REPORT AT 31 DECEMBER 2014

Madrid, 26 February 2015

2014 HIGHLIGHTS

Corporate

- Group net sales amounted to 149.7 million euro (+5.5%).
- Yondelis® accounted for 76.8 million euro (+5.3%).
- Sales by the Consumer Chemicals segment amounted to 66.6 million euro, 7.6% more than in 2014.
- Group EBITDA totalled 25.7 million euro, 7.9% more than in the previous year. The Oncology area was the main contributor to this growth, accounting for 34.6 million euro of consolidated EBITDA
- Net attributable profit increased by 15.8% to 13.1 million euro.

Oncology

- PharmaMar partner Janssen Research & Development filed an application with the US Food and Drug Administration (FDA) to register Yondelis® for the treatment of all types of advanced soft tissue sarcoma. In February 2015, the FDA granted priority review status to that application.
- PharmaMar and Chugai Pharma Marketing signed a licensing and marketing agreement for Aplidin® in July.
- PharmaMar partner Taiho Pharmaceuticals filed an application with the Japanese regulator (PMDA) for marketing authorisation for the treatment of several soft tissue sarcoma subtypes. The Japanese authorities also granted priority review status to the application.
- Taiho Pharmaceuticals had previously presented positive results from the pivotal registration trial in Japan with Yondelis® in soft tissue sarcoma at the American Society of Clinical Oncology (ASCO) Annual Meeting. Those results were the basis for the application for marketing authorisation filed with the Japanese authorities
- PharmaMar Italia signed an agreement with GP Pharm, S.A. for the exclusive distribution in Italy of the drug Politrate® for prostate cancer.
- With regard to PM1183, overall survival data from a Phase IIb trial in platinum-resistant ovarian cancer was presented at ASCO. A 67% response was reported in second-line treatment of patients with small cell lung cancer.

Diagnostics

- The CLART® CMA NRAS kit to diagnose relevant mutations in metastatic colon cancer was launched.
- Implementation of a new business line: Analysis of biomarkers and massive sequencing.

RNAi

- A new Phase IIb trial commenced with SYL040012 (Bamosiran) for treating glaucoma and ocular hypertension

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FIGURES TO DECEMBER 2014

Period	12/31/2014	12/31/2013	Δ%	Q4 14	Q4 13	Δ%
Net Revenue (€ 000)						
Consumer Chemicals	66,583	61,876	*8%*	11,438	10,683	*7%*
Biopharmaceuticals	82,259	79,112	*4%*	21,046	21,682	*-3%*
Unallocated	810	836	*-3%*	260	215	*21%*
Total Group	**149,652**	**141,824**	***6%***	**32,744**	**32,580**	***1%***
Cost of goods sold (€ 000)	40,765	37,900	*8%*	7,925	7,473	*6%*
Gross Income	**108,887**	**103,924**	***5%***	**24,819**	**25,107**	***-1%***
Gross Margin	72.76%	73.28%		75.80%	77.06%	
Other operating revenues						
Consumer Chemicals	348	276		157	266	
Biopharmaceuticals	28,058	21,348		5,226	457	
Unallocated	2	1,234		-5	1,233	
	28,408	**22,858**	***24.3%***	**5,378**	**1,956**	***175%***
TOTAL REVENUE	**178,060**	**164,682**	***8%***	**38,122**	**34,536**	***10%***
EBITDA (€ 000)						
Consumer Chemicals	5,778	3,836		-506	-798	
Biopharmaceuticals	28,907	26,247		3,300	3,578	
Unallocated	-8,985	-6,265		-2,740	-757	
Total Group	**25,700**	**23,818**	***8%***	**54**	**2,023**	**-97%**
R&D Expenditure						
Oncology	45,346	36,493	*24%*	13,477	10,025	*34%*
Other	7,110	6,224	*14%*	1,880	825	*128%*
Total Group	**52,456**	**42,717**	***23%***	**15,357**	**10,850**	***42%***
Marketing & Commercial Expenses						
Consumer Chemicals	19,052	18,803	*1%*	4,378	4,714	*-7%*
Biopharmaceuticals	23,110	22,426	*3%*	5,559	5,083	*9%*
Other	11	22		5	15	
Total Group	**42,173**	**41,251**	***2%***	**9,942**	**9,812**	***1%***
Income for the year attributable to equity-holders of the parent company	**13,115**	**11,322**	***16%***	**-4,406**	**-2,772**	

(Thousand euro)

Net sales

Group net revenues totalled 149.7 million euro in 2014, 5.5% more than in 2013 (141.8 million euro).

