

JANUARY - SEPTEMBER 2013 RESULTS

<i>Thousands of €</i>	09/2013	09/2012	% Var.
Total Revenue	153,229	147,841	
Ministry of Health discounts	4,888	6,200	
Commercial costs	41,461	43,757	
Other operating expenses	73,582	70,235	
EBITDA	33,298	27,649	+ 20.4%
Amortization and depreciation	8,857	7,302	
EBIT	24,441	20,347	+ 20.1 %
Financial results	(1,049)	(1,291)	
Profit before tax	23,392	19,056	+ 22.8 %
Income tax	(2,100)	259	
Net profit	21,292	19,315	+ 10.2 %

OUR STRATEGY CONSOLIDATES GROWTH

This third quarter shows a significant growth in Profit before tax, which is 22.8% higher than in the same period of the previous year. The positive trend and excellent margins derived from the correct strategy started years ago is hereby confirmed by this considerable percentage of growth.

1.- Licenses of medicines commercialized by the Group both in Spain and Portugal, are increasing sales significantly, specially anti-inflammatory and anti-diabetic lines, which have accumulated growths of +12 and +35%, respectively, up to September.

2.- The animal nutrition business, provides, in addition to diversification, important revenues and very relevant profits. Accumulated growth in sales of 15% in Iberia and 47% in exportations as of September, confirms that the acquisition was a success and it strengthens its strategic role.

3.- International business is gaining importance, due to its consistency in growth, driven by the commercialization of new products in countries where we were already present.

At the same time, the opening of new markets, among which Venezuela stands out, and the strong growth provided by recent markets for Faes Farma, like our subsidiaries in Colombia, Ecuador and Chile, will be reinforced by the recent constitution of a joint-venture in the important market of Mexico.

4.- We highlight as a special area, our self developed anti-histaminic Bilastine, with three ways of generating profits. On one hand, by means of direct sales in our reference markets: Spain, where it grows at a rhythm of +37% in its third year of life, Portugal, where it was launched with success last April and Latin America; on the other hand, royalties received from our licensees from sales in their markets and, at the same time, milestones

paid by the licensees after culmination of certain stages in the development of license agreements.

We must point out that the license for Japan, the world's first anti-histaminic market, already meant in 2012 a significant part of our profits after the signature of the license agreement in July and that revenues have continued along 2013 due to fulfillment of milestones related to advances in local clinical trials.

5.- Combination of all these factors, have allowed us not only to grow strongly in 2012, but to continue with growth in 2013.

Gross revenues improve 3.6% in an environment of restrictive demand in European markets (prescription market in Spain decreased an accumulated 2.7% up to September), due not only to under funding of drugs but also to the reduction of private expense and public budget cuts.

This increase in revenues is the basis in which the two digit growth in profits is supported. **Profit before tax is 22.8%** higher than in the third quarter of the previous year, **Ebit +20.1% and Ebitda +20.4%**.

6.- The mentioned areas will continue to consolidate in the future, specially Bilastine. In most markets in which it is already on sale, the commercialization is recent and there are still future launches in many new crucial markets such as Russia, China, Australia and specially Japan, where clinical trials progress at good rhythm and where the phase I trials have been completed successfully, being currently in progress phase II trials. Therefore, commercialization will, reasonably, take place on the planned dates. We must not forget that new presentations for different

ages, new indications, new ways of administration and new combinations are being developed for Bilastine, all of which, will allow to maximize its commercial life cycle.

Financial issues

The financial strength of our balance sheet is confirmed and consolidated in 2013. The improvement in profits, the revenues due to Bilastine and a successful shareholder remuneration politic have allowed us to improve our financial ratios. Gross debt and net bank debt decrease, so we continue with the improvements shown in previous periods.

We closed 2012 with a reduction of the debt ratio, which went from 35.5% in 2011 to 28%, and we estimate to end this year some points below that.

Bank debt has been also reduced from 2.46 times Ebitda in 2011 to 1.52 times in 2012, with a new decrease to 1.4 times Ebitda in the first semester, expecting that it will decrease even more by the end of the year.

Therefore, the net financial result will continue in 2013 the same path of improvement started in 2010.

Shareholder remuneration

The General Shareholders' Meeting held in June 2013 approved, for next year too, a remuneration plan consisting in two scrip dividends and a free capital increase. The success of these operations and the good welcome that had those agreed by the Shareholders' Meeting held in 2012, advise

to execute the approved agreements during the following months. This will provide shareholders with the flexibility to choose between receiving cash or subscribing new shares and, therefore, benefit from tax advantages.

8 November 2013.