



OCTOPLUS ANNOUNCES 2011 FIRST HALF-YEAR RESULTS

Leiden, the Netherlands, 29 July 2011 – OctoPlus N.V. (“OctoPlus” or the “Company”) (Euronext: OCTO), the specialty pharmaceutical company, announces today its results for the six-month period ended 30 June 2011.

Highlights first half-year 2011

1. Drug delivery technology commercialisation

- Full development of our newly signed agreement with ESBATech, a subsidiary of Alcon/Novartis has started. This is our first project in ophthalmology (eye care). Injections into the eye are an area where the benefits of reduced injection frequency are obvious.
- We signed a new drug delivery evaluation contract with a top-10 biopharmaceutical company in April.
- Revenues from projects based on our proprietary drug delivery technology continue to grow.

2. Locteron

- Successful final results of Phase IIb clinical study demonstrated Locteron's superior profile in terms of significantly reduced side effects and improved convenience, further strengthening our confidence in the potential of this best-in-class hepatitis C product.
- Biolex has announced that Phase III studies are planned to commence in 2012.
- We expect to play an active role in the preparation of the next clinical phase.

3. Contract formulation and manufacturing services

- We signed service contracts with three new clients including a new process development and manufacturing contract which was announced in July.
- Net bookings (signed new work minus cancellations) in the first half-year of 2011 increased by 20% versus prior year.
- Non-Locteron revenues increased compared to the same period last year as a result of our strengthened order book.
- OctoPlus has now worked for more than 125 companies including half of the top 10 pharmaceutical companies worldwide.

Financial results

- Non-Locteron service revenues increased by 18% to € 3.8 million (2010: € 3.2 million).
- Total revenues decreased by 2% to € 4.0 million (2010: € 4.0 million) driven by lower revenues from Locteron, which were € 0.1 million (2010: € 0.6 million).
- Total costs (including interest) further reduced by 10% to € 6.8 million (2010: € 7.6 million) as a result of continued cost control.
- Net loss reduced by 19% to € 2.9 million (2010: net loss of € 3.5 million).
- Cash outflow of € 1.5 million (2010: cash outflow € 2.9 million) resulted in a cash position of € 1.2 million at 30 June 2011 (€ 0.4 million last year).
- A € 2.0 million credit line facility is in place with ABN Amro Bank, of which € 0.9 million was available per 30 June 2011.

Outlook

We continue to focus on strengthening our portfolio including a well-balanced mix of “fee for service” projects and longer-term contracts where we retain upside in the form of royalties and milestones. In addition, we will continue to focus on cost control.

Jan Egberts, M.D., CEO of OctoPlus comments: *“In the first six months of my time at OctoPlus we have dedicated a significant amount of time on improving operational efficiency, streamlining organisational structure and maintaining our reduced cost base. During this period I travelled extensively to both existing and new customers. Our team has identified a number of high-value opportunities in specialty generics, where we can co-invest and leverage our world-class expertise in formulation development. Our acquisition pipeline is slowly re-emerging but due to difficult market conditions our lead time in closing deals has increased over the past year. During the remainder of the year we will also look for other ways to strengthen our balance sheet. Finally, we look forward to participate in the Phase III clinical development for Locteron. We expect our focus and dedication to pay off in the periods to follow.”*

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, Jan Egberts, CEO of OctoPlus, and Susan Swarte, CFO, will be available to answer questions. After the event, the webcast will be available for replay on the Company’s website.

Contact

For further information, please contact: Rianne Roukema, Corporate Communications: telephone number +31 (71) 524 1071 or send an e-mail to Investor Relations at IR@octoplus.nl.

About OctoPlus

OctoPlus is a specialty pharmaceutical company focused on the development and manufacture of improved injectable pharmaceuticals based on our proprietary drug delivery technologies that exhibit fewer side effects, improved patient convenience and a better efficacy/safety balance than existing therapies. OctoPlus also focuses on the development of long-acting, controlled release versions of known protein therapeutics, peptides and small molecules, including specialty generics.

The clinically most advanced product incorporating our technology is Locteron[®], a controlled release formulation of interferon alpha for the treatment of chronic hepatitis C. OctoPlus licensed Locteron exclusively to Biolex in October 2008. Locteron is being manufactured for Biolex by OctoPlus and has recently completed Phase IIb clinical studies with superior clinical data versus current treatment.

