REPORT AT 31 MARCH 2015

Madrid, 27 April 2015

1Q15 MILESTONES

Corporate

- Group net sales amounted to 34.96 million euro (+2.2%).
- Of those, Yondelis® accounted for 19.8 million euro, the same as in 1Q14
- Sales by the Consumer Chemicals segment increased by 3.6% to 13.6 million euro
- Group EBITDA amounted to 9.5 million euro, i.e. 9.9 million euro less than in 1Q14, as the milestone payment for 2015 in accordance with the 2011 agreement with Janssen Products amounted to 10 million dollars, compared with 25 million dollars in 2014.
- The Board of Directors of Zeltia resolved to refer to the Shareholders' Meeting a proposal for a reverse merger of PharmaMar (absorbing company) and Zeltia (absorbed company).

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 partner Taiho Pharmaceuticals filed an application in January 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.
- Several trials with PM1183, Aplidin and ADC (conjugated antibody) 3MI130004 were presented at the American Association for Cancer Research (AACR) Meeting, held in Philadelphia from 18 to 22 April.

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FIGURES TO MARCH 2015

Period	03/31/2015	03/31/2014	Δ%
Net Revenue (€ 000)			
Consumer Chemicals	13,623	13,153	*4%*
Biopharmaceuticals	21,113	20,871	*1%*
Unallocated	230	187	*23%*
Total Group	**34,966**	**34,211**	***2%***
Cost of goods sold (€ 000)	8,387	8,134	*3%*
Gross Income	**26,579**	**26,077**	***2%***
Gross Margin	76.01%	76.22%	
Other operating revenues			
Consumer Chemicals	45	97	
Biopharmaceuticals	11,077	18,815	
Unallocated	0	2	
	11,122	**18,914**	***-41.2%***
TOTAL REVENUE	**46,088**	**53,125**	***-13%***
EBITDA (€ 000)			
Consumer Chemicals	603	684	
Biopharmaceuticals	10,962	20,709	
Unallocated	-2,075	-2,033	
Total Group	**9,490**	**19,360**	***-51%***
R&D Expenditure			
Oncology	11,224	9,565	*17%*
Other	2,249	1,802	*25%*
Total Group	**13,473**	**11,367**	***19%***
Marketing & Commercial Expenses			
Consumer Chemicals	4,179	3,511	*19%*
Biopharmaceuticals	5,320	6,013	*-12%*
Other	4	2	
Total Group	**9,503**	**9,526**	***0%***
Income for the year attributable to equity-holders of the parent company	**6,541**	**16,898**	***-61%***
Profit for the year from discontinued operations	**-13**	**-112**	

(Thousand euro)

Net sales

Group net sales amounted to 34.97 million euro in 1Q15, 2.2% more than in the same period of 2014 (34.2 million euro).

Net sales in the Biopharmaceutical business amounted to 21.1 million euro, a 1% increase with respect to 2014 (20.9 million euro). Of that figure, 19.8 million euro were from Yondelis® sales at PharmaMar (19.7 million euro in 1Q14).

Net sales by the Consumer Chemicals subsidiaries totalled 13.6 million euro (13.2 million euro in 2014), a 3.6% 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 11.1 million euro in 1Q15 (18.9 million euro in 1Q14). In 1Q15, PharmaMar collected 10 million dollars (8.8 million euro) under the new action plan signed in 2011 with Janssen Products LP. (Johnson & Johnson Pharmaceutical Research & Development, LLC.) to step up development of Yondelis® in the US for soft tissue sarcoma and relapsed ovarian cancer. The company collected 25 million dollars in 2014 (18.3 million euro), which explains the decline in other operating revenues in the quarter. The company expects to obtain other milestone payments this year under the current licensing agreements with Janssen P. and Taiho L., as well as royalty payments from Yondelis sales.

The Other operating revenue item also includes a 1.5 million euro payment from Taiho upon presenting the application to register Yondelis to the Japanese authorities. The remainder to make up the total of 11.1 million euro, is royalties received from Janssen Products for Yondelis sales in countries where sales are authorised, as well as R&D subsidies and other minor items.