Net sales in the Biopharmaceutical business amounted to 82.3 million euro, a 4% increase with respect to 2013 (79.1 million euro). Of that figure, 76.8 million euro were from Yondelis® sales at PharmaMar (72.9 million euro in 2013), a 5.3% increase year-on-year.

Net sales by the Consumer Chemicals subsidiaries totalled 66.6 million euro (61.9 million euro in 2013), an 8% increase year-on-year.

Other operating revenues

This item comprises revenues from licensing agreements, including milestone and similar payments, as well as royalties and subsidies.

Other operating revenues amounted to 28.4 million euro in 2014 (22.9 million euro in 2013). In 2014, PharmaMar collected 25 million dollars (18.3 million euro) under the new action plan signed in 2011 with Janssen Products LP. (Johnson & Johnson Pharmaceutical Research & Development, LLC.) to intensify the development of Yondelis® in the US for soft tissue sarcoma and relapsed ovarian cancer. The remainder of these other operating revenues consist of the proportional part of the 5 million euro upfront payment received from Chugai Pharma for the Aplidin licensing agreement signed in July 2014, plus royalties on Yondelis® sales in non-EU countries, and 1 million euro from Janssen for attaining the milestone consisting of presentation to the FDA of an application to market Yondelis. Other components were R&D subsidies and other minor items.

Total revenues and revenues from outside Spain

Group revenues (net sales plus other operating revenues) totalled 178.1 million euro in the 2014 (164.7 million euro in 2013), of which 61% (109.1 million euro) came from outside Spain.

Most notably, Group net sales outside Spain increased by 8% with respect to 2013.

In the Biopharmaceutical segment, international revenues (net sales plus other operating revenues) accounted for 88% of the total.

Margins: Gross margin and EBITDA

The group's gross margin remained stable with respect to 2013: 73% of revenues.

Group EBITDA from ongoing activities totalled 25.7 million euro in 2014 (23.8 million euro in 2013). This 2 million euro increase was due to revenues from the new licence contract signed in 2014 and the milestone payments collected under previous licensing agreements (5.6 million euro more than in 2013) and the increase in sales in both business segments (7.9 million euro more than in 2013), offset by higher R&D expenditure (9.7 million euro more than in 2013).

(EBITDA: earnings before interest, taxes, depreciation and amortisation)

R&D expenditure

R&D expenditure increased by 23% year-on-year, to 52.5 million euro in 2014 (42.7 million euro in 2013).The Oncology area spent 45.3 million euro in 2014 (36.5 million euro in 2013), while the Diagnostics and RNA interference area spent 6.7 million euro (6 million euro in 2013).

The increase in R&D costs in the Oncology area is due mainly to the Phase III registration trial with Aplidin® in multiple myeloma. Also in 2014, additional activities were performed in the preclinical area and the necessary supplementary clinical trials were performed to be able to present the registration dossier.

A number of trials with Yondelis® in combination with Caelyx were relaunched (specifically, Phase IV trials) once the Caelyx supply problems had been resolved.

Major efforts were made in 2014 to drive the development of PM01183, specifically Phase I and II trials.

Marketing and commercial expenses

Marketing and commercial expenses amounted to 42.2 million euro in 2014 (41.3 million euro in 2013), an increase of 2% that is moderate compared with the increase in revenues.

Income attributable to the parent company

Income attributable to the parent company amounted to 13.1 million euro, compared with 11.3 million euro in 2013, an increase of 15.8%.

Cash and Debt

Cash and cash equivalents plus current and no current financial assets amounted to 36.6 million euro at 2014 year-end (29.7 million euro at 2013 year-end). The Group's total interest-bearing debt (current and non-current) amounted to 91.5 million euro at year-end (94.3 million euro at 31 December 2013).

The breakdown of current and non-current debt at amortised cost is as follows:

	12/31/2014	***12/31/2013***
Long term interest bearing debt	***47,003***	***52,941***
Bank debt	20,911	25,151
Govt. agencies: R&D funding (interest free debt)	26,092	23,790
Others	0	4,000
Short term interest-bearing debt	***44,466***	***41,327***
Credit facilities	7,648	10,959
Effects and certifications	2,172	1,836
Bank loan	25,873	22,648
Govt. agencies: R&D funding (interest free debt)	3,512	3,992
Interest and others	5,261	1,892
Total financial debt	***91,469***	***94,268***
Cash & cash equivalents + no current and current financial investments	***36,583***	***29,683***
TOTAL NET DEBT	***-54,886***	***-64,585***

Total net debt improved with respect to December 2013, declining by 15% due to the reduction in total debt and the increase in cash and cash equivalents and financial assets.