In addition, OctoPlus is a leading European 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 and the industry in which it operates. These statements are based on OctoPlus’ 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.

INTERIM MANAGEMENT REPORT FROM THE EXECUTIVE BOARD

Business overview

Drug delivery technology product pipeline

In February we converted our feasibility study with ESBATech into a full development agreement. This is an important contract for OctoPlus, both in terms of revenues and in terms of future value potential. In addition, a drug delivery evaluation contract was signed with a top-10 biopharmaceutical company.

New service clients

During the first six months of 2011 the Company contracted work from 3 new service clients and signed additional work from a number of current customers for which OctoPlus will perform drug development and manufacturing services.

Locteron

OctoPlus' licensee Biolex Therapeutics presented final Phase IIb data on Locteron at the 46th International Liver Congress (EASL) in March 2011. The results show important tolerability advantages of Locteron versus current hepatitis C treatments while maintaining antiviral efficacy. These positive results further validate the clinical benefit of OctoPlus' PolyActive drug delivery technology.

Financial overview

The table below outlines the key financial figures of the Company for the six-month period ended 30 June 2011 and 2010. These financial figures are unaudited and are in accordance with International Financial Reporting Standards, as adopted by the European Union.

Key figures first six months 2011

(unaudited, in € x 1,000; except per share data)

	<u>1H 2011</u>	<u>1H 2010</u>	<u>% change</u>
Total revenues	3.952	4.022	-2%
EBITDA	(1.342)	(1.800)	-25%
Result for the period	(2.885)	(3.540)	-19%
Earnings per share (basic and diluted)	(0,08)	(0,11)	-27%
Cash flow	(1.508)	(2.874)	-48%
Cash, cash equivalents and bank overdrafts per end of the period	1.199	439	173%

Revenues

Total revenues for the first six months of 2011 decreased by 2% to € 4.0 million (2010: € 4.0 million). Service revenues increased by 3%. Non-Locteron service revenues increased by 18% mainly as a result of higher revenues from projects that are based on our proprietary drug delivery technologies. Locteron service revenues decreased significantly from € 0.6 million to € 0.1 million. A significant number of Locteron batches were manufactured in the past few years. The number of stability tests of these Locteron productions, which are performed by OctoPlus on a fee for service basis, decreases as time progresses.

OctoPlus participates in one subsidised project. This project is ending and as a result, no material income from subsidies was recorded in the first six months of 2011 (2010: € 0.2 million).

Costs

Total costs (including interest) for the six month period ended 30 June 2011 decreased by 10% to € 6.8 million (2010: € 7.6 million). No expenses were incurred for the ending subsidised project in the six month period ended 30 June 2011. As a result, cost of materials and work contracted out for the six month period ended 30 June 2011 decreased to € 0.5 million (2010: € 0.6 million). Depreciation and amortisation for the six month period ended 30 June 2011 decreased to € 1.1 million (2010: € 1.2 million) as a result of assets becoming fully depreciated, with only a limited number of capital expenditures made over the last few years. Other costs for the six month period ended 30 June 2011 decreased to € 1.4 million (2010: € 1.7 million) as a result of continued cost control.

Net result

As a result the net loss for the period improved to € 2.9 million (2010: net loss of € 3.5 million).

Cash and cash equivalents balance

The total cash and cash equivalents balance (net of bank overdrafts) was € 1.2 million per 30 June 2011 (December 2010: € 2.7 million).

Cash flow

In the first six months of 2011, € 0.9 million cash was used for OctoPlus' operating activities (first six months of 2010: € 2.1 million cash outflow). This cash outflow mainly related to the negative operating result for the six-month period partly offset by prepayments received from customers. The Company's new manufacturing facilities became fully operational in June 2009. As a result, no significant investments were required in the first six months of 2011 (2010: € 0.1 million cash outflow). The cash used in financing activities decreased to € 0.5 million (2010: € 0.7 million). Substantially all cash used in financing activities for the six month period ended 30 June 2011 related to scheduled repayments of finance lease liabilities. The amount of scheduled repayments of finance lease liabilities was similar for the six month period ended 30 June 2010 but some cash was also used in that period for the payment of invoices related to the 2009 financing rounds.

