

Devgen : Consolidated Balance Sheets

(In 1,000 €)	2005 June 30	2004 December 31
ASSETS		
Intangible fixed assets	215	20
Property, plant and equipment	1.389	1.438
Building held under lease	7.694	7.807
Investment property	1.346	1.365
Deferred Tax Assets	-	-
Cash restricted in its use	1.960	2.100
Non-Current Assets	12.604	12.730
Grants Receivable	27	27
Trade Receivables	2.001	263
Prepaid expenses and other current assets	1.239	1.444
Held-to-maturity investments	-	-
Cash and Cash Equivalents	36.871	8.555
Current Assets	40.138	10.289
Total Assets	52.742	23.019
EQUITY AND LIABILITIES		
Share Capital	1.077	740
Share Premium Account	37.859	9.911
Translation Reserves	(1)	(17)
Hedging Reserves	-	-
Share Based Payment	94	61
Accumulated losses	(1.414)	(3.383)
Equity attributable to equity holders of the parent	37.615	7.312
Total Equity	37.615	7.312
Provisions for liabilities and charges	10	10
Deferred Tax Liabilities	-	-
Long term debt	249	520
Long term lease debt building	8.059	8.149
Non-Current Liabilities	8.318	8.679
Current portion of long term debt	847	1.366
Current portion of lease building	252	287
Short Term Debt	-	-
Trade Payables	1.745	1.367
Income Tax Liabilities	-	-
Other Current Liabilities	3.965	4.008
Current Liabilities	6.809	7.028
Total Equity and Liabilities	52.742	23.019

Devgen : Consolidated Income Statement

In 1,000 €	2005 June 30	2004 June 30
REVENUES	6.169	4.305
Research and development services	5.772	3.889
Government grant income	397	416
Research and development expense	(4.862)	(4.378)
General, administrative and selling expenses	(1.434)	(1.325)
Other operating income	130	40
EBITDA	3	(1.358)
Depreciations : Research and development	(525)	(145)
Depreciations : General and administrative	(53)	(40)
Operating Profit / (Loss)	(575)	(1.543)
Financial Income	118	178
Financial Expense	(314)	(322)
Profit / (Loss) before Taxes	(771)	(1.687)
Income Taxes	-	-
Net Profit / (Loss)	(771)	(1.687)
Net profit (loss) per share - basic	(0,07)	(0,06)
Shares used in computing per share amount - basic (weighted)	10.330.263	29.590.195

Devgen : Consolidated Statement of Cash Flows

(In 1,000 €)	2005 June 30	2004 June 30
CASH FLOW FROM OPERATING ACTIVITIES		
Cash used in operations	(1.175)	(68)
Interest paid	(294)	(314)
Income taxes paid	-	-
Net cash provided by (used in) activities	(1.469)	(382)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(373)	(398)
Purchases of intangible assets	(212)	-
Proceeds sales of property plant and equipment	-	-
Interest received	117	122
Net cash provided by (used in) investing activities	(468)	(276)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of long term debt	-	-
Increase capital	31.026	-
Principal payments debt	(913)	(1.747)
Net cash provided by (used in) financing activities	30.113	(1.747)
Net increase (decrease) in cash and cash equivalents	28.176	(2.405)
Cash and cash equivalents, beginning of period	10.655	15.418
Cash and cash equivalents, end of period (*)	38.831	13.013

(*) Balance includes € 1.96 million cash restricted in its use (as compared to € 2.1 million in 2004) classified as non-current assets.

Devgen : Consolidated Statement of changes in equity

(In 1,000€, except share and per share amounts)

	Preferred stock shares	Amount	Common Stock Shares	Amount	Issuance premium	Accumulated profit (loss)	Share-based compensation	Cumulative translation adjustment	Total
Balance at 31 Dec 2004	25.724.515	643	3.865.680	97	9.911	(3.383)	61	-17	7.312
Net loss 30 June 2005						(771)			
Capital increase through incorporation of issue premium				2.740	(2.740)				
Capital decrease through incorporation of retained losses				(2.740)		2.740			
Reverse stock split	(25.724.515)	(643)	5.997.740	643					
Capital increase IPO			4.498.544	337	30.689				
Share-based payment							33		
Translation differences								16	
Balance at 30 June 2005	0	0	14.361.964	1.077	37.859	(1.414)	94	(1)	37.615