The Group had credit lines totalling 33.7 million euro at 31 December 2014. The unused balance under those credit lines at that date was 26 million euro.

BUSINESS PERFORMANCE.

Below is an overview of the group companies' business performance in 2014.

B) Biopharmaceuticals

1.- Oncology: PharmaMar

The main events of 2014 regarding PharmaMar, the oncology business unit, were as follows:

In April, Taiho Pharmaceuticals, the Japanese partner for anti-tumour drug Yondelis (trabectedin), completed the pivotal Phase II registration trial in soft tissue sarcoma, with positive results. Those results were reported to the annual meeting of the American Society of Clinical Oncology. Nine months later, in January 2015, based on the clinical benefit evidenced by that trial, Taiho filed an application with the Japanese regulator (PMDA) for marketing authorisation for the treatment of several soft tissue sarcoma subtypes. The application will receive priority review from the Japanese authorities as trabectedin has been designated as an orphan drug in Japan.

In November, Janssen Research & Development, PharmaMar's strategic partner for the development of Yondelis in the US, submitted to the FDA an application to market Yondelis to treat patients with advanced soft tissue sarcoma who have previously received chemotherapy. In February 2015, the FDA granted priority review status to that application. Priority review takes six months. The FDA grants priority review to therapies that may offer a significant improvement in safety or efficacy of the treatment, diagnosis or prevention of serious diseases in comparison with available treatments.

With regard to new licensing contracts and strategic agreements, in July 2014, PharmaMar and Chugai Pharma Marketing signed a licensing agreement by which Chugai Pharma will sell Aplidin, a PharmaMar product, in eight European countries (France, Germany, the UK, Benelux, Ireland and Austria) if that product is approved. Aplidin is currently in Phase III clinical trials for the treatment of relapsed and refractory multiple myeloma. Under the terms of the agreement, PharmaMar collected an upfront payment of 5 million euro. The agreement also envisages additional payments of up to 30 million euro subject to attainment of certain milestones in connection with development of the compound and other regulatory and commercial objectives.

Pharma Mar, S.R.L., an Italian subsidiary of Pharma Mar, S.A., signed a licence agreement with GP Pharm, S.A. under which Pharma Mar S.R.L. will have exclusive distribution rights in Italy to GP Pharm's drug Politrate, which has been approved in 23 European countries for treating prostate cancer.

The current status of compounds in the pipeline is described below.

a) Yondelis®:

Soft-tissue sarcoma

Recruitment continues in Japan for the Phase II trial at Japan's National Cancer Centre, sponsored by our partner Taiho, with a view to allowing access to Yondelis® on a compassionate use basis.

Regarding the observational and post-authorisation trials with Yondelis® in collaboration with a number of cooperatives, recruitment continues for the TR1US trial with Yondelis® as first-line treatment in patients that cannot be given doxorubicin and/or ifosfamide and for the trial organised by the Italian Sarcoma Group using Yondelis® as neoadjuvant therapy in patients with myxoid liposarcoma.

Five new observational and post-authorisation trials commenced in the fourth quarter of 2014, exploring the combination of Yondelis® with radiotherapy, hyperthermia, and the new drug Olaparib (Lynparza), which was recently approved by the EMA.

Ovarian cancer

Recruitment continues on schedule for the pivotal clinical trial in ovarian cancer in the US, sponsored by Janssen. This trial will form the basis of a potential registration for this indication in the US and other countries where Yondelis® is not yet approved for ovarian cancer.

Recruitment also continues satisfactorily for the Phase II trial to evaluate the efficacy of Yondelis® + bevacizumab, with and without carboplatin, which is being promoted by the Mario Negri Institute in Milan.

The OvaYond observational trial continues to enrol ovarian cancer patients being treated with Yondelis® and PLD in Germany in actual practice.

Recruitment continues on schedule for the INOVATYON Phase II trial, organised by MANGO group, which compares treatment with PLD+Yondelis® vs. carboplatin+PLD in patients with partially sensitive ovarian cancer.

