIDATE FOR REGISTRATION

Grant of the European acyclovir Lauriad™ patent

This patent specifically protects the muco-adhesive tablet containing acyclovir, its manufacturing process and its clinical application. This approval for all European countries represents an important step, and is being pursued in the other major regions of the world: the Americas and Asia.

European and U.S. agencies agreement for filing the registration application in late 2011

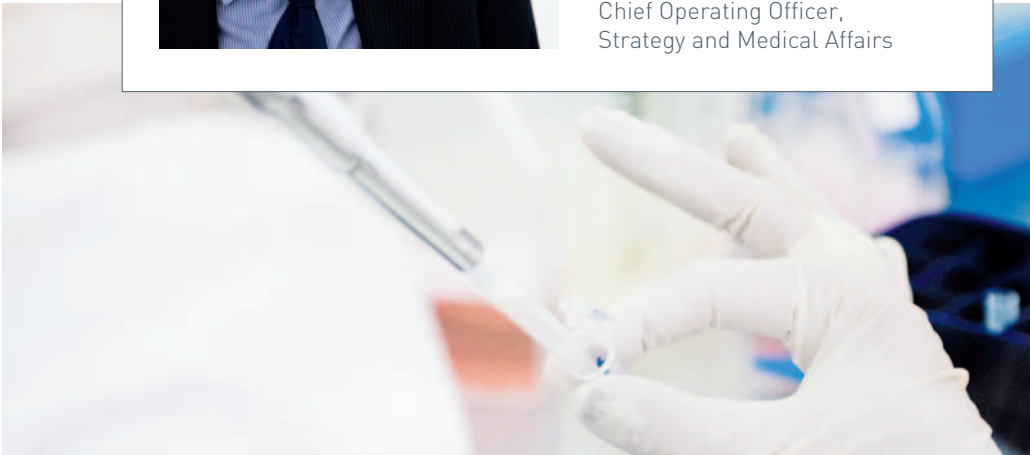
Sitavir®, the Company's second product in the Lauriad™ range, is intended for the treatment of recurrent herpes labialis, based on administration of a single tablet at the first sign of infection.

European and U.S. (FDA) health authorities consider that the positive results of the pivotal Phase III trial with acyclovir Lauriad™ are sufficient to support a registration file submission of the product. The mucosal targeting Lauriad™ technology gives Sitavir® several competitive advantages over existing treatments: one 50 mg tablet exerts a preventative action on the appearance of vesicular lesions, accelerates their healing and significantly delays occurrence of recurrent episodes.



"A major challenge lies ahead this year with the registration of Sitavir®. The agreement from the EU and U.S. authorities on a timetable for filing is a very positive sign for their assessment of our file and strengthens Sitavir®'s contribution to the treatment of patients with herpes."

Pierre Attali
Chief Operating Officer,
Strategy and Medical Affairs



PROGRESS OF OTHER PRODUCTS IN CLINICAL PHASE



Livatag® (doxorubicin Transdrug™) discussion with AFSSaPS for the resumption of clinical development after the update on survival results

Livatag® is a treatment that uses nanoparticles to deliver doxorubicin into chemotherapy-resistant cells. Livatag® has obtained the status of an orphan drug in Europe and the U.S. The product has undergone a Phase II trial in advanced hepatocellular carcinoma, described as highly chemoresistant. This primary liver cancer is the third leading cause of cancer mortality worldwide.

The follow up of the trial shows a median survival of 32 months for the Livatag® group, compared to 15 months for patients who received standard treatment (transarterial chemoembolization with a cytotoxic product). This significant increase in survival of 17 months is of considerable interest for this product, whose trial was suspended in July 2008 for severe respiratory side effects.

In parallel, BioAlliance Pharma has succeeded in developing a patented intravenous administration model. This new dosing regimen, proven in animals, can significantly reduce the acute pulmonary side effects observed. It will be presented, together with the observed survival benefit, to the French drug agency in the second quarter of 2011.



Continued enrolment in clinical trials for clonidine Lauriad™ and AMEP®

In 2010, BioAlliance Pharma began enrolment in its Phase II trial of clonidine Lauriad™ in the treatment of post-chemotherapy and radiotherapy mucositis, a highly frequent inflammation of the oral mucosa that is particularly debilitating in cancer patients treated with radiotherapy and chemotherapy. This disease currently has no proven cure.

In addition, the Company is conducting a Phase I trial with the AMEP® anti-invasive biotherapy in the treatment of metastatic or invasive melanoma, an advanced skin cancer that is resistant to most treatments. Through its original mechanism of action, AMEP® targets specific receptors (integrins) specifically expressed on melanoma cells and implicated in both tumour growth and tumour angiogenesis. This test is being conducted at a European level in three specialised centres in Denmark, France and Slovenia. It is being developed through a collaborative Cancer Anti-Invasive Program (CAP) for which BioAlliance Pharma is supported by a grant from OSEO ISI.

