

## **APPENDIX TO PRESS RELEASE 10 MARCH 2011**

**Fornix BioSciences N.V.**

**CONSOLIDATED INCOME STATEMENT****(all amounts x € 1,000)**

for the financial year from 1 January 2010 to 31 December 2010

with comparative figures for the 2009 financial year

	<b>2010</b>	<b>2010<sup>1)</sup></b>	<b>2010</b>	<b>2009</b>	<b>2009<sup>2)</sup></b>	<b>2009</b>
	<b>Continued business activities</b>	<b>Discontinued business activities</b>	<b>Total</b>	<b>Continued business activities</b>	<b>Discontinued business activities</b>	<b>Total</b>
Income	-	22,482	22,482	-	37,756	37,756
Cost of sales	-	5,138	5,138	-	7,312	7,312
<b>Gross result</b>	<b>-</b>	<b>17,344</b>	<b>17,344</b>	<b>-</b>	<b>30,444</b>	<b>30,444</b>
<b>Other Income</b>	<b>189</b>	<b>12,400</b>	<b>12,589</b>	<b>235</b>	<b>31</b>	<b>266</b>
Sales and distribution costs	23	846	869	19	1,445	1,464
Personnel costs	2,113	3,862	5,975	1,254	6,124	7,378
Travel expenses	129	712	841	160	1,133	1,293
Depreciation and amortisation	99	5,527	5,626	106	466	572
Accommodation costs	87	119	206	82	227	309
Research and development costs	(4)	712	708	9	3,410	3,419
Quality control costs	-	100	100	-	220	220
Production and warehouse costs	-	92	92	-	130	130
General overheads	(760)	2,965	2,205	(182)	3,456	3,274
Charged on to production and trading inventories	-	(618)	(618)	-	(1,250)	(1,250)
<b>Sum of the costs</b>	<b>1,687</b>	<b>14,317</b>	<b>16,004</b>	<b>1,448</b>	<b>15,361</b>	<b>16,809</b>
<b>Result from operating activities</b>	<b>(1,498)</b>	<b>15,427</b>	<b>13,929</b>	<b>(1,213)</b>	<b>15,114</b>	<b>13,901</b>
Net financing income/expenses	647	(57)	590	917	(11)	906
<b>Profit before taxation</b>	<b>(851)</b>	<b>15,370</b>	<b>14,519</b>	<b>(296)</b>	<b>15,103</b>	<b>14,807</b>
Tax on profits	(431)	1,329	898	(75)	3,833	3,758
<b>Profit for the financial year</b>	<b>(420)</b>	<b>14,041</b>	<b>13,621</b>	<b>(221)</b>	<b>11,270</b>	<b>11,049</b>

	2010	2010 <sup>1)</sup>	2010	2009	2009 <sup>2)</sup>	2009
	Continued business activities	Discontinued business activities	Total	Continued business activities	Discontinued business activities	Total
Attributable to:						
Shareholders of the parent company	(420)	14,041	13,621	(221)	11,270	11,049
Minority interest	-	-	-	-	-	-
<b>Profit for the financial year</b>	<b>(420)</b>	<b>14,041</b>	<b>13,621</b>	<b>(221)</b>	<b>11,270</b>	<b>11,049</b>
Ordinary earnings per share (in €)	(0.05)	1.81	1.76	(0.03)	1.46	1.43
Diluted earnings per share (in €)	(0.05)	1.81	1.76	(0.03)	1.46	1.43

<sup>1)</sup> The 2010 justified discontinued business activities are the result of the sale of the Allergy Division and Artu Biologicals Deutschland and the liquidated Artu Biologicals S.L. in 2010. The Medical Aids division (Laprolan B.V.) has been held as assets held for sale at the end of 2010 and also justified under discontinued business activities.

<sup>2)</sup> The figures of the Allergy division, Artu Biologicals Deutschland and the Medical Aids division (Laprolan B.V.) of the year 2009 are also justified under the discontinued business activities for comparing purposes.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year from 1 January 2010 to 31 December 2010

with comparative figures for the 2009 financial year

	2010	2010 <sup>1)</sup>	2010	2009	2009 <sup>2)</sup>	2009
	Continued business activities	Discontinued business activities	Total	Continued business activities	Discontinued business activities	Total
<b>Profit for the financial year</b>	<b>(420)</b>	<b>14,041</b>	<b>13,621</b>	<b>(221)</b>	<b>11,270</b>	<b>11,049</b>
Other comprehensive income:						
Income tax on other comprehensive income	-	-	-	-	-	-
<b>Other comprehensive income for the financial year, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>	<b>(420)</b>	<b>14,041</b>	<b>13,621</b>	<b>(221)</b>	<b>11,270</b>	<b>11,049</b>
Attributable to:						
Shareholders of the parent company	(420)	14,041	13,621	(221)	11,270	11,049
Minority interest	-	-	-	-	-	-
<b>Total comprehensive income for the financial year</b>	<b>(420)</b>	<b>14,041</b>	<b>13,621</b>	<b>(221)</b>	<b>11,270</b>	<b>11,049</b>

<sup>1)</sup> The 2010 justified discontinued business activities are the result of the sale of the Allergy Division and Artu Biologicals Deutschland and the liquidated Artu Biologicals S.L. in 2010. The Medical Aids division (Laprolan B.V.) has been held as assets held for sale at the end of 2010 and also justified under discontinued business activities.