Recruitment also continues for the PROSPECTYON trial (GINECO group in France), a prospective study of the use of Yondelis® in combination with PLD in patients with platinum-sensitive ovarian cancer.

Other indications

Recruitment is continuing on schedule for the ATREUS Phase II trial promoted by the Mario Negri Institute for Pharmacological Research (IRCCS) in cooperation with the Department of Medical Oncology at San Gerardo Hospital (Monza, Italy) to evaluate the activity and safety of Yondelis® in malignant pleural mesothelioma (MPM).

b) Aplidin®

Multiple myeloma

The following trials are part of PharmaMar's clinical development process, which aims to obtain the necessary information to support the use of Aplidin® in various phases of treatment of multiple myeloma.

- Phase III trial of Aplidin® in combination with dexamethasone on patients with relapsed or refractory multiple myeloma. All centres in this trial, located in Europe, the USA, New Zealand, Australia, Taiwan and Korea, are currently open. Patient recruitment for this trial is expected to be completed in the early months of 2015.
- Combination of Aplidin® with bortezomib, (one of the chemotherapies of choice for the treatment of multiple myeloma). Patient recruitment for this trial continues as planned.
- The Mass Balance trial in patients with refractory neoplasia is in the development phase and recruitment is expected to begin in 2015. This trial is a regulatory requirement for drug approval, and the main endpoint is to characterise the drug's metabolites and elimination routes in humans.

c) PM01183

Resistant/refractory ovarian cancer

Overall Survival (OS) continues to be monitored in the Phase II randomised clinical trial in patients with platinum-sensitive resistant/refractory ovarian cancer.

The pivotal Phase III registration trial in patients with platinum-resistant ovarian cancer began in the first half of 2015 once design was completed and a CRO (Contract Research Organisation) had been selected. This trial will evaluate PM01183 as monotherapy vs. a control arm with topotecan or liposomal doxorubicin.

Advanced breast cancer

Recruitment continues on schedule for the Phase II clinical trial in patients with advanced breast cancer selected on the basis of the presence of mutations, known or otherwise, of the BRCA 1 or 2 genes

(hereditary cancer). Data from the first phase of the trial was presented at the Breast Cancer Symposium in San Antonio (Texas) in December.

Non-small-cell lung cancer (NSCLC)

Recruitment is continuing on schedule for the Phase II randomised trial in patients with non-small cell lung cancer. This trial was implemented after good efficacy results were obtained in the Phase I trial in combination with gemcitabine.

Following the excellent results obtained in small cell lung cancer (SCLC), in 2015 PharmaMar started a Phase III registration trial in combination with doxorubicin as second-line treatment for small cell lung cancer which compares the aforementioned combination with topotecan, the only drug currently approved in the US and Europe for this indication.

Combination trials

Recruitment continues for the combination trial with doxorubicin, and the excellent preliminary activity observed has been confirmed, particularly as second-line chemotherapy in patients with small-cell lung cancer, endometrial cancer, and neuroendocrine tumours.

Since the primary endpoint (defining the recommended dose in the combination trial with capecitabine in patients with breast, colorectal or pancreatic cancer) was achieved, dose escalation continues in the new cohort of patients with an infusion pattern of one day every 3 weeks in order to optimise the dose of PM01183.

The trial in combination with paclitaxel, administered weekly with and without bevacizumab in patients with selected solid tumours, is currently in the dose escalation phase. The first patient has already been recruited in the cohort exploring the addition of bevacizumab to the combination of PM01183 and paclitaxel.

Recruitment continues in Switzerland and the UK for the trial in combination with cisplatin in patients with solid tumours, which is at the dose escalation phase.

"Basket" trial in advanced solid tumours

The protocol for the "Basket" trial in selected advanced-stage solid tumours was presented to the ethics committees in Spain in December 2014. The trial will examine the activity (response measured by RECIST) of PM01183 as monotherapy in the following advanced-stage tumours: small cell lung cancer (SLCL), neuroendocrine tumours (NET), carcinoma of the head and neck (H&N), carcinoma of the biliary tract, endometrial carcinoma, breast carcinoma associated with BRCA1/2 mutations, carcinoma of unknown origin, germ cell tumours and Ewing sarcoma. A total of 26 centres in nine countries will participate: Spain, France, Italy, the UK, Belgium, Sweden, Switzerland and the USA.

d) PM060184

The clinical trial conducted in the US and Spain found the optimal dose for future Phase II trials. The other trial, being conducted in France and Spain, continues with active recruitment and is progressing as expected.

