REPORT AS OF 31 DECEMBER 2015

Madrid, 29 February 2016

2015 HIGHLIGHTS

Corporate

- Group revenues amounted to 193.8 million euro, up 10.5% from 174.8 million euro in 2014
- Group net sales amounted to 162 million euro (+9.5%).
- Of that figure, 88.4 million euro (+15%) were from Yondelis® (80.7 million euro in commercial sales)
- Sales by the Consumer Chemicals segment increased by 2.7% to 67.3 million euro
- Group EBITDA amounted to 19.4 million euro (25.7 million euro in 2014).This difference in EBITDA is attributable to higher R&D spending, mainly on pivotal (registration) clinical trials being conducted by the Group, which resulted in an 11 million euro increase in R&D expenditure with respect to 2014.
- The reverse merger of Zeltia into PharmaMar was entered in the companies register on 30 October. PharmaMar's shares have been listed on the four Spanish stock exchanges since 2 November.
- The non-convertible bonds issued by the Company in the amount of 17 million euro were subscribed and paid for on 7 July, and they were listed on the Mercado Alternativo de Renta Fija ("MARF") on 8 July 2015.

Oncology

- Janssen Biotech Inc. received approval from the US Food and Drug Administration (FDA) to commercialise Yondelis® (trabectedin) for treating patients with liposarcoma (LPS) or leiomyosarcoma (LMS), the two most common forms of soft tissue sarcoma. This is the first treatment approved specifically for LPS in the US.
- Taiho Pharmaceutical received authorisation from Japan's Ministry of Health, Labour and Welfare to commercialise Yondelis® in Japan for the treatment of soft tissue sarcoma.
- PharmaMar signed a licensing and commercialisation agreement for Aplidin® with TTY Biopharm.
- PharmaMar signed a licensing and commercialisation agreement for Aplidin® with Therapeutics Australia Pty, Ltd.
- Patient recruitment concluded for the pivotal Phase III trial with Aplidin in multiple myeloma. The results of the trial are currently being analysed.
- Recruitment commenced for the CORAIL pivotal Phase III trial with PM1183 in patients with platinum-resistant ovarian cancer. If the trial's endpoints are attained, it will serve as the basis for an application to register PM1183 for this therapeutic use.
- A multicentre, international open exploratory Phase II Basket trial (NCT02454972) has begun in order to assess the efficacy and safety of development anti-tumour drug PM1183 (lurbinectedin) in patients with various tumour types at an advanced stage.
- The first patient was enrolled for a Phase II trial with trabectedin in meningioma, a type of brain cancer, which is being conducted in conjunction with the European Organisation for Research and Treatment of Cancer (EORTC).

Diagnostics

- Launch of a kit for detecting melanoma biomarkers.

- Genómica is to participate in a programme in Turkey for early detection of cervical cancer using Human Papilloma Virus (HPV) genotyping; this will be the largest HPV screening programme in the world.
- Genómica received authorisation in Brazil for the sale and commercialisation of the CLART® kit for STIs (sexually transmitted infections).

- Exports increased by 32%, while domestic diagnostic sales increased by 16% with respect to 2014.

RNAi

- The results of the Phase IIb dose-seeking trial with Bamosiran were presented
- Recruitment concluded for the Phase II trial with this compound, for treating eye discomfort associated with dry eye syndrome

