

Exceeding its business estimates

## **FAES FARMA INCREASES ITS NET PROFIT BY 19.3% UP TO 6.8 MILLION EUROS.**

- Sales have increased by 8% improving the growth rate recorded at the end of the previous year and exceeding the +0.9% increase recorded by the whole of the Spanish market
- The significant increase in turnover is supported by growths in own drugs and by the excellent progress of the activity areas Ingaso Iberia, International and Bilastine
- EBIT grew by +24.7% and the margin increases to 17.8% (vs 15.3% of the first quarter of 2014)
- The company still has a comfortable financial situation. Annualizing the EBITDA achieved to March, the bank debt stands at 0.15 times EBITDA.

**14 May 2015.-** Faes Farma improves its **turnover** by +8%, up to 51.3 million euros in the first quarter of 2015. This way, the Group maintains the positive trend shown at the end of last year. The growth in sales relies on the good development of own drugs and the excellent and recurrent positive track of Ingaso Iberia and Bilastine.

Noteworthy is the good progress of income from medicines in Spain, which have grown by 7.2% (according to IMS), a far higher figure than the +0.9% recorded by the whole domestic market. On the other hand, the international business requires also a special mention. The relevant increase in sales of these past years continues this first quarter of 2015, in which the turnover from outside the Iberian market presents a +16.6% increase.

As previously stated, the combination of all these positive effects allows a sales increase of +8%, which exceeds the estimations announced last March, that anticipated a growth range between 4% and 7% in turnover for the present year.

**EBITDA** amounted to 11.2 million, signifying a 16.6% increase. The EBITDA margin on sales was 22%, thanks to the combination of income increase with a mix of sales in which products with lower production costs grow (allowing to reduce the relative weight of consumptions).

The financial result heading becomes a net income in this first quarter of the year, mainly due to the improvement of our securities portfolio and the reduced cost of debt (because of low interest rates and lower debt). With all these elements, Faes Farma closes the quarter with a **Net Profit** of 6.8 million, showing an improvement of 19.3%.

Regarding the financial situation, it has not changed significantly compared to the end of 2014. The company's debt ratios are at very low levels due to the current minimum bank debt. So, annualizing the EBITDA achieved until March, the bank debt stands at

0.15 times EBITDA. This situation places Faes Farma in an ideal position to invest in new products, corporate transactions, improvement of industrial plants and research.

### MAIN MAGNITUDES OF THE P&L ACCOUNT

€ million	March 2015	% over sales	March 2014	% over sales	% Var. 2015/2014
<b>Total Revenues</b>	<b>51.4</b>		<b>47.5</b>		<b>8.2%</b>
Ordinary income/sales	51.3	100%	47.5	100%	8.0%
Other operating income	0.1	0.2%	0.0	-	-
Cost of sales	-16.5	32.2%	-16.1	33.9%	2.5%
<b>Gross margin</b>	<b>34.9</b>	<b>68.0%</b>	<b>31.4</b>	<b>66.1%</b>	<b>11.1%</b>
Personnel expenses	-12.0	23.4%	-13.0	27.4%	-7.6%
Other operating expenses	-11.7	22.8%	-8.8	18.5%	33.0%
<b>EBITDA</b>	<b>11.2</b>	<b>21.8%</b>	<b>9.6</b>	<b>20.2%</b>	<b>16.6%</b>
Amort. and impairment losses	-2.1	4.0%	-2.3	4.9%	-8.7%
<b>EBIT</b>	<b>9.1</b>	<b>17.8%</b>	<b>7.3</b>	<b>15.3%</b>	<b>24.7%</b>
Financial results	0.5	-0.9%	-0.2	0.4%	-350%
<b>Profit before tax</b>	<b>9.6</b>	<b>18.7%</b>	<b>7.1</b>	<b>14.9%</b>	<b>35.2%</b>
Income tax	-2.8	5.4%	-1.4	2.9%	100%
<b>Net profit</b>	<b>6.8</b>	<b>13.3%</b>	<b>5.7</b>	<b>12.0%</b>	<b>19.3%</b>

#### 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.