Total revenues and revenues from outside Spain

Group revenues (net sales plus other operating revenues) totalled 46.1 million euro in 1Q15 (53.1 million euro in 1Q14), of which 67% (30.5 million euro) came from outside Spain.

Margins: Gross margin and EBITDA

The group's gross margin remained stable with respect to 1Q14: 76% of revenues.

Group EBITDA from ongoing activities totalled 9.5 million euro in 1Q15 (19.4 million euro in 1Q14). The decline in the first quarter is due mainly to the smaller milestone payment under the agreement signed in 2011 with Janssen Products LP, which amounted to 10 million dollars, compared with 25 million dollars in previous years. The company expects to receive additional payments this year for reaching various milestones as set out in licensing contracts with partners Janssen and Taiho, which will offset the effect in the first quarter.

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

R&D expenditure

R&D expenditure increased by 19% year-on-year, to 13.5 million euro in 1Q15 (11.4 million euro in 1Q14). The Oncology area spent 11.2 million euro on R&D in 1Q14 (9.6 million euro in 1Q14) and the Diagnostics and RNA interference area spent 2.2 million euro (1.8 million euro in 1Q14).

Marketing and commercial expenses

Marketing and commercial expenses amounted to 9.5 million euro in 1Q15 (9.5 million euro in 1Q14).

Income attributable to the parent company

Income attributable to the parent company amounted to 6.5 million euro, compared with 16.9 million euro in 1Q14. The decline in the first quarter was mainly due to the smaller milestone payment in accordance with the 2011 contract signed with Janssen Products LP, which amounted to 10 million dollars, compared with 25 million dollars collected in previous years. The company expects to receive additional payments this year for reaching various milestones under the licensing contracts between PharmaMar and partners Janssen and Taiho, which will mitigate the effect of the first quarter.

Cash and Debt

Cash and cash equivalents plus current financial assets amounted to 31.8 million euro (36.6 million euro in 2014 and 34.1 million euro in 1Q14). The Group's total interest-bearing debt (current and non-current) amounted to 89.4 million euro (91.5 million euro at 2014 year-end and 91.4 million euro in 1Q14).

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

	03/31/2015	*12/31/2014*
Long term interest bearing debt	***43,399***	***47,003***
Bank debt	17,971	20,911
Govt. agencies: R&D funding (interest free debt)	25,428	26,092
Others	0	0
Short term interest-bearing debt	***46,048***	***44,466***
Credit facilities	18,190	7,648
Effects and certifications	667	2,172
Bank loan	21,997	25,873
Govt. agencies: R&D funding (interest free debt)	3,916	3,512
Interest and others	1,278	5,261
Total financial debt	***89,447***	***91,469***
Cash & cash equivalents + no current and current financial investments	***31,805***	***36,583***
TOTAL NET DEBT	***-57,642***	***-54,886***

BUSINESS PERFORMANCE.

Below is an overview of the group companies' business performance in the first quarter of 2015.

B) Biopharmaceuticals

1.- Oncology: PharmaMar

In January, Taiho Pharmaceutical, PharmaMar's Japanese partner for Yondelis, filed an application with the Japanese regulator (PMDA) for authorisation to commercialize Yondelis® (trabectedin) for the treatment of several soft tissue sarcoma subtypes in view of the clinical benefit observed in the pivotal Phase II trial. The application will receive priority review from the Japanese authorities as trabectedin has been designated as an orphan drug in Japan.

In February, the FDA informed our partner Janssen Research&Development that its marketing authorisation application for Yondelis in soft tissue sarcoma would also receive priority review. A Priority Review designation means that the FDA will take action on an application within 6 months, compared to 10 months under standard review.

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

a) Yondelis®:

Soft-tissue sarcoma

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.

Recruitment continues for seven observational and post-authorisation trials with Yondelis® in cooperation with several European cooperative groups in soft tissue sarcoma.

A new trial (T-SAR) commenced in France in 1Q15.