A Phase I trial with PM060184 combined with gemcitabine has commenced at two centres, in Spain and the United States. This trial stems from the excellent results obtained with the combination in preclinical trials.

Conferences:

PharmaMar was present at the leading oncology conferences, including:

ASCO 2014 (American Society of Clinical Oncology)

The ASCO meeting was held in Chicago from 30 May to 3 June. A total of 13 studies were presented, two of which were selected for oral presentation.

The results of the Phase II randomised clinical trial of PM1183 (lurbinectidin) in patients with platinum-sensitive resistant/refractory ovarian cancer were presented at the ASCO meeting. PM01183 demonstrated statistically significant superiority over topotecan in terms of progression free survival (PFS) and overall survival (OS). Lurbinectidin proved to be well tolerated and to have a manageable safety profile.

Taiho Pharmaceutical, PharmaMar's partner for the development and sale of Yondelis® in Japan, presented the results of the Phase II clinical trial conducted in Japan with Yondelis® in malignant soft tissue sarcoma at the 2014 Annual Meeting of the American Society of Clinical Oncology (ASCO). The paper was accepted for an oral presentation.

ESMO 2014 (European Society for Medical Oncology)

The ESMO Congress was held in Madrid from 26 to 30 September. The following presentations in connection with trabectedin (Yondelis) were particularly notable:

At an oral session, the French Sarcoma Group presented a trial on the advantages of maintenance therapy with Yondelis after six cycles. Continued treatment was associated with a statistically significant improvement in the progression free survival rate.

Taiho Pharmaceuticals presented an efficacy study comparing two Phase II trials with trabectedin in translocation-related sarcoma patients.

The MITO Group (Multicenter Italian Trials in Ovarian Cancer) presented a trial with trabectedin in patients with advanced ovarian cancer who have the BRCA mutation and the BRCAness phenotype. The results suggest that trabectedin is an effective treatment for patients with platinum-sensitive advanced ovarian cancer.

EORTC-NCI-AACR 2014

This meeting was held in Barcelona from 18 to 21 November.

PharmaMar presented its work on anti-tumour compounds, their action mechanisms and new therapeutic strategies such as immunomodulators and combination therapies. In particular, they included two important studies of the mechanism of action of Aplidin and data on Yondelis and PM1183 showing that the two drugs have different activity profiles when compared with those of cytotoxins cisplatin and mitomycin C, highlighting that PharmaMar's compounds have a different mechanism of action.

Preclinical trials were presented of the new conjugated antibody developed by PharmaMar which has proven to be effective in mice xenografts of breast tumours that overexpress HER2.

2.- Diagnostics: Genómica

Genómica and its Swedish subsidiary, Genómica AB, ended 2014 with revenues of 5.44 million euro (5.83 million euro in 2013), of which Genómica AB contributed 0.53 million euro.

The most important area is Clinical Diagnosis, which accounted for 97% of revenues. Exports accounted for 44% of this area's revenues, and increased by 8% year-on-year to 2.31 million euro, evidencing the success of the Company's bid to internationalise.

This included the opening in 2013 of a representative office in China to cover the Asian market; the office produced 300 thousand euro in sales in 2014 and the prospects for the region in 2015 are good.

Regarding the Spanish market area in clinical diagnosis, a reduction in the budget allocation for the Castilla & León autonomous region screening programme for early detection of cervical cancer had an impact on domestic revenues, which fell 5% year-on-year.

Within the area of Diagnostic Biomarkers, the CLART®CMA EGFR product for detection and genetic identification of spot mutations, insertions and deletions in the EGFR gene associated with non-small cell lung cancer was launched in 2014.

In order to maintain a strong leading position in the markets in which it operates, in 2014 Genómica launched a plan of action that includes optimising production to manufacture our products in-house, with the consequent improvement in margins. Additionally, the company's offices and technical facilities were moved to a new location in the Madrid region.

With regard to R&D, an integrated "Lab-on-a-chip" project to identify and detect human papilloma virus infection was launched, and mass sequencing equipment was optimised.

3.- RNA interference: Sylentis

The company continued to advance new R&D lines in 2014, working to develop new RNAi-based candidates to treat other eye diseases.

