Full-year accounts for 2008

- ***Revenues: + 134%***
- ***Loramyc® is creating value***
- ***Commercial synergies in the near future***
- ***2008 end-of-year cash reserves: €32 million***

Paris, March 5, 2009 – BioAlliance Pharma SA (Euronext Paris: BIO), the specialty pharmaceutical company focused on the treatment of opportunistic infections in cancer and AIDS, today presented its consolidated financial results for the fiscal year ended December 31, 2008.

Consolidated accounts (IFRS-compliant) in thousands of euros	31/12/2008	31/12/2007
Revenues	8,174	3,529
Operating loss	(23,192)	(19,565)
Financial profit	1,828	1,317
Net loss	(21,366)	(18,249)
End-of-year cash reserves	31,691	56,256

2008 was marked by several significant events testifying to the company's progress:

- dynamic sales performance for Loramyc® in France.
- continuation of an active international alliance & licensing policy.
- decisive portfolio progress, with a positive pivotal trial in the United States.
- dynamic, pro-active management of the company's resources and the skills essential for its continued growth.

Commenting on BioAlliance Pharma's 2008 performance, Dominique Costantini (the company's President and CEO) declared: "At the end of the full first year of Loramyc® sales in France, we can see that our first marketed product is integrating well into prescribing habits and expert recommendations. Loramyc® has been administered to nearly 20,000 patients and consolidated sales have reached the symbolic €1 million threshold. We are going to build on this success in 2009. Internationally, we signed two new license agreements on Loramyc® in south-east Asia and prospects for the North American market are looking good, following this year's positive results in our Phase III study".

Dominique Costantini added, "In 2008, we sought to maximize the potential for value creation. This meant that in order to optimize our commercial organization, we licensed-in two complementary cancer supportive care products for Europe. The two products are close to registration and will generate commercial synergies in the near future. Lastly, we have refocused our resources on the most promising R&D projects by capitalizing on our unique technological know-how. Today, BioAlliance Pharma is in good shape to tackle the challenges of 2009 and pursue its balanced growth track".

Analysis of the 2008 fiscal year

Revenues for 2008 amounted to €8.2 million - a 134% progression, compared with the previous year. Licensing brought in €7 million in 2008 (the various Loramyc® agreements signed since 2007 have already earned €25 million for BioAlliance Pharma and are recognized in the accounts over 2 to 10 years, in compliance with the international standards). Furthermore, Loramyc® sales amounted to €1 million (96% of which was generated in France).

In 2008, the group pursued its dynamic policy of value creation, based on the following programs:
- pipeline progress, with finalization of the Phase III Loramyc® trial in the United States, the Phase III trial on acyclovir Lauriad® (BA021) and acquisition of Europe-wide licenses for two products (ondansetron Oral Spray and ondansetron RapidFilm™).
- development programs that are now close to the clinic, including 3 projects involving Lauriad® buccal muco-adhesive technology and an innovative product in invasive melanoma (BA015 AMEP).
- promising programs for which proofs of concept were obtained in 2008: a oral anticancer agent using the company's proprietary know-how on Transdrug® nanoparticles (BA018 irinotecan Transdrug®), as well as two novel entities for use in AIDS (BA011 Anti-Integrase) and cancer (BA016 Zyxin).

Apart from R&D investments, the operating loss of €23.2 million includes the following elements:
- marketing expenses related to Loramyc®'s launch in France.
- upfront payments made on signature of the European licenses for the ondansetron products (€2.9 million).
- a research tax credit of €2.3 million - over twice the 2007 figure.
- various general and administration expenses, including intellectual property costs and those related to license negotiation.
- IFRS adjustments, including a €1.2 million charge related to the warrants, stock options and free shares allotted by the group since 2006 (IFRS 2).

The financial profit amounted to €1.8 million, versus €1.2 million in 2007. This profit results from investment of the company's cash reserves, which rose substantially in August 2007 following a €40 million private placement.

The net loss for the accounting period was €21.4 million, versus €18.3 million for the previous year.

Cash and cash equivalents as of December 31 2008 amounted to €31.7 million. Furthermore, and setting aside any new agreements signed in the coming years, BioAlliance Pharma expects to receive up to $21.5 million in milestone payments in 2009-2010 under the terms of its existing licensing and collaboration agreements. The company is also expecting to receive €4 million as a research tax credit.

Comments on the group's business activity in the first quarter of 2009, and outlook

On February 27, 2009, BioAlliance Pharma reacquired the sales rights to Loramyc® in Europe and terminated the exclusive license contract signed in 2007 with the company SpeBio. In order to obtain compensation for losses suffered as a result of delays in commercialization and sale of Loramyc®, BioAlliance Pharma has initiated legal proceedings against SpeBio at the Paris trade tribunal.

Despite the pharmaceutical market slow-down and a turbulent macro-economic situation, BioAlliance Pharma is confident of its ability to ensure the continued Europe-wide commercialization of Loramyc® directly via its own sales teams in some countries and through specialist oncology partners in others.

Furthermore, in March, BioAlliance Pharma was awarded marketing approval for Loramyc® in South Korea and has now initiated pricing and reimbursement procedures with its partner, Handok.

The next key steps in BioAlliance Pharma's development are as follows:
- acceptance of US filing for Loramyc® in the United States: Q2 2009.
- a new European sales organization for Loramyc®: 2009.
- completion of the first Phase III trial of acyclovir Lauriad in Europe: H2 2009.
- integration of an advanced project (nursing): Q2 2009.
- new alliances in 2009.
- approval of Loramyc® by the FDA: Q1 2010.
- the European launch of ondansetron RapidFilm™: H1 2010.
- Filing for registration of ondansetron Oral Spray: H1 2010.

Analyst presentation and conference call (in English)

BioAlliance Pharma will hold a presentation at 9:00 am on Friday, March 6, at its corporate headquarters (49 Boulevard Martial Valin, Paris, France). A conference call in English will be held at 11:00 am local time (Paris time = GMT+1). The dial-in numbers and access codes are listed below.

Dialing from within France: 0805 11 86 18

From abroad:

USA: +1 866 907 5930
UK: 0808 238 6099
Belgium: 0800 483 70 and then the access code 996082#
Germany: 0800 1014 772 and then the access code: 996082#
Switzerland: 0800 000 244 and then the access code: 996082#
Luxembourg: 0800 27 185 and then the access code: 996082#
Finland: 0800 11 53 53 and then the access code: 996082#
Sweden: 0200 88 76 26 and then the access code: 996082#
The Netherlands: 080 00 23 35 88 and then the access code: 996082#

Conference call replay number: +33 (0)1 72 28 01 49 (In English), then dial 243965#

About BioAlliance Pharma

As a preferred partner for hospital-based specialists, BioAlliance Pharma is a specialty biopharmaceutical company which develops and markets innovative products, especially in the fields of opportunistic infections and chemotherapy complications. In areas where medical needs are insufficiently met, our targeted approaches help overcome drug resistance and improve patient health & quality of life. BioAlliance Pharma's ambition is to become a leading European player in these fields by coupling innovation to patient needs.
For more information, visit the BioAlliance Pharma web site at *http://www.bioalliancepharma.com.*

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