Outlook 2011

Further adoption of our proprietary drug delivery technology by the biotechnology and pharmaceutical industries as well as a strong focus on servicing existing and new customers will contribute to our revenues in the second half-year. We will continue to control our cost level.

Related party transactions

For disclosures regarding related party transactions see Note 14 of the Condensed Consolidated Interim Financial Statements.

Auditor's involvement

The content of this Interim Financial Report has not been audited or reviewed by an external auditor.

Risks and uncertainties

The Company's risk profile and its internal control system to mitigate these risks are consistent with those disclosed on pages 19 to 21 and pages 55 to 56 of the Annual Report 2010.

Responsibility statement

Each member of the Executive Board hereby confirms that to the best of their knowledge:

- The Condensed Consolidated Interim Financial Statements of the Company for the first six-months of 2011 give a true and fair view of the assets, liabilities, financial position and result of the Company and its consolidated companies;
- The Interim Management Report from the Executive Board for the first six months of 2011 gives a fair review of the information required pursuant to section 5:25d, subsection 8 and, as far as applicable, subsection 9 of the Dutch Act on Financial Supervision.

Leiden, 29 July 2011

Jan Egberts, Chief Executive Officer
Susan Swarte, Chief Financial Officer
Gerben Moolhuizen, Chief Business Officer

OctoPlus N.V.

**Interim Financial Report
30 June 2011**

**Condensed Consolidated Interim Financial
Statements 30 June 2011**
(unaudited)

Consolidated statement of financial position at 30 June 2011

(unaudited)

(In € x 1,000)

	Note	At 30 June 2011	At 31 December 2010
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Goodwill		243	243
Patents		1,665	1,811
Other intangible assets		12	5
		1,920	2,059
<i>Property, plant and equipment</i>			
Buildings		6,689	6,903
Machines and installations		8,280	8,946
Other equipment		194	199
		15,163	16,048
Financial assets carried at cost		1,299	1,299
		18,382	19,406
Current assets			
Inventories		412	307
Trade receivables		1,603	1,735
Social securities and other taxes		246	208
Other receivables, prepayments and accrued income		1,093	978
Cash and cash equivalents	6	1,323	2,713
		4,677	5,941
Total assets		23,059	25,347
EQUITY AND LIABILITIES			
Equity			
Shareholders' equity	7	6,206	8,935
Total group equity		6,206	8,935
Liabilities			
Non-current liabilities			
Finance lease liabilities		8,758	9,296
		8,758	9,296
Current liabilities			
Current portion of finance lease liabilities		1,056	1,020
Bank overdrafts	6	124	6
Trade payables		1,960	1,471
Social securities and other taxes		115	176
Other current liabilities		4,840	4,443
		8,095	7,116
Total liabilities		16,853	16,412
Total equity and liabilities		23,059	25,347

Condensed consolidated statement of comprehensive income for the period ended 30 June 2011

(unaudited)

(In € x 1,000)

		Six months ended 30 June	
	Note	2011	2010
Service revenues	8	3,931	3,808
License and other revenues	8	9	22
Income from subsidies	8	12	192
Total revenues		3,952	4,022
Cost of materials and work contracted out	9	466	641
Wages and salaries		3,447	3,469
Depreciation and amortisation	9	1,087	1,246
Other costs	9	1,381	1,712
Total operating costs		6,381	7,068
Operating loss		(2,429)	(3,046)
Interest (net)	10	(456)	(494)
Result before corporate income taxes		(2,885)	(3,540)
Corporate income taxes		-	-
Result for the period		(2,885)	(3,540)
Other comprehensive income		-	-
Total comprehensive result for the period		(2,885)	(3,540)
Attributable to:			
Equity holders of the Company		(2,885)	(3,540)
Result per share for result attributable to the equity holders of the Company during the six-month period (expressed in Euro per share)			
Basic		(0.08)	(0.11)
Diluted		(0.08)	(0.11)

Condensed consolidated statement of changes in equity for the period ended 30 June 2011

(unaudited)

(In € x 1,000)