Business model and partnerships

A SPECIALISED BUSINESS MODEL

BioAlliance Pharma conceives, develops and brings innovative drugs to market for the treatment of cancer and its associated pathologies. Its focus is on severe or rare diseases in selected markets.

This specialised business model aims to develop innovative drugs, targeting specific diseases that are not treated in the general medical field. Furthermore, the strategy for developing orphan drugs takes advantage of favourable prices and reimbursements because these products respond to an established and unaddressed therapeutic need for a relatively limited number of patients.

All of these factors, along with eventual acquisitions, will ultimately help to ensure the company's future growth.

BioAlliance Pharma reaches the market today through agreements with commercial partners located in its markets. These agreements guarantee the Company long-term revenues in the form of upfront payments, milestone payments and recurring revenues in the form of royalties on sales.

In the medium and long term, the Company could return directly to the market for products with high added value in the treatment of rare cancers or orphan diseases.

STRATEGIC INTERNATIONAL PARTNERSHIPS

International partners chosen by BioAlliance Pharma have sales organisations in the hospital sector with a network established among opinion leaders and key prescribing doctors.

In Europe, BioAlliance Pharma has concluded an exclusive partnership agreement with the Therabel Group to market Loramyc® (registered in 26 countries) and Setofilm® (registered in 16 countries).

The exclusive licensing agreement signed with U.S. company Par Pharmaceutical and its proprietary products division Strativa Pharmaceuticals, enabled the launch of Oravig® in the United States in late August 2010.

BioAlliance Pharma has also signed agreements for Loramyc® in Asia – with Handok for Korea, Singapore, Malaysia, Philippines and Taiwan, and with NovaMed Pharmaceuticals for China.

Agreements for Loramyc® and Setofilm® since 2007 represent a total of €120 million, of which €48 million have already been received. These agreements also provide for significant royalties on sales.



“The Company plans to advance its policy of strategic international agreements, particularly for products capitalising on our Lauriad™ muco-adhesive know-how, as well as to explore opportunities for external growth.”

Aude Michel
Licensing
and Legal Affairs

Corporate Governance

BOARD OF DIRECTORS

The Board of Directors determines the Company's business orientations, approves the strategy and oversees its implementation.

The Board of Directors is comprised of seven high-level professionals in the fields of pharmaceuticals and finance, including four independent directors and two representatives of the Company's shareholders:

Chairman: **André Ulmann**, MD, PhD in Sciences, Founder and Chairman of the Supervisory Board of Laboratoire HRA Pharma.

Chief Executive Officer: **Dominique Costantini**, MD, Co-founder of BioAlliance Pharma.

Michel Arié, engineer, previously CFO of the CNIM Group, member of the Management Board of CNIM SA.

Catherine Dunand, engineer, international experience in large pharmaceutical groups.

Gilles Marrache, PhD in Pharmacy, Vice-President of Marketing and Business Operations at Amgen International.

ING Belgium, represented by Denis Biju-Duval.

Kurma Life Sciences Partners, represented by Rémi Droller.

The Board of Directors met 11 times in 2010. It was assisted in preparing its decisions by two specialised committees, the Audit Committee and the Remuneration and Appointments Committee.

EXECUTIVE COMMITTEE

The Executive Committee sets the Company's strategy and oversees its implementation. It meets weekly to ensure the collective and cross-functional steering of the business. Its members are:

Dominique Costantini, Chief Executive Officer, MD, Co-founder and CEO of BioAlliance since its inception.

Judith Greciet, Chief Operations Officer, Operations and R&D.

Pierre Attali, Chief Operating Officer, Strategy and Medical Affairs.

Nicolas Fellmann, Chief Financial and Human Resources Officer.

Michel Forest, Qualified Person, Quality Director.

Aude Michel, Licensing and Legal Affairs.

MANAGEMENT COMMITTEE

Comprised of the Executive Committee and the Department Heads, it adapts the strategy and coordinates the teams.