A multi-centre retrospective trial (GEIS-38) has commenced in Spain, the primary endpoint of which is to identify the profiles of patients who will benefit the most from treatment with our product.

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 actual practice in Germany.

Recruitment continues on schedule for the INOVATYON Phase II trial, organised by the MANGO cooperative, 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.

A retrospective trial in Spain commenced in 1Q15 to evaluate the use in practice of Yondelis+PLD.

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

Recruitment continues for the Phase III registration trial of Aplidin® in combination with dexametasone on patients with relapsed or refractory multiple myeloma being carried out in hospitals in Europe, the US, New Zealand, Australia, Taiwan and Korea. Patient recruitment for this trial is expected to be completed in the second quarter of 2015.

The trial with Aplidin in combination with Bortezomib is continuing on schedule, and recruitment has commenced for the mass balance trial. 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) PM1183

Resistant/refractory ovarian cancer

Monitoring of overall survival (OS) has concluded in the Phase II randomised clinical trial in patients with platinum-resistant/refractory ovarian cancer. A statistically significant difference was observed in progression free survival and overall survival in favour of PM1183 with respect to the control arm (topotecan) in patients with platinum-resistant ovarian cancer.

The pivotal Phase III registration trial in patients with platinum-resistant ovarian cancer will begin in the first half of 2015. This trial will evaluate PM1183 as monotherapy vs. a control arm with topotecan or liposomal doxorubicin. The trial will be performed in around 120 hospitals in Europe and the US.

Advanced breast cancer

Recruitment continues on schedule for the Phase II clinical trial in patients with advanced breast cancer with the BRCA 1 or 2 gene mutation (hereditary cancer). Significant anti-tumour activity has been observed in this subgroup of patients. Recruitment is expected to be completed in 2015.

Non-small-cell lung cancer (NSCLC) and Small-cell lung cancer (SCLC)

Recruitment continues 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 the second half of 2015, PharmaMar will begin a Phase III pivotal 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 and endometrial cancer.

After having obtained the primary endpoint, i.e. defining the recommended dose in the trial in combination with capecitabine in patients with breast, colorectal or pancreatic cancer, the trial is being expanded to confirm tolerability and preliminary efficacy.

The trial in combination with paclitaxel, administered weekly with and without bevacizumab in patients with selected solid tumours, has achieved the primary endpoint of defining the recommended dose of PM1183 in combination with paclitaxel. The trial continues to be expanded to confirm its preliminary tolerability and efficacy. The addition of bevacizumab to this combination trial with PM1183 and paclitaxel is in the initial exploratory phase with a view to evaluating the triple combination in patients with non-squamous non-small cell lung cancer and with ovarian cancer.

Recruitment for the trial in combination with cisplatin in patients with solid tumours is advancing as expected. The arm which evaluates the addition of Aprepitant as an antiemetic has identified the maximum tolerated dose and it is being expanded to confirm the recommended dose.

"Basket" trial in advanced solid tumours

The protocol for the "Basket" Phase II trial in selected advanced-stage solid tumours received authorisation from the the ethics committees at the Spanish hospitals. The trial will examine the activity (response measured by RECIST) of PM1183 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 two Phase I trials that began this compound's development programme have concluded. In addition to determining the dose and administration pattern for the Phase II trials, the activity results observed in these Phase I trials have guided indications for the Phase II trials: specific trials in breast and colorectal cancer will begin in 2015.

Recruitment continues for the Phase I trial in combination with gemcitabine in two hospitals in Spain and the US.

2.- Diagnostics: Genómica

Genómica obtained 1.4 million euro in revenues in the first quarter of 2015, i.e. an improvement of 13% with respect to the same period last year (1.2 million euro).

This notable increase was due to the good performance of exports, which amounted to 674 thousand euro at the end of the quarter (454 thousand euro in 1Q14), reflecting growth of 19% and accounting for almost 50% of the company's revenues.

This figure is attributable to sales in the Euro area (after several years of decline due to the economic crisis) amounting to 304 thousand euro in the first quarter (181 thousand euro in 1Q14), and also to growth in sales in the Middle East-Asia, which amounted to 304 thousand euro (181 thousand euro in 2014).