The most advanced product, SYL040012 (Bamosiran), for treating glaucoma and ocular hypertension, commenced a new Phase IIb clinical trial to determine the dose and the efficacy vs. timolol. In 2014, the clinical trial protocol was designed, the hospitals that will participate in the trial were selected, and the dossier was presented for approval by the medicine agencies in selected countries. Twenty-one hospitals have been selected, in Spain, Germany, Estonia and the US. During the third quarter of 2014, approval was obtained from the regulators and ethics committees in Spain, Estonia, Germany and the US, and recruitment commenced. Recruitment advanced as expected in the fourth quarter. The protocol and design of a pharmacokinetic trial with Bamosiran in healthy volunteers were also developed. Recruitment for this pharmacokinetic trial commenced in November 2014.

With respect to the second clinical trial under way with SYL1001, the Spanish Agency of Medicines and Medical Devices (AEMPS) authorised a pilot trial in patients with eye discomfort associated with dry eye syndrome. In January 2014, the AEMPS approved an application to change the dose in this clinical trial. Patient recruitment proceeded on schedule in 2014.

B) Consumer chemicals:

1.- Xylazel (varnishes and paints for protecting wood and metal)

Net revenues amounted to 15.2 million euro in 2014, i.e. 4.5% more than in 2013 (14.7 million euro).

Xylazel continues to concentrate on selling its specialised products in the Spanish market, in the refurbishment and DIY segments. Exports increased yet again, by 28% with respect to 2013.

Revenue performance differed between channels: the specialised DIY channel performed well, and the hardware store and industrial segments to a lesser extent.

The costs of raw materials and packaging as well as products manufactured by others remained in line with the previous year, and components were procured at below their 2013 prices.

Net profit for the year, after the provision for corporate income tax, was 618 thousand euro, 10% more than in 2013 (564 thousand euro).

Continuously adapting our products to environmental requirements and the entry into force of new laws are and will continue to be a priority of our R&D and Innovation department.

We also continue to research new products in the lines in which Xylazel's market share is greatest.

2.- Zelnova and Copyr (household insecticides, air fresheners and other household cleaning products)

The sector in which Zelnova and Copyr operate performed well in 2014 as a result of better weather conditions in May and June in comparison with 2013.

However, the economy stagnated in the main markets where Zelnova-Copyr operate (Spain, Italy, Portugal and France). Despite this slack performance, overall sales in Spain and Italy increased by 10%, but sales were stable in Portugal and France. Sales also increased in North Africa (Zelnova) and Germany (Copyr).

In 2014, combined sales by Zelnova-Copyr increased by 4.1 million euro (+8.6%) with respect to 2013. This increase occurred in all business lines, at both Zelnova (own brands, third-party brands and exports) and Copyr (environmental hygiene, home&garden and ecological farming).

The table below shows the breakdown of sales by geographic market, evidencing that growth is stronger outside the domestic markets, resulting in an increase in revenue exposure to foreign markets (47% in 2014, compared with 46% in 2013). This trend is now firmly established due to the company's efforts to address overseas markets (50 countries in 2014, vs. 43 in 2013), and half of revenues are expected to be obtained outside Spain in 2015.

(Thousand euro)	2013	2014	Change	
Sales in Spain	25,825	27,495	+1.670	+6.5%
Sales in other countries	21,630	24,026	+2.396	+11.0%
Total net sales	47,455	51,521	+4.066	+8.6%

Commodities prices remained stable in 2014, and the decline in oil prices in the fourth quarter had a favourable impact. This performance, which had not been observed for several years, restored margins that had declined significantly as a result of sales efforts (both price cuts and promotions) that the Company was forced to make in recent years to maintain sales at the height of the crisis.

Nevertheless, the Company maintains its policy of improving margins by actively seeking cheaper suppliers worldwide and by improving productivity in all areas.

The increase in revenues, coupled with cost savings and the recovery in margins, increased combined EBITDA notably, to 4.6 million euro (+18%, from 3.9 million euro in 2013). This business unit's income increased by 71%, from 1.4 million euro in 2013 to 2.4 million euro in 2014.

The outlook for 2015 is very positive, suggesting a return to pre-crisis levels, and both revenues and earnings are expected to increase significantly in 2015.