Note	Attributable to equity holders of the Company				
	Share capital	Share premium reserve	Other reserves	Accumulated deficit	Total equity
Balance at 1 January 2010	4,012	49,686	754	(43,109)	11,343
Comprehensive loss for 6-month period ended 30 June 2010	-	-	-	(3,540)	(3,540)
Total recognised loss for 6-month period ended 30 June 2010	-	-	-	(3,540)	(3,540)
Employee share option scheme:					
– value of employee services	-	-	167	-	167
– options exercised, lapsed & forfeited	-	-	(9)	9	-
	-	-	158	9	167
Balance at 30 June 2010	4,012	49,686	912	(46,640)	7,970
Balance at 1 July 2010	4,012	49,686	912	(46,640)	7,970
Comprehensive loss for 6-month period ended 31 December 2010	-	-	-	(2,662)	(2,662)
Total recognised loss for 6-month period ended 31 December 2010	-	-	-	(2,662)	(2,662)
Employee share option scheme:					
– value of employee services	-	-	(10)	-	(10)
– options exercised, lapsed & forfeited	-	-	(125)	125	-
Issue of share capital – financing	401	3,544	-	-	3,945
Issue of share capital – costs	-	(308)	-	-	(308)
	401	3,236	(135)	125	3,627
Balance at 31 December 2010	4,413	52,922	777	(49,177)	8,935
Balance at 1 January 2011	4,413	52,922	777	(49,177)	8,935
Comprehensive loss for 6-month period ended 30 June 2011	-	-	-	(2,885)	(2,885)
Total recognised loss for 6-month period ended 30 June 2011	-	-	-	(2,885)	(2,885)
Employee share option scheme:					
– value of employee services	-	-	138	-	138
– options exercised, lapsed & forfeited	-	-	(53)	53	-
Issue of share capital – costs	-	18	-	-	18
	-	18	85	-	156
Balance at 30 June 2011	4,413	52,940	862	(52,009)	6,206

Condensed consolidated statement of cash flows for the period ended 30 June 2011

(unaudited)

(In € x 1,000)

	Note	Six months ended 30 June	
		2011	2010
Cash flows from operating activities			
Result before corporate income taxes		(2,885)	(3,540)
Adjustments for:			
– Depreciation and amortisation		1,087	1,246
– Share-based payments		138	167
– Changes in working capital		712	(2)
Net cash used in operating activities	11	(948)	(2,129)
Cash flows used in investing activities	11	(33)	(51)
Cash flows used in financing activities	11	(527)	(694)
Cash, cash equivalents and bank overdrafts			
Net decrease during the six month period		(1,508)	(2,874)
Balance at 1 January	6	2,707	3,313
Balance at 30 June	6	1,199	439

Notes to the Condensed Consolidated Interim Financial Statements for the period ended 30 June 2011 and 2010

1. General information

OctoPlus N.V. ('the Company' or 'OctoPlus', and 'the Group' including its subsidiaries) is a pharmaceutical company specialised in the controlled release, formulation and cGMP manufacture of injectable products. OctoPlus offers a platform of proprietary biodegradable polymers for the controlled release and extended release of injectable products, in particular proteins. The Company is a public limited liability company incorporated and domiciled in the Netherlands. The address of its registered office is Zernikedreef 12, 2333 CL Leiden, the Netherlands.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

No standards and interpretations effective from 1 January 2011 had a material impact on the financial statements of the Group. All other standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2011 have not yet been adopted. The Group anticipates that adoption of these standards and interpretations will not have a material impact on the financial statements of the Group in future periods.

2.1 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, *Interim Financial Reporting*, as adopted by the European Union.

The condensed consolidated interim financial statements are presented in euros and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of condensed consolidated interim financial statements in conformity with accounting policies consistent with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the condensed consolidated financial statements are disclosed in the notes to the Annual Report 2010.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010.

The condensed consolidated interim financial statements for the six month period ended 30 June 2011 are unaudited.

2.2 Consolidation

The Company is the holding company of a group of companies. The other consolidated group companies ("subsidiaries") are:

- OctoShare B.V., 100%, having its legal seat in Leiden, the Netherlands
- OctoPlus Development B.V., 100%, having its legal seat in Leiden, the Netherlands
- OctoPlus Technologies B.V., 100%, having its legal seat in Leiden, the Netherlands
- OctoPlus Sciences B.V., 100%, having its legal seat in Leiden, the Netherlands
- OctoPlus PolyActive Sciences B.V., 100%, having its legal seat in Leiden, the Netherlands

- Chienna B.V., 100%, having its legal seat in Bilthoven, the Netherlands

3. Risk management

The Company's risk profile and its internal control system to mitigate these risks are consistent with those disclosed on pages 19 to 21 and pages 55 to 56 of the Annual Report 2010.