The Spanish market performed in line with expectations.

3.- RNA interference: Sylentis

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

A new Phase IIb clinical trial with Bamosiran (SYL040012) to treat glaucoma and ocular hypertension commenced in July 2014 to determine the dose and efficacy vs. a control (timolol). That trial is being carried out in 21 hospitals in Spain, Germany, Estonia and the US. Recruitment continues: 139 of the 190 patients required to complete the trial have been enrolled to date. The protocol and design of a pharmacokinetic trial with Bamosiran in healthy volunteers to determine plasma concentrations of the product after topical ocular administration were also developed in parallel. This pharmacokinetic trial concluded recruitment of 24 patients, and it is now being wound down while the data is being analysed.

With respect to the second clinical trial under way with SYL1001, we have requested authorization from the Spanish Agency of Medicines and Medical Devices (AEMPS) for a pilot trial in patients with eye discomfort associated with dry eye syndrome. During the first quarter of 2015, patients were recruited to test a new dose approved by the Spanish Agency of Medicines and Medical Devices (AEMPS); this trial is pending closure and data analysis.

B) Consumer chemicals:

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

Sales totalled 4.0 million euro in the first quarter of 2015, a 9.9% increase with respect to the same period of 2014 (3.64 million euro).

A new range of paint and related products in spray format was launched in 1Q15, under the RUST-OLEUM and LUXENS brands, which helped increase sales.

Exports increased by 26.3% compared with 1Q14, to account for 10.1% of Xylazel's total sales in 1Q15.

Average procurement prices for raw materials performed well, declining by 6.5% due to the effect of petroleum derivative prices, while packaging prices were stable at 2014 levels. Weighted average procurement prices of our component supplies fell 5.1% in the period.

As a result, EBITDA increased by 11.9% with respect to 1Q14, to 196 thousand euro in 1Q15, i.e. 5.4% of revenues.

Net profit in the same period amounted to 27 thousand euro, 1.3% of sales and 106.8% more than in the same period of 2014.

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

In the first quarter, combined sales by Zelnova-Copyr increased by 201 thousand euro (+2.1%) with respect to 1Q14. This increase is due to good performance of sales in Spain, which increased by 3.9%. Sales outside Spain remained in line with 2014 levels. Although these changes are not very significant since second and third quarter sales are highly seasonal, they do reflect a trend towards recovery in Spain.

The table below shows the breakdown of sales by geographic market:

(Thousand euro)	2014	2015	Change	
Sales in Spain	4.891	5.083	+192	+3.9%
Sales in other countries	4.884	4.893	+9	+0.2%
Total net sales	9.775	9.976	+201	+2.1%

The prices of the main raw materials remained stable in the period, in line with the trend in 2014. The decline in the price of petroleum derivatives (especially butane) in the fourth quarter of 2014 has been halted. The euro/dollar exchange rate performance is having a negative impact, albeit limited, on Copyr's pyrethrum extract procurements in that currency.

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

Higher sales, cost savings and the recovery in margins enabled a 26% improvement in consolidated EBITDA (from 668 thousand euro to 841 thousand euro) and a 30% increase in consolidated profit (from 282 thousand euro to 368 thousand euro).

The projection for 2015 is positive and suggests a recovery in revenues and profits.

BALANCE SHEET *(Thousand euro)*	03-31-2015	12-31-2014
ASSETS		
Non-current assets	**100,778**	**99,473**
Property, plant & equipment	30,367	29,218
Investment properties	6,928	6,939
Intangible assets	26,420	26,288
Goodwill	2,548	2,548
Long-term financial assets	1,076	1,072
Deferred tax assets	33,439	33,408
Current assets	**104,992**	**101,916**
Inventories	28,637	24,404
Customer and other receivables	38,973	36,989
Current financial assets	15,778	18,960
Receivable from public authorities	3,684	2,685
Other current assets	2,969	2,327
Cash & cash equivalents	14,951	16,551
TOTAL ASSETS	**205,770**	**201,389**