Devgen : Segment Reporting

30 June 2005 (In 1,000 €)	Total	Crop Protection	Human Therapeutics	Not Allocated
REVENUES	6.169	5.923	246	
Research and development services	5.772	5.772		
Government grant income	397	151	246	
Research and development expense	(5.387)	(2.409)	(1.869)	(1.109)
General, administrative and selling expenses	(1.487)			(1.487)
Other operating income	130			130
Operating Profit / (Loss)	(575)	3.514	(1.623)	(2.466)
Financial Income	118			118
Financial Expense	(314)			(314)
Profit / (Loss) before Taxes	(771)			
Income Taxes	-			
Net Profit / (Loss)	(771)			

30 June 2004 (In 1,000 €)	Total	Crop Protection	Human Therapeutics	Not Allocated
REVENUES	4.305	3.849	456	
Research and development services	3.889	3.749	140	
Government grant income	416	100	316	
Research and development expense	(4.523)	(2.179)	(2.344)	
General, administrative and selling expenses	(1.365)			(1.365)
Other operating income	40			40
Operating Profit / (Loss)	(1.543)	1.670	(1.888)	(1.325)
Financial Income	178			178
Financial Expense	(322)			(322)
Profit / (Loss) before Taxes	(1.687)			
Income Taxes	-			
Net Profit / (Loss)	(1.687)			

30 June 2005 (In 1,000 €)	Crop Protection	Human Therapeutics	Not Allocated	Total
Segment assets	1.965	0	50.777	52.742
Segment liabilities	2.846	0	12.281	15.127
31 Dec 2004 (In 1,000 €)	Crop Protection	Human Therapeutics	Not Allocated	Total
Segment assets	197	385	22.437	23.019
Segment liabilities	2.794	148	12.765	15.707

Explanatory notes for Devgen's six months results ended June 30, 2005

Accounting policies

The same accounting policies and methods of computation were followed in the interim financial statements as compared with the most recent annual financial statements.

Business segments

For management purposes, Devgen is currently organised in two divisions: Crop Protection and Human Therapeutics . These divisions are the basis on which Devgen reports its primary segment information.

Details of half year 2005 financial results

Revenue

Devgen's revenues for the first half of 2005 amounted to €6.17 million compared to €4.30 million recorded in the same period of 2004.

Of the total revenue, €5.9 million was generated by Devgen Crop Protection:

- The research payments ("FTE-payments") increased from €2.6 million in 2004 to €3.8 million in 2005.
- The technology license fees increased from €1.1 million in 2004 to €2 million in the first six months of 2005.

On March 31, 2005, Devgen and FMC Corporation agreed to terminate the agreement, one year ahead of schedule. The basis for the termination is the fact that Devgen has met the expectations of FMC Corporation with respect to the project. All amounts of revenue (both research payments and technology access fees) originally foreseen in the agreement, were not affected by this, and have been recognized as revenue in the income statement of the first semester of 2005, in accordance with IFRS. Accordingly, revenue recognized during the first semester of 2005, which would otherwise have been recognized in the subsequent period until March 31, 2006 amounts to 1,5 million Euro (1,1 million research revenue and 0,4 million technology license fee).

In Human Therapeutics a revenue of €0.25 million was generated, as compared to €0.5 million revenue in 2004.

The total government grants in the first half year of 2005 remained at the same level of 2004, that is €0.4 million compared to €0.42 million.

Results

The net loss for the first half year of 2005 was €0.8 million, an improvement of €0.9 million compared to the loss of €1.7 million for the first six months of 2004. The result has been favorably impacted by the FMC contract completion as explained in the Revenue section.

Total research and development expenses in the first half year of 2005 were €5.4 million compared to €4.5 million in the same period of 2004, an increase of 19 %, due to the increase of outsourcing expenses with approximately €0.8 million.

Selling, general and administrative expenses slightly increased to €1.5 million in the first half of 2005 compared to €1.4 million in the first six months of 2004.

Cash flow and cash position

A net increase of € 28.17 million in cash and cash equivalents was recorded during the first half of 2005. The cash used in operations was € 1.46 million, as compared to € 0.38 million in 2004.

Total debt payments and investments in equipment and infrastructure amounted to € 1.5 million.

Devgen raised € 33.7 million in a public offering priced at € 7.5 per share. This transaction resulted into a net cash contribution of € 31 million.

Devgen's cash and cash equivalents, including restricted cash, amounted to € 38.8 million on June 30, 2005.