

Up to 25.3 million euros, the highest figure in its history

FAES FARMA INCREASES ITS NET PROFIT BY 12.1% IN 2014

- The company's revenue reached 191.7 million euros, 6.3% higher than in 2013. According to IMS data, Faes Farma's growth in Spain was +5.9%, much higher than the registered by the whole sector in the Spanish market (+0.5%).
- EBITDA increases by 16.6% to 42.2 million, helped by the increase in sales and the cost containment. Margin over sales reaches 22%, compared to 20.1% in 2013.
- Faes Farma reduces its net debt by 53% to 21 million euros. The good financial situation allows the Group to be in an optimal condition to approach new investments.

27 February 2015.- Faes Farma has closed 2014 with growths in all the main magnitudes of its P&L Account thanks to the positive progress of its relevant products. The **turnover** grew by 6.3% to 191.7 million euros. According to IMS data, Faes Farma has been the second Spanish laboratory for its growth in terms of revenues (not considering laboratories specialized in generic drugs), which reaffirms the good health of the Group's business. According to this source, Faes Farma grew in Spain by 5.9%, a very positive increase compared to the figure registered by the whole Spanish market, which reached +0.5%.

The increase in the Company's sales has mainly relied on the revenues obtained from Bilastine's licences linked to the fulfillment of certain milestones, on the positive development of the international business (exports grew by 24%) and animal nutrition, as well as on sales of the products marketed over the last years (specially Bilaxten and the anti-diabetic and anti-inflammatory licences) and the catalogue of mature products.

EBITDA has reached 42.2 million euros, a 16.6% increase over the same period last year. With it, Faes Farma has closed 2014 with an EBITDA margin over sales of 22%, compared to the 20.1% of the previous year. The suitable composition of sales of those products with higher growth rates has allowed the Company to have lower costs of sales than in the previous year. In the same way, the Group has gained in terms of productivity with the containment of personnel expenses and operating costs despite the higher sales. The sum of all these factors has allowed to increase the profitability of business in accordance with the strategic aims of the Company.

EBIT has reached 33.3 million euros, a 28.8% more than in 2013, with a margin over sales higher than 17%. These numbers reflect the Company's operational improvement. On the other hand, the **net financial result** increases by 69% due to drop of financial expenses (linked to the reduction of bank debt and the lower interest rates).

Even though the Income Tax multiplies almost five times in 2014, **Net Profit** reaches 25.3 million euros, the highest figure in the Company's history. The net profit margin on sales reaches 13.2%, seven percentage points higher than the one registered at 31 December 2013.

Net debt totals 21 million euros compared to 45 million in 2013, which represents a decrease of 53%. In this way, Faes Farma has closed 2014 with very comfortable debt ratios, which enables it to position itself in an optimal time to approach new investments adapted to its business and size.

MAIN MAGNITUDES OF THE P&L ACCOUNT

€ million	December 2014	% over sales	December 2013	% over sales	% Var. 2014/2013
Total Revenues	198,1		193,3		2,5%
Ordinary income / sales	191,7		180,4		6,3%
Other operating income	6,3	3,3%	12,9	7,2%	-51,1%
Cost of sales	-66,0	34,4%	-66,6	36,9%	-1,0%
Gross margin	132,1	68,9%	126,7	70,2%	4,3%
Personnel expenses	-46,2	24,1%	-46,2	25,6%	-0,1%
Other operating expenses	-43,7	22,8%	-44,3	24,5%	-1,3%
EBITDA	42,2	22,0%	36,2	20,1%	16,6%
Amort. and impairment losses	-9,0	4,7%	-10,4	5,8%	-13,7%
EBIT	33,3	17,3%	25,8	14,3%	28,8%
Financial results	-0,5	0,3%	-1,6	0,9%	-68,8%
Profit before tax	32,8	17,1%	24,2	13,4%	35,4%
Income Tax	-7,4	3,9%	-1,6	0,9%	366,2%
Net profit	25,3	13,2%	22,6	12,5%	12,1%

About Faes Farma:

Faes Farma is a Spanish company with international vocation that researches, manufactures and commercializes pharmaceutical products and raw materials, exporting to more than 60 countries. FAES FARMA develops its activity with the objective of achieving the highest pharmacological quality in its products which means effective solutions for patients. As well as the head office and the R&D center in Vizcaya, Laboratorios Vitoria in Lisbon, the production plants in both cities and the animal health and nutrition company, Ingaso Farm, FAES FARMA has four commercial subsidiaries in the world, being present in 45 countries and employing 738 people. On 9 February 2015 it has been selected to be part of the Ibex Top Dividend index which includes the 25 stocks with higher remuneration via dividends in 2014.