BALANCE SHEET *(Thousand euro)*	12-31-2014	12-31-2013
ASSETS		
Non-current assets	**99.473**	**93.471**
Property, plant & equipment	29.218	27.959
Investment properties	6.939	6.980
Intangible assets	26.288	22.590
Goodwill	2.548	2.548
Long-term financial assets	1.072	848
Deferred tax assets	33.408	32.546
Assets classified as held for sale and discontinued operations	**0**	**4**
Current assets	**101.916**	**95.895**
Inventories	24.404	22.232
Customer and other receivables	36.989	38.630
Current financial assets	18.960	6.377
Receivable from public authorities	2.685	3.847
Other current assets	2.327	2.351
Cash & cash equivalents	16.551	22.458
TOTAL ASSETS	**201.389**	**189.370**

BALANCE SHEET *(Thousand euro)*	12-31-2014	12-31-2013
EQUITY		
Shareholders' equity	**63.882**	**53.228**
Share capital	11.110	11.110
Share premium	323.286	323.286
Treasury shares	(8.750)	(6.029)
Revaluation and other reserves	6	3
Retained earnings and other reserves	(261.770)	(275.142)
Minority interest	**(3.813)**	**(3.793)**
TOTAL EQUITY	**60.069**	**49.435**
LIABILITIES		
Non-current liabilities	**58.694**	**65.877**
Financial debt	47.003	52.941
Derivatives	42	95
Deferred tax liabilities	7.161	9.031
Non-current deferred revenues	3.783	3.166
Other non-current liabilities	705	644
Current liabilities	**82.626**	**74.058**
Supplier and other accounts payables	28.710	24.426
Financial debt	44.466	41.327
Provisions for other liabilities & expenses	6.220	5.482
Current deferred revenues	16	25
Other current liabilities	3.214	2.798
TOTAL LIABILITIES	**141.320**	**139.935**
TOTAL LIABILITIES AND EQUITY	**201.389**	**189.370**

INCOME STATEMENT		
Thousand euro	**12-31-2014**	**12-31-2013**
Net revenues	149.652	141.824
Cost of sales	(40.765)	(37.900)
Gross income	**108.887**	**103.924**
Other operating revenues	28.408	22.858
Marketing & commercial organisation expenses	(42.173)	(41.251)
General and administration expenses	(18.658)	(19.765)
Research & development expenses	(52.456)	(42.717)
Capitalised in-house work	5.979	4.382
Other operating expenses	(9.750)	(8.475)
Net operating profit (loss) (EBIT)	**20.237**	**18.956**
Net financial results	(5.762)	(5.155)
Result from continuing operations	**14.475**	**13.801**
Corporate income tax in the period	(1.304)	(1.960)
Profit (Loss) for the year	**13.171**	**11.841**
Discontinued operations	**(76)**	**(708)**
Attributable to owners of the parent	(56)	(519)
Attributable to minority interest	(20)	(189)
Profit for the year	13.095	11.133
Attributable to owners of the parent	**13.115**	**11.322**
Attributable to minority interest	(20)	(189)

CONSOLIDATED CASH FLOW STATEMENT	12-31-2014
TOTAL NET OPERATING CASH FLOW	**22.109**
Income before taxes	**14.399**
Profit before tax from continuing operations	*14.475*
Profit before tax from discontinued operations	*(76)*
Adjustments for:	**5.813**
Amortisation and depreciation	5.467
Other adjustements	346
Changes in working capital:	**2.263**
Other cash flow from operations:	**(366)**
Income tax received	(366)
TOTAL NET INVESTING CASH FLOW	**(22.312)**
Investments payments:	**(22.986)**
Purchases of property, plant & equipment and intangible assets	(10.179)
Other financial assets	(12.807)
Disvestment receipts:	**4**
Other assets	4
Other investing cash flow:	**670**
Other investment receipts / (payments)	670
TOTAL NET FINANCING CASH FLOW	**(5.704)**
Collections and (payments) in connection with equity instruments:	**(2.905)**
Acquisition	(3.159)
Disposal	254
Collections and (payments) in connection with financial liabilities:	**1.309**
Issue	31.068
Refund and amortization	(29.759)
Other financing cash flow:	**(4.108)**
Other financing receipts / (payments)	(4.108)
TOTAL NET CASH FLOW	**(5.907)**
Net increase / (decrease) in cash and cash equivalents	(5.907)
Beginning balance of cahs and cash equivalents	22.458
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**16.551**

NET CASH POSITION	
Cash and cash equivalents	16.551
Current financial assets	18.960
Financial debt	(44.466)
TOTAL NET CASH POSITION	**(8.955)**