Simplified financial report

CONSOLIDATED BALANCE SHEET

Assets (in euro)	31/12/10	31/12/09
Non-current assets		
Intangible assets	116,886	129,901
Tangible assets	1,632,131	1,919,070
Financial assets	333,953	269,683
Other non-current assets	0	0
Total non-current assets	2,082,970	2,318,654
Current assets		
Inventories and work in-progress	37,725	21,152
Trade receivables	242,916	956,748
Other receivables	3,023,423	3,328,410
Marketable securities	20,170,142	13,898,788
Cash	777,193	811,547
Total current assets	24,251,400	19,016,645
TOTAL ASSETS	26,334,371	21,335,300
Liabilities (in euro)	31/12/10	31/12/09
Shareholders' equity		
Share capital	3,384,018	3,224,584
Less: treasury shares	(165,209)	(174,023)
Additional paid-in capital	100,811,181	97,948,490
Reserves	(87,986,809)	(72,854,951)
Minority interests	0	0
Net income/(loss) for the year	2,809,301	(15,382,885)
Total shareholders' equity	18,852,482	12,761,216
Non-current liabilities		
Provisions	614,428	713,669
Other liabilities	1,130,507	1,066,789
Total non-current liabilities	1,744,935	1,780,458
Current liabilities		
Short-term debt	57,061	74,520
Trade payables	3,241,849	2,920,996
Other liabilities	2,438,045	3,798,110
Total current liabilities	5,736,954	6,793,626
TOTAL LIABILITIES AND EQUITY	26,334,371	21,335,300

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in euro)	31/12/10	31/12/09
Net sales	22,531,840	7,536,312
Other income	36,547	198,503
Purchases	(859,072)	(398,754)
Personnel costs	(7,391,637)	(8,891,703)
External expenses	(9,180,774)	(12,703,524)
Taxes other than on income	(848,449)	(451,158)
Depreciation and amortisation, net	(472,283)	(454,261)
Allowances to provisions, net	184,091	(172,274)
Other operating expenses	(1,407,752)	(141,386)
Operating loss	2,592,511	(15,478,244)
Income from cash and cash equivalents	438,819	246,926
Other financial income	6,866	15,332
Financial expenses	(228,789)	(166,899)
Income/(loss) before taxation	2,809,406	(15,382,885)
Income tax expense	(105)	0
Net income/(loss)	2,809,301	(15,382,885)
Earnings per share	0.21	(1.19)
Diluted earnings per share	0.20	(1.19)
Income/(loss) for the period	2,809,301	(15,382,885)
Other elements of the comprehensive income for the period net of taxes	0	0
Total comprehensive income for the period	2,809,301	(15,382,885)

STATEMENT OF CONSOLIDATED CASH FLOW

	31/12/10	31/12/09
Consolidated net loss	2,809,301	(15,382,885)
+/- Depreciation, amortisation and provisions, net (excluding provisions against working capital)	374,666	656,342
-/+ Unrealised gains and losses related to changes in fair value	(4,887)	(3,146)
+/- Non-cash income and expenses on stock options and similar items	202,104	842,987
-/+ Other non-cash income and expenses	24,241	(107,127)
-/+ Capital gains or losses on disposal	150,877	6,252
-/+ Capital gains or losses on dilution	-	-
+/- Share of earnings of associates	-	-
- Dividends (non-consolidated investments)	-	-
Gross operating cash flow after cost of net debt and taxes	3,556,302	(13,987,577)
+ Cost of net debt	(64,118)	(103,778)
+/- Tax expense (including deferred taxes)	-	-
Gross operating cash flow before cost of net debt and taxes	3,492,184	(14,091,355)
- Taxes paid	-	-
+/- Variation du BFR lié à l'activité Change in working capital (including employee benefit liabilities) ⁽¹⁾	(63,837)	(3,438,107)
Net cash flows from operating activities	3,428,347	(17,529,462)
- Expenditures on acquisition of tangible and intangible assets	(324,829)	(387,459)
+ Proceeds of disposal of tangible and intangible assets	-	-
- Expenditures on acquisition of financial assets (non-consolidated investments)	(1,948)	(2,151)
+ Proceeds of disposal of financial assets (non-consolidated investments)	150	48,309
+/- Effect of changes in scope of consolidation	-	-
+ Dividends received (equity accounted investments, non-consolidated investments)	-	-
+/- Change in loans and advances granted	-	-
+ Capital grants received	-	-
+/- Other flows relating to investment activities	-	-
Net cash flows from investing activities	(326,627)	(341,301)
+ Net amounts received from shareholders on capital increases Paid by shareholders of the parent company	3,022,124	4,425
Paid by minority interest in consolidated companies	-	-
+ Amounts received on exercise of stock options	-	-
-/+ Purchases and sales of treasury shares	57,585	77,341
- Dividends paid in the year	-	-
Dividends paid to shareholders of the parent company	-	-
Dividends paid to minority shareholders in consolidated companies	-	-
+ Amounts received on issuance of new loans	-	74,130
- Reimbursements of loans (including finance leases)	(14,826)	(8,649)
- Net interest received (including finance leases)	64,118	103,778
+/- Other flows related to financing activities	6,133	639,448
Net cash flows from financing activities	3,135,134	890,473
+/- Effect of fluctuations in foreign exchange rates	152	(386)
Change in cash and cash equivalents	6,237,006	(16,980,675)
Cash and cash equivalents at start of year	14,710,329	31,691,004
CASH AND CASH EQUIVALENTS AT YEAR END	20,947,335	14,710,329

(1) including allowance to provision for post-employment benefit obligations of €24,241.



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