<sup>2)</sup> The figures of the Allergy division, Artu Biologicals Deutschland and the Medical Aids division (Laprolan B.V.) of the year 2009 are also justified under the discontinued business activities for comparing purposes.

## CONSOLIDATED BALANCE SHEET

(before allocation of the result)

at 31 December 2010 with comparative figures as at 31 December 2009

	31 December 2010	31 December 2009
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	5,880	13,307
Property, plant and equipment	504	3,135
Deferred tax assets	1	91
<b>Total Non-current assets</b>	<b>6,385</b>	<b>16,533</b>
<b>Current assets</b>		
Inventories	-	4,294
Trade and other receivables	1,234	5,206
Cash and cash equivalents	10,712	35,158
Assets held for sale	3,855	-
<b>Total Current assets</b>	<b>15,801</b>	<b>44,658</b>
<b>Total Assets</b>	<b>22,186</b>	<b>61,191</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Paid-up and called-up share capital	1,208	1,208
Share premium	4,362	35,053
Other reserves	-	7,499
Profit for the financial year	13,621	11,049
<b>Total Shareholders' equity attributable to shareholders of the parent company</b>	<b>19,191</b>	<b>54,809</b>
Minority interest	1	1
<b>Total Shareholders' equity</b>	<b>19,192</b>	<b>54,810</b>
<b>Non-current liabilities</b>		
Employee benefits	-	40
Deferred tax liabilities	-	254
<b>Total Non-current liabilities</b>	<b>-</b>	<b>294</b>
<b>Current liabilities</b>		
Trade payables	148	1,316
Taxes payable	93	646
Other items to be paid	1,995	4,125
Liabilities held for sale	758	-
<b>Total Current liabilities</b>	<b>2,994</b>	<b>6,087</b>
<b>Total Equity and liabilities</b>	<b>22,186</b>	<b>61,191</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Paid-up and called-up share capital	Share premium	Shares in treasury	Retained earnings	Total other reserves	Profit for the financial year	Total
<b>Balance at 1 January 2009</b>	<b>1,157</b>	<b>32,896</b>	<b>(2,496)</b>	<b>10,090</b>	<b>7,594</b>	<b>10,265</b>	<b>51,912</b>
<b>Total comprehensive income for the financial year</b>							
Profit for 2009 financial year	-	-	-	-	-	11,049	11,049
Appropriation of 2008 result	-	-	-	4,818	4,818	(4,818)	-
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,818</b>	<b>4,818</b>	<b>6,231</b>	<b>11,049</b>
<b>Transactions with shareholders in equity</b>							
Dividend payment 2008	22	854	-	-	-	(5,447)	(4,571)
Interim dividend 2009	26	1,303	-	(4,866)	(4,866)	-	(3,537)
Issue of shares in the context of the share ownership plan	3	-	-	-	-	-	3
Cost of share ownership plan 2009	-	-	-	(47)	(47)	-	(47)
<b>Total transactions with shareholders</b>	<b>51</b>	<b>2,157</b>	<b>-</b>	<b>(4,913)</b>	<b>(4,913)</b>	<b>(5,447)</b>	<b>(8,152)</b>
<b>Balance at 31 December 2009</b>	<b>1,208</b>	<b>35,053</b>	<b>(2,496)</b>	<b>9,995</b>	<b>7,499</b>	<b>11,049</b>	<b>54,809</b>
<b>Total comprehensive income for the financial year</b>							
Profit for 2010 financial year	-	-	-	-	-	13,621	13,621
Appropriation of 2009 result	-	-	-	5,018	5,018	(5,018)	-
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,018</b>	<b>5,018</b>	<b>8,603</b>	<b>13,621</b>
<b>Transactions with shareholders in equity</b>							
Dividend payment 2009	-	-	-	-	-	(6,031)	(6,031)
Super dividend payment 2010 <sup>1)</sup>	-	(5,176)	-	(11,989)	(11,989)	-	(17,165)
Interim dividend 2010 <sup>2)</sup>	-	(25,515)	-	-	-	-	(25,515)
Cost of share ownership plan 2010	-	-	-	(528)	(528)	-	(528)
<b>Total transactions with shareholders</b>	<b>-</b>	<b>(30,691)</b>	<b>-</b>	<b>(12,517)</b>	<b>(12,517)</b>	<b>(6,031)</b>	<b>(49,239)</b>
<b>Balance at 31 December 2010</b>	<b>1,208</b>	<b>4,362</b>	<b>(2,496)</b>	<b>2,496</b>	<b>-</b>	<b>13,621</b>	<b>19,191</b>

<sup>1)</sup> Payment of the Super dividend is partially charged to the share premium reserve, the payment of interim dividend 2010 is entirely charged to the share premium reserve.