Consumer chemicals

- Sales in this segment increased by 2.7%

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2015 FIGURES

Period	12/31/2015	12/31/2014	Δ%	Q4 15	Q 14	Δ%
Net Revenue (€ 000)						
Sales						
Biopharmaceuticals	94,644	82,259	*15%*	24,896	21,046	*18%*
Consumer Chemicals	67,348	65,583	*3%*	11,069	10,438	*6%*
Revenues from licenses and co-development agreements and royaltis						
Biopharmaceuticals	30,822	26,150		19,794	7,187	175%
Unallocated	1,003	810		209	260	-20%
Total Group	**193,817**	**174,802**		**55,968**	**38,931**	***44%***
Cost of goods sold (€ 000)	45,705	40,765	*12%*	9,361	7,925	*18%*
Gross Income	**148,112**	**134,037**	***11%***	**46,607**	**31,006**	***50%***
Gross Margin	72.0%	72.6%		74.1%	75.0%	
EBITDA (€ 000)						
Biopharmaceuticals	14,411	28,907		-3,034	3,300	
Consumer Chemicals	5,128	5,778		-552	-506	
Unallocated	-197	-8,985		6,326	-2,740	
Total Group	**19,342**	**25,700**	***-25%***	**2,740**	**54**	**4974%**
R&D Expenditure						
Oncology	55,610	45,346	*23%*	15,616	13,477	*16%*
Other	7,939	7,110	*12%*	2,188	1,880	*16%*
R & D capitalization	3,258	5,979		618	3,942	
Total Group	**60,291**	**46,477**	***30%***	**17,186**	**11,415**	***51%***
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Marketing & Commercial Expenses						
Biopharmaceuticals	29,000	23,110	*25%*	9,838	5,559	*77%*
Consumer Chemicals	19,592	18,052	*9%*	3,507	3,378	*4%*
Other	22	11		5	5	
Total Group	**48,614**	**41,173**	***18%***	**13,350**	**8,942**	***49%***
Income for the year attributable to equity-holders of the parent company	**6,588**	**13,115**	***-50%***	**-1,106**	**-4,406**	

(thousand euro)

Net sales

Net sales comprise net revenues in the various business segments and revenues in the biopharmaceutical segment under licensing agreements for its products or compounds under development, plus royalties under the same heading.

Group net revenues totalled 193.8 million euro in 2015, 10.5% more than in 2014 (174.8 million euro).

Net sales in the Biopharmaceutical business amounted to 94.6 million euro, a 15% increase with respect to 2014 (82.3 million euro). That figure breaks down as follows: 88.4 million euro at PharmaMar, including commercial sales of Yondelis® (80.7 million euro, +7.6%) and the sale to Janssen of raw materials for Yondelis® (7.7 million euro). Commercial sales of Yondelis® amounted to 74.9 million euro in 2014.

Net sales by the Consumer Chemicals subsidiaries totalled 67.3 million euro (65.6 million euro in 2014), a 2.7% increase year-on-year.

Revenues under licensing agreements amounted to 29.1 million euro in 2015, more than 20% higher than in 2014 (24.3 million euro).

Royalties on sales by our licensees amounted to 1.7 million euro (1.9 in 2014).

Breakdown of licensing revenues

Licensing revenues in the biopharmaceutical segment amounted to 29.1 million euro in 2015, broken down as follows:

- 8.764 million euro from Janssen for attaining certain milestones in the Yondelis® development plan, under the agreement signed in 2011 (18.265 million euro in 2014).
- 9.453 million euro from Janssen as a result of achieving approval to commercialise Yondelis® in the US for soft tissue sarcoma, under the licence agreement signed in 2001.
- 1.486 million euro from Taiho Pharmaceutical Ltd for presentation of the dossier on Yondelis to the Japanese regulatory authorities to seek approval for use in treating soft tissue sarcoma.
- 4.447 million euro from Taiho upon obtaining the approval referred to in the previous paragraph.
- 4.484 million euro from Janssen for approval of Yondelis in Japan.
- 401 thousand euro under the agreements to licence Aplidin in Australia, New Zealand and Taiwan.

Revenues from other countries

Out of total 2015 revenues, 63%, i.e. 121.3 million euro, came from sales and transactions in other countries (109.1 million euro in 2014).

Margins: Gross margin and EBITDA

The Group's gross margin was 72% of total revenues in 2015 (72.6% in 2014). (Calculated as cost of sales divided by total sales and unallocated services).

Group EBITDA in 2015 amounted to 19.3 million euro (25.7 million euro in 2014). The difference is due mainly to higher R&D spending (+29.7% year-on-year).

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

R&D expenditure

Expenditure on R&D is shown net of the amount capitalised in the year due to fulfilling the necessary conditions, as shown below:

	2015	2014
R&D expenses in the year	63,549	52,456
Capitalized R&D expenses	(3,258)	(5,979)
Net R&D expenses	**60,291**	**46,477**

R&D expenditure increased by 21% year-on-year. The Oncology area spent 55.6 million euro in 2015 (45.3 million euro in 2014), while the Diagnostics and RNA interference area spent 7.9 million euro (6.6 million euro in 2014). The R&D expenses capitalised in both years related to clinical trials with Yondelis.