BALANCE SHEET *(Thousand euro)*	03-31-2015	12-31-2014
EQUITY		
Shareholders' equity	**69,945**	**63,882**
Share capital	11,110	11,110
Share premium	323,286	323,286
Treasury shares	(9,554)	(8,750)
Revaluation and other reserves	7	6
Retained earnings and other reserves	(254,904)	(261,770)
Minority interest	**(3,816)**	**(3,813)**
TOTAL EQUITY	**66,129**	**60,069**
LIABILITIES		
Non-current liabilities	**55,098**	**58,694**
Financial debt	43,399	47,003
Derivatives	42	42
Deferred tax liabilities	7,192	7,161
Non-current deferred revenues	3,769	3,783
Other non-current liabilities	696	705
Current liabilities	**84,543**	**82,626**
Supplier and other accounts payables	30,479	28,710
Financial debt	46,048	44,466
Provisions for other liabilities & expenses	4,211	6,220
Current deferred revenues	47	16
Other current liabilities	3,758	3,214
TOTAL LIABILITIES	**139,641**	**141,320**
TOTAL LIABILITIES AND EQUITY	**205,770**	**201,389**

INCOME STATEMENT		
Thousand euro	**03-31-2015**	**03-31-2014**
Net revenues	34,966	34,211
Cost of sales	(8,387)	(8,134)
Gross income	**26,579**	**26,077**
Other operating revenues	11,122	18,914
Marketing & commercial organisation expenses	(9,503)	(9,526)
General and administration expenses	(5,429)	(4,825)
Research & development expenses	(13,473)	(11,367)
Capitalised in-house work	795	961
Other operating expenses	(2,124)	(2,155)
Net operating profit (loss) (EBIT)	**7,967**	**18,079**
Net financial results	(1,273)	(881)
Result from continuing operations	**6,694**	**17,198**
Corporate income tax in the period	(143)	(218)
Profit (Loss) for the year	**6,551**	**16,980**
Discontinued operations	**(13)**	**(112)**
Attributable to owners of the parent	(10)	(82)
Attributable to minority interest	(3)	(30)
Profit for the year	6,538	16,868
Attributable to owners of the parent	**6,541**	**16,898**
Attributable to minority interest	(3)	(30)

Net operating profit (loss) (EBIT)	7,967	18,079
Amortisation and depreciation	1,523	1,281
EBITDA	**9,490**	**19,360**

CONSOLIDATED CASH FLOW STATEMENT	03-31-2015
TOTAL NET OPERATING CASH FLOW	**548**
Income before taxes	**6,681**
Profit before tax from continuing operations	*6,694*
Profit before tax from discontinued operations	*(13)*
Adjustments for:	**1,454**
Amortisation and depreciation	1,522
Other adjustements	(68)
Changes in working capital:	**(7,444)**
Other cash flow from operations:	**(143)**
Income tax received	(143)
TOTAL NET INVESTING CASH FLOW	**345**
Investments payments:	**(2,751)**
Purchases of property, plant & equipment and intangible assets	(2,751)
Disvestment receipts:	**3,178**
Other financial assets	3,178
Other investing cash flow:	**(82)**
Other investment receipts / (payments)	(82)
TOTAL NET FINANCING CASH FLOW	**(2,493)**
Collections and (payments) in connection with equity instruments:	**(471)**
Acquisition	(1,693)
Disposal	1,222
Collections and (payments) in connection with financial liabilities:	**11,585**
Refund and amortization	11,585
Other financing cash flow:	**(13,607)**
Other financing receipts / (payments)	(13,607)
TOTAL NET CASH FLOW	**(1,600)**
Net increase / (decrease) in cash and cash equivalents	(1,600)
Beginning balance of cahs and cash equivalents	16,551
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**14,951**

NET CASH POSITION	
Cash and cash equivalents	14,951
Current financial assets	15,778
Financial debt	(46,048)
TOTAL NET CASH POSITION	**(15,319)**