<sup>2)</sup> The interim-dividend consists of dividend related to 2010 operating profit for the first half year 2010 € 5.026 and the interim dividend equal to the calculated net proceeds from the sale of the Allergy Division € 20.489.

## CONSOLIDATED CASH FLOW STATEMENT

for the financial year from 1 January 2010 to 31 December 2010

with comparative figures for the 2009 financial year

	<u>2010</u>	<u>2009</u>
<b>Cash flow from operating activities</b>		
Receipts from customers	24,121	40,920
Payments to suppliers and employees	(18,389)	(27,948)
Net cash flow from business operations	5,732	12,972
Interest received	333	1,906
Interest paid	(25)	(6)
Tax paid on profits	(1,561)	(3,226)
Grants received	-	176
Net cash flow from other operating activities	(1,253)	(1,150)
<b>Net cash flow from operating activities</b>	<b>4,479</b>	<b>11,822</b>
<b>Cash flow from investing activities</b>		
Investments in intangible assets	(506)	(10)
Investments in property, plant and equipment	(162)	(569)
Divestments of subsidiaries	20,591	-
Divestment in property, plant and equipment	-	2
<b>Net cash flow from investing activities</b>	<b>19,923</b>	<b>(577)</b>
<b>Cash flow from financing activities</b>		
Dividend paid	(48,711)	(8,108)
<b>Net cash flow from financing activities</b>	<b>(48,711)</b>	<b>(8,108)</b>
<b>Net decrease/increase in cash and cash equivalents</b>	<b>(24,309)</b>	<b>3,137</b>
Cash and cash equivalents at 1 January	35,158	32,021
Transfer from divestments	(95)	-
Transfer from assets held for sale	(42)	-
<b>Cash and cash equivalents at 31 December</b>	<b>10,712</b>	<b>35,158</b>

## **Notes**

### **1 General**

The financial data as reported in this appendix to the press release are derived from the yet undetermined annual accounts of Fornix BioSciences N.V. (the 'Company') but do not represent the full annual accounts. The Company's consolidated annual accounts for 2010 include the Company and its subsidiaries (together referred to as the "Group").

The annual report and annual accounts were prepared by the Board of Directors and discussed in the Supervisory Board meeting of 7 March 2011 and will be submitted to the Annual General Meeting of shareholders for adoption on 13 May 2011. The auditors of Fornix BioSciences N.V. have issued an unqualified opinion on these annual accounts.

Publication of the full annual accounts 2010 will be available at the latest on 31 March 2011.

The annual accounts are not yet filed at The Dutch Trade Register.

### **2 Continuity**

In 2010, the Group sold its subsidiaries, Artu Biologicals Europe B.V., Artu Biologicals Real Estate B.V., Artu Biologicals Deutschland GmbH & Co. KG and Artu Deutschland Verwaltungs GmbH. The Group also intends to dispose of its Medical Aids Division (Laprolan B.V.) in 2011.

As part of the Fornix BioSciences N.V. strategy review, other options will continue to be sought, such as a merger or reverse takeover of Fornix BioSciences N.V. Given the solid track record as a listed company and its liquidity position, a merger or reverse takeover is still seen as the preferred option in the interests of all the stakeholders of Fornix BioSciences N.V.

In parallel with the disposal of Laprolan and Artu Deutschland and the examination of alternatives in the context of a merger or reverse takeover, measures have been taken, in view of the reduced operational activities, to substantially reduce the overhead costs of Fornix BioSciences N.V. Because of Fornix BioSciences N.V.'s strongly reduced infrastructure, the costs of seeking a merger or reverse takeover candidate will be significantly lower. This will relieve the urgency of finding a suitable candidate.

Taking the above into account, the Board of Directors has compiled the annual report on the basis of continuity. However, at the present moment, no certainty can be given concerning the outcome of the strategic options and, with these, the basis for continuity. In the event that the strategic options are not feasible, it is possible that Fornix BioSciences N.V. will take the course of liquidation. However if the sale of Laprolan B.V. is approved at the forthcoming extraordinary General Meeting of Shareholders on 30 March 2011, liquidation cannot take place before 1 January 2012 since Fornix BioSciences N.V. has made this commitment to the buyer.

Fornix BioSciences N.V. expects, based on its current financial situation, to have sufficient cash reserves at its disposal to continue with its limited cost apparatus in the coming two years.

### **3 Statement of compliance**



The annual accounts 2010 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

#### **4 Basis of preparation**

The consolidated annual accounts are presented in thousands of Euros.

The Group reports according to IFRS. For the year 2010 no important changes occurred with regard to the accounting principles of the Group.

#### **5 Use of estimates and judgements**

The preparation of the annual accounts requires the management of the Company to form opinions and to make estimates and assumptions that influence the application of policies and the reported values of assets and liabilities and of income and expenses. The actual outcomes may differ from these estimates.