



OCTOPLUS ANNOUNCES 2008 FIRST HALF-YEAR RESULTS AND PUBLICATION OF 2007 ANNUAL REPORT

Leiden, the Netherlands, 16 October 2008 – OctoPlus N.V. (“OctoPlus” or “the Company”) (Euronext: OCTO), the drug delivery company, announces today its results for the six-month period ended 30 June 2008. The Company also announces the publication of its Annual Report 2007.

Financial and product highlights

- 30% increase in external revenues for the six-month period from € 2,874k in 2007 to € 3,738k in 2008
- Exclusive license and product acquisition agreement signed with Biolex Therapeutics for OctoPlus’ lead product Locteron[®], with upfront and milestone payments up to US\$ 149 million and royalties on future Locteron sales, as well as a product supply and manufacturing agreement signed with Biolex for the further development and manufacturing of Locteron
- Additional financing secured up to € 4.0 million through convertible bridge loans
- Significant product progress: Locteron Phase IIa PLUS study ongoing in the United States and clinical proof of concept achieved in OP-145 Phase II ear infection study
- Nomination of two additional members to the Executive Board, including a new CEO with international experience in leading a public life sciences company

Financial Results

OctoPlus’ consolidated external revenues (excluding inter-segment revenues for the development of Locteron) for the six-month period increased by 30% from € 2,874k in 2007 to € 3,738k in 2008. A significant part of the external service revenues came from repeat-orders and long-term contracts. The Company also signed a significant number of new customer contracts during the period, including service contracts with pharmaceutical companies who have engaged OctoPlus to develop a controlled release formulation of their products, using OctoPlus’ patented drug delivery technologies. Including inter-segment revenues for the development of Locteron, OctoPlus’ Contract Development total gross revenues from formulation development and clinical trial material manufacturing for the first six months increased by 28% from € 4,533k in 2007 to € 5,808k in 2008.

License Agreement

On 6 October 2008, OctoPlus announced that it signed an exclusive license and product acquisition agreement to license its share of the commercial rights to its lead product Locteron[®] to co-development partner Biolex. The proceeds of the agreement include amongst others an upfront payment and milestone payments up to US\$ 149 million (€ 108 million) in total in the coming years, as well as royalties on future Locteron sales. The Company received the upfront payment of US\$11.0 million from Biolex on 7 October 2008. In addition to the cash payments

under the agreement, OctoPlus received an equity stake in Biolex of 1.8% at contract date, which will increase up to approximately 3.0% when certain predefined milestones have been met.

Simultaneously with the out-licensing of Locteron, the Company signed a product development and supply agreement with Biolex for the further development and manufacturing of Locteron. Activities performed by OctoPlus under this agreement will be paid for by Biolex.

Financing

During the year 2008, the Company received convertible bridge loans from Biolex and OctoPlus' existing shareholders Life Sciences Partners and SR One totalling € 6.75 million. The contract for the convertible bridge loans stipulates that each of the parties has the option to convert (part of) the bridge loan into OctoPlus shares at a conversion price which is the higher of € 1 or a 45% discount of the then prevailing OctoPlus share price. Biolex offset its share of the bridge loan with the \$11.0 million upfront payment. The convertible bridge loans from Life Sciences Partners and SR One, amounting to € 4.0 million in total (excluding accumulated interest), are still outstanding. Converting the total outstanding amount would result in a maximum of four million new shares issued, which represents a dilution of approximately 25%.

Locteron

On 7 February 2008, the Company announced the commencement of patient dosing in a Phase IIa PLUS study in the United States with Locteron. This study will expand upon the favorable results of the recently completed SELECT-1 Phase IIa study in Europe, which were presented at the Annual Meeting of the American Association for the Study of Liver Diseases (AASLD) conference in November 2007. The study is being conducted under an Investigational New Drug (IND) application filed with the US Food and Drug Administration.

OP-145

On 28 July 2008, the Company announced that efficacy of OP-145, a novel therapy for the treatment of chronic middle ear infection (otitis media), was demonstrated in an interim analysis of the Phase II study and that, as a result, the study was closed because its goal was achieved. Based on these positive results, OctoPlus will proceed with preparations for further development of OP-145 and seek commercial partners.

Executive Board Structure

On 16 September 2008, the Company announced that the Board of Supervisory Directors proposes to expand the Executive Board with two new members at the next general meeting of shareholders on 6 November 2008. The new Executive Board will consist of Chief Executive Officer, Simon Sturge, Joost Holthuis, current CEO and founder, who will take up the new position of Chief Operating Officer, Chief Financial Officer Hans Pauli and Chief Business Officer Gerben Moolhuizen

Simon Sturge comments: *"The first half of 2008 has seen substantial progress across most aspects of our business despite the delays in concluding a solution to the Company's funding requirements. The agreement announced on 6 October of this year to out-license Locteron now puts the Company on a much stronger financial footing, a position which will be strengthened by our strategy to focus on building a profitable business."*

Annual Report 2007

The Annual Report 2007 is available on the Company's website, www.octoplus.nl. Hard copies of the report can be requested by sending an e-mail to IR@octoplus.nl.

