



2004 Half year results: Further improvement in profitability

The Board of Directors, meeting on 2 September 2004 under the chairmanship of Albert Saporta approved the consolidated financial statements at 30 June 2004.

(€ millions)	2004 1 st half year	% of sales	2003 1 st half year	% of sales	% growth
Sales	46.3	100.0	42.5	100.0	9
Cost of sales	(12.7)	27.5	(13.3)	31.4	(5)
Gross profit	33.6	72.5	29.2	68.6	20
Other operating expenses	(20.2)	43.6	(18.9)	44.4	7
Gross operating profit	13.4	28.9	10.3	24.2	30
R&D	(5.7)	12.2	(4.1)	9.6	39
Operating profit	7.7	16.7	6.2	14.6	25
Net profit	4.3	9.2	3.2	7.5	33
Net borrowings	6.8		18.1		(62)
Gearing	17%		53%		

2004 1st half year group sales increased by **9%** over the same period last year:

- In **France**, growth remained strong at **15%**. The new treatments are 81% administered by the sublingual route compared to 70% in 2003.
- **Subsidiaries**¹ remained well focused and growth more than offset the decline on the price of vaccines in Germany. Net sales grew by **3%**.
- **Distributors** marked a temporary pause with growth of **1%** due to a significant transfer of orders to the second half year.

The Operating margin grew by close to 5 points due to significant economies in purchases and logistics and further productivity gains. This contributed towards the funding of the tablets programme, in line with the group's strategy.

Operating profit thus grew by 25% over the same period last year to represent 16.7% of sales, compared to 14.6% of sales for the 1st half of 2003.

Net profit increased by 33% to represent 9.2% of sales, compared to 7.5% of sales for the 1st half of 2003.

Net borrowings decreased by 62% as a result of a further reduction in working capital requirements.

Prospects

1st half year sales confirm the forecast of annual growth in excess of 7% and continued improvement in the gross margin, authorising an increase in R&D costs to develop allergen tablets.

¹ Germany, Italy, Belgium, Spain and Portugal

About STALLERGENES

Stallergènes Group is today Europe's leading pharmaceutical laboratory specialising in allergen immunotherapy, both in terms of number of patients treated (N°1) and sales (N°2). In its 40 years of existence, Stallergènes has established itself as a dynamic player, frequently as an innovator, in the battle to prevent and cure allergies, particularly rhinitis and asthma.

Stallergènes devotes over 10% of its sales to its Research and Development activities.

Stallergènes' development is focused on the French market, and on international markets, which are served by the Group's subsidiaries based in Germany, Spain, Italy, Portugal and Belgium, as well as by its distributors based in Eastern Europe, North Africa and elsewhere.

Shares of the Group's parent company, Stallergènes SA, have been listed on the Second Market of the Paris Stock Exchange since 21 July 1998

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Bloomberg Code: GEN.FP

All Group financial information is available on our web site at:

www.stallergenes.com