4. Cyclicity

Expenditures incurred for research and development activities, as well as their associated cash flows, may fluctuate significantly from time to time. OctoPlus provides pharmaceutical development services to clients and is reimbursed for these activities as work progresses. As a result, both expenditures, income and cash flows are more stable than for a typical research and development company. The Company might also be eligible to significant one-off payments in case certain development milestones are reached for products that are developed using the Company's proprietary technologies, such as Locteron.

5. Segment information

OctoPlus operates in one reportable segment and does not prepare and report financial statements per segment.

6. Cash, cash equivalents and bank overdrafts

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

	At 30 Jun 2011	At 31 Dec 2010	At 30 Jun 2010
Cash and cash equivalents	1,323	2,713	672
Bank overdrafts	(124)	(6)	(233)
Net cash and cash equivalents	1,199	2,707	439

7. Equity

No shares and options were issued in the first six months of 2011.

Total option expense recorded in the first six months of 2011 amounted to € 138k, of which € 109k related to options granted to members of the Executive Board.

An amount of € 18k was added to the share premium reserve as a result of less actual financing costs for the December 2010 equity transaction.

8. Revenues

Total revenues decreased by 2% from € 4,022k for the six-month period ended 30 June 2010 to € 3,952k for the six month period ended 30 June 2011. Service revenues have increased by 3%. Non-Locteron service revenues increased by 18% mainly as a result of higher revenues from projects that are based on our proprietary drug delivery technologies. Locteron service revenues decreased significantly from € 594k to € 143k. A significant number of Locteron batches were manufactured until December 2009. The number of stability tests of these Locteron productions, which are performed by OctoPlus on a fee for service basis, decreases as time progresses.

Income from subsidies decreased from € 192k for the six month period ended 30 June 2010 to € 12k for the six month period ended 30 June 2011 as the subsidised project is ending.

9. Operating costs

Total operating costs decreased by 10% from €7,068k for the six month period ended 30 June 2010 to € 6,381k for the six month period ended 30 June 2011. No expenses were incurred for the ending subsidised project resulting in lower cost of materials and work contracted out for the six month period ended 30 June 2011. Depreciation and amortisation charges decreased by € 159k to

€ 1,087k for the six month period ended 30 June 2011 as a result of assets becoming fully depreciated, with only a limited number of capital expenditures made over the last few years. Other costs decreased by € 331k to € 1,381k for the six month period ended 30 June 2011 mainly as a result of tight cost control.

10. Interest (net)

Substantially all interest costs for the first six months of 2010 and 2011 related to finance lease arrangements.

11. Consolidated statement of cash flows

The cash used in operating activities decreased from € 2,129k for the six month period ended 30 June 2010 to € 948k for the six month period ended 30 June 2011 mainly as a result of (i) a lower operating loss (€ 3,540k for the six month period ended 30 June 2010 compared to € 2,885k for the six month period ended 30 June 2011) and (ii) higher prepayments received from customers in the six month period ended 30 June 2011.

The cash used in investing activities was minimal in both six month periods and decreased from € 51k for the six month period ended 30 June 2010 to € 33k for the six month period ended 30 June 2011. The Company's new manufacturing facilities became fully operational in June 2009. As a result, no significant investments were required.

The cash used in financing activities decreased from € 694k for the six month period ended 30 June 2010 to € 527k for the six month period ended 30 June 2011. All cash used in financing activities for the six month period ended 30 June 2011 related to scheduled repayments of finance lease liabilities. The amount of scheduled repayments of finance lease liabilities was similar for the six month period ended 30 June 2010 but some cash was also used for payment of invoices related to the 2009 financing rounds.

The ending cash balance per 30 June 2011 amounted to € 1,199k.

12. Contingencies

For the Company's contingencies, reference is made to Note 27 of the 2010 Annual Report.

13. Commitments

The Company did not make any significant commitments in the six month period ended 30 June 2011.

14. Related party transactions

There were no related party transactions that require disclosure in the six month period ended 30 June 2011.

15. Events after the balance sheet date

No events have been noted to date that require further disclosure.

Leiden, 29 July 2011

Jan Egberts, Chief Executive Officer
Susan Swarte, Chief Financial Officer
Gerben Moolhuizen, Chief Business Officer