First half-year 2008 financial results

The table below outlines the key financial figures of the Company for the six-month period ending 30 June 2008 and 2007. These financial figures are unaudited and are in accordance with International Financial Reporting Standards, as adopted by the EU. A distinction has been made

in this table between gross revenues, inter-segment revenues and consolidated (net) revenues. Gross revenues include inter-segment revenues for Contract Development supporting our Products & Drug Delivery division in the development of (mainly) Locteron. Contract Development generates most of the Company's revenues, with additional revenues from license fees and subsidies generated by our Products & Drug Delivery division.

Key figures first six months 2008

(Unaudited, in Euro x 1,000; except per share data)

	<u>1H 2008</u>	<u>1H 2007</u>	<u>% change</u>
Gross revenues	5,978	4,958	21%
Inter-segment revenues	(2,240)	(2,084)	7%
Consolidated revenues	3,738	2,874	30%
Result for the period	(6,414)	(6,121)	5%
Result per share (basic and diluted)	(0.40)	(0.38)	5%
Cash, cash equivalents, deposits and bank overdrafts per end of period	(3,713)	11,463	-

First six months ended 30 June 2008

Over the first six months of 2008, gross revenues shows an increase of 21% to € 5,978k (2007: € 4,958k), with Contract Development's revenues increasing by 28% to € 5,808k (2007: € 4,533k) and Products & Drug Delivery's revenues decreasing by 60% to € 170k (2007: € 425k). The decrease in Products & Drug Delivery's revenues relates to lower income from subsidies (as the Company focused on the development of its lead product Locteron) and lower license revenues from the ongoing contract with SurModics. In total, consolidated (net) revenues increased by 30% to € 3,738k (2007: € 2,874k).

Total operating costs increased modestly by 6% to € 9,621k (2007: € 9,058k). In the first six months of 2008, the Company incurred € 531k of interest expenses compared to € 63k of interest income for the first six months of 2007, mainly as a result of interest expenses on the convertible bridge loans provided and the overdraft facility used.

As a result of the above, net loss for the period increased by 5% to € 6,414k (2007: net loss of € 6,121k).

Cash flow

The total cash, cash equivalents and deposits balance (net of bank overdrafts) has decreased significantly from € 11,463k per 30 June 2007 (including € 6,545k short-term deposits) to € -/3,713k per 30 June 2008. The decrease is mainly related to the Company's negative operating result for the 12-month period and significant capital expenditures made for additional office, laboratory and manufacturing facilities currently being finalised in a building adjacent to the Company's headquarters.

In the first six months of 2008, a total of € 6,841k of cash was used for OctoPlus' operating activities (first six months of 2007: € 6,135k cash outflow). The Company showed a cash outflow from investing activities of € 2,758k for the first six months of 2008, compared to a positive cash flow from investing activities of € 3,938k for the first six months of 2007. The 2008 cash outflow from investing activities of € 2,758k mainly relates to capital expenditures for the additional office, laboratory and manufacturing facilities. The 2007 cash flow from investing activities was impacted by a € 5,955k movement in short-term deposits. The cash flow from financing activities for the first six months of 2008 showed a positive balance of € 3,371k, compared to a € 62k positive

cash flow from financing activities for the first six months of 2007. The 2008 cash flow from financing activities was positively impacted by a € 3,481k bridge loan provided by Life Sciences Partners and SR One per 30 June 2008.

The convertible bridge loan increased to € 6.75 million per 6 October 2008, after which it decreased to € 4.0 million (excluding accumulated interest) when Biolex offset its share of the bridge loan with the payment of the refundable, non-creditable upfront payment of US\$11.0 million.

Outlook second half-year 2008

As a result of the product development and supply agreement with Biolex, OctoPlus is reimbursed from 1 October 2008 onwards for all of its Locteron process development activities as well as all Locteron final product manufactured. As a result, the Company expects to show a significant growth in service revenues for the remainder of 2008. Expenditures are expected to decrease, especially cost of contracted work and other external charges, as OctoPlus no longer incurs expenditures for the Locteron clinical trials. Significant capital expenditures for the additional office, laboratory and manufacturing facilities are still required for the remainder of 2008.

As a result of the product development and supply agreement with Biolex, OctoPlus expects to become operationally cash flow positive from 1 October 2008 onwards. In addition, the Company received an \$11.0 million upfront payment from Biolex, thereby obtaining a strong financial position.

For the rest of 2008, the Company will increase its focus on the acquisition of service contracts that use OctoPlus' patented drug delivery technologies in order to maximise the technology validation that was progressed with the Locteron licensing agreement, in addition to formulation development and manufacturing projects to optimise the use of its expanded manufacturing facilities.

Conference call and webcast presentation

OctoPlus will hold a conference call and webcast presentation today at 10:00 AM CET. This event can also be followed live via OctoPlus' website www.octoplus.nl. If you would like to participate in the conference call, please dial in on telephone number +31 (0) 45 631 6902. After the presentation, Simon Sturge, CEO of OctoPlus, and Hans Pauli, CFO of OctoPlus, will be available to answer questions. After the event, the webcast will be available for replay on the Company's website.

