

JANUARY - SEPTEMBER 2011 RESULTS

P&L Account

| <i>Thousands of €</i> | 09/2011 | 09/2010 |
|-------------------------------|---------------|------------------------|
| Total revenues | 159,470 | 165,395 |
| Ministry of Health discounts | 7,535 | 2,975 |
| Commercial costs | 45,455 | 41,809 |
| Other operating expenses | 83,391 | 88,804 |
| Amortization and depreciation | 6,891 | 6,735 |
| EBIT | 16,198 | 25,072 |
| Financial results | (1,938) | (2,280) |
| Profit before tax | 14,260 | 22,792 |
| Income Tax | 273 | (2,785) |
| Net profit | 14,533 | 20,007 - 27.4 % |

Diversification in order to grow in a penalized sector.

As we already commented in our first semester's note, pharmaceutical laboratories have suffered, during the first three quarters of 2011 the complete effect of our compulsory and exorbitant contributions to the National Health System, while during the previous year, only the last quarter was affected.

It is also outstanding the necessary promotional investment made for the four new products commercialized this year, figure that will be maintained next year as an

effort to improve and consolidate their sales. Bilastina, Acoxxel, Ristaben and Ristfor (diabetes) and Hirobriz (COPD) are the future hopes for a sustained growth. This challenge needs an initial expense which reduces margins during the first years, in order to widely recover the investment later. Specifically, there is almost 6 million euros in September, for the whole of the mentioned products, effect that has been partly balanced with the reduction of other items of commercial costs.

Faes Farma Group has managed to partly reduce this negative situation by means of an appropriate diversification. Growing in international markets, obtaining important licences, consolidating bilastine and opting for free price products, allows us to keep the P&L account under acceptable variations, considering the serious sector's and general situation.

Indeed, the new licences commercialized in 2011 are achieving the expected growth rate, as well as exportations and OTC products. Bilastine is obtaining outstanding market shares in Spain, close to 11%, with prospects of reaching 30%.

If we transferred the two aforementioned concepts to margins, 4,5 million euros of higher contributions to the Ministry of Health and 6 million euros of new commercial cost, all our profit lines in our P&L Account would have shown very positive increases.

This path will, presumably, allow us to revert the current situation of profit reduction and reach the established aims which are: for 2013 a gross profit 50% higher than in 2010, which was 19.4 million euros, doubling this figure in 2014.

November 15th, 2011.