For further information, please contact:

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About OctoPlus

OctoPlus N.V. is a product-oriented biopharmaceutical company committed to the creation of improved pharmaceutical products that are based on OctoPlus' proprietary drug delivery technologies and have fewer side effects, improved patient convenience and a better efficacy/safety balance than existing therapies. Rather than seeking to discover novel drug candidates through early stage research activities, OctoPlus focuses on the development of long-acting, controlled release versions of known protein therapeutics, other drugs, and vaccines.

Our pipeline consists of 5 products in pre-clinical and clinical development. The lead product incorporating our technology is Locteron, a controlled release formulation of interferon alfa for the treatment of chronic hepatitis C, which has been licensed to Biolex Therapeutics and is being manufactured by OctoPlus. Locteron is currently in Phase II clinical studies. Furthermore, our pipeline comprises a product candidate for the treatment of chronic middle ear infection, which is

in Phase II clinical development, a pre-clinical GLP-1 analogue product candidate for the treatment of diabetes and two pre-clinical-stage single-shot vaccines.

In addition, OctoPlus is a European leading provider of advanced drug formulation and clinical scale manufacturing services to the pharmaceutical and biotechnology industries, with a focus on difficult-to-formulate active pharmaceutical ingredients.

OctoPlus is listed on Euronext Amsterdam by NYSE Euronext under the symbol OCTO. For more information about OctoPlus, please visit our website www.octoplus.nl.

This document may contain certain forward-looking statements relating to the business, financial performance and results of OctoPlus N.V. and the industry in which it operates. These statements are based on OctoPlus N.V.'s current plans, estimates and projections, as well as its expectations of external conditions and events. In particular the words "expect", "anticipate", "predict", "estimate", "project", "plan", "may", "should", "would", "will", "intend", "believe" and similar expressions are intended to identify forward-looking statements. We caution investors that a number of important factors, and the inherent risks and uncertainties that such statements involve, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements. In the event of any inconsistency between an English version and a Dutch version of this document, the English version will prevail over the Dutch version.

Condensed consolidated balance sheet

(unaudited)

(In Euro x 1,000)

	At 30 June 2008	At 31 December 2007
Intangible fixed assets	3,207	3,284
Property, plant and equipment	18,672	10,383
Financial fixed assets	16	16
	<hr/> 21,895	<hr/> 13,683
Other current assets	4,340	3,900
Cash and cash equivalents	1,905	3,330
	<hr/> 6,245	<hr/> 7,230
Total assets	<hr/> 28,140	<hr/> 20,913
Equity	328	6,667
Non-current liabilities	9,500	3,558
Current liabilities	18,312	10,688
Total equity and liabilities	<hr/> 28,140	<hr/> 20,913

Condensed consolidated income statement

(unaudited)

(In Euro x 1,000)

	Six months ending 30	
	June	
	2008	2007
Service revenues	3,569	2,543
Royalty and license revenues	132	213
Income from subsidies	37	118
Total revenues	3,738	2,874
Raw materials and auxiliaries	370	191
Cost of contracted work and other external charges	1,293	1,403
Employee benefits	4,460	3,993
Depreciation and amortisation	724	541
Other costs	2,774	2,930
Total operating costs	9,621	9,058
Operating loss	(5,883)	(6,184)
Interest	(531)	63
Result before corporate income taxes	(6,414)	(6,121)
Corporate income taxes	-	-
Result for the period	(6,414)	(6,121)
Attributable to:		
Equity holders of the Company	(6,414)	(6,121)
Result per share for result attributable to the equity holders of the Company during the six-month period (expressed in Euro per share)		
Basic	(0.40)	(0.38)
Diluted	(0.40)	(0.38)

Condensed consolidated cash flow statement

(unaudited)

(In Euro x 1,000)

	Six months ending 30 June	
	2008	2007
Cash flows from operating activities		
Result before corporate income taxes	(6,414)	(6,121)
Adjustments for:		
– Depreciation and amortisation	724	541
– Share-based payments	75	151
– Changes in working capital	(1,226)	(706)
Net cash used in operating activities	(6,841)	(6,135)
Cash flows used in/ from investing activities	(2,758)	3,938
Cash flows used in/ from financing activities	3,371	62
Cash, cash equivalents and bank overdrafts		
Net decrease during the six-month period	(6,228)	(2,135)
Balance at 1 January	2,515	7,053
Balance at 30 June	(3,713)	4,918

Note: the cash flow from financing activities for the six-month period ended 30 June 2008 was positively impacted by the € 3,481k bridge loan provided by Life Sciences Partner and SR One per 30 June 2008. The cash flow from investing activities for the six-month period ended 30 June 2007 includes € 5,955k of matured deposits. Excluding the matured deposits, the net decrease in cash, cash equivalents and bank overdrafts for the six-month period ended 30 June 2007 amounts to € 8,090k. The balance at 1 January 2007 does not include € 12,500k of short-term and long-term deposits. The balance at 30 June 2007 does not include € 6,545k of short-term deposits.