This increase in oncology R&D spending was due mainly to the development of PM1183, specifically the pivotal registration trial in platinum-resistant relapsed ovarian cancer, recruitment for which commenced in the second half of the year. A total of 112 centres in 13 countries of Europe and North America are participating. Additionally, Phase I and II trials are being conducted with PM1183 in several solid tumour

types, as well as preclinical trials and chemical development trials with the compound to obtain as much information as possible about it.

Marketing and commercial expenses

Marketing and commercial expenses amounted to 48.6 million euro in 2015 (41.2 million euro in 2014). The biopharmaceutical segment accounted for 29 million euro (23.1 in 2014). This increase in the oncology segment is the result of promotional efforts for Yondelis® in the indications for which it is approved and of the provision of scientific and medical information about Yondelis® to healthcare professionals, together with setting up direct distribution. Commercial expenses in the consumer chemical segment amounted to 19.6 million euro in 2015 (18 million euro in 2014).

Income attributable to the parent company

Income attributable to the parent company amounted to 6.6 million euro, compared with 13.1 million euro in 2014. This difference is due mainly to a 13.8 million euro increase in R&D expenditure in 2015 with respect to 2014. Spending also increased on product promotion, conferences, medical affairs and opening of foreign subsidiaries to commercialise products, resulting in a 7.4 million euro increase in marketing and commercialisation expenses which also impacted net profit; the two items together offset the 19 million euro increase in revenues with respect to 2014.

Cash and Debt

Cash and cash equivalents plus current and non-current financial assets amounted to 46.7 million euro (36.6 million euro at 2014 year-end). The Group's total interest-bearing debt (current and non-current) amounted to 93.6 million euro (91.5 million euro at 31 December 2014). Consequently, Group net debt at 31 December 2015 totalled 46.9 million euro (54.9 million euro at 31 December 2014).

In the first half of the year, the company began reorganising its debt in order to extend the maturity of bank loans so as to gain flexibility by releasing cash that can be used for R&D. The effect of that reorganisation can be seen in the debt structure table below.

The Company issued 17 million euro of 12-year non-convertible bullet bonds, which were subscribed and paid for on 7 July and listed on the Mercado Alternativo de Renta Fija (“MARF”) on 8 July.

Also, there was an increase in the use of credit lines in 2015 (+2.9 million euro) to 10.6 million euro. The Group's credit lines have a limit of 37.4 million euro; consequently, it has 26.8 million euro still available.

The breakdown of total debt at 31 December 2015 and 2014, at amortised cost, classified as current and non-current is shown in the table below:

	12/31/2015	12/31/2014
Long term interest bearing debt	***64.973***	***47.003***
Bank debt	20.651	20.911
Govt. agencies: R&D funding (interest free debt)	27.972	26.092
Obligations and bonds	16.350	0
Short term interest-bearing debt	***28.629***	***44.466***
Credit facilities	10.558	7.648
Effects and certifications	2.148	2.172
Bank loan	11.585	25.873
Govt. agencies: R&D funding (interest free debt)	3.753	3.512
Interest and others	585	5.261
Total financial debt	***93.602***	***91.469***
Cash & cash equivalents + no current and current financial investments	***46.692***	***36.583***
TOTAL NET DEBT	***-46.910***	***-54.886***

Merger of PharmaMar and Zeltia

On 30 June 2015, the Shareholders' Meeting of Zeltia, S.A. and the sole shareholder of Pharma Mar, S.A. approved a reverse merger of Zeltia into PharmaMar, through dissolution without liquidation of the former and the transfer en bloc of its net worth to PharmaMar. On 30 October 2015, the merger was registered with the Mercantile Registers in question and, as a result, Zeltia ceased to exist. On 2 November 2015, PharmaMar's shares began trading on the four Spanish stock exchanges.

The structure chosen was that of a "reverse merger", in which a subsidiary absorbs its parent company, since Zeltia (the absorbed company) directly owned 100% of the shares of PharmaMar (acquiring company).

The shareholders of Zeltia received shares of PharmaMar in exchange for their Zeltia shares in a ratio of 1:1. In order to perform this type of exchange, it was necessary that, at the time of the exchange, the number of shares into which the capital stock of PharmaMar was divided be the same as the number of shares into which the capital stock of Zeltia was divided.

Insofar as the new group arising legally from the merger is, in essence, a continuation of the group of which Zeltia was the parent company immediately before the merger, the Board of Directors of PharmaMar concluded, under an interpretation by analogy of the presentation standards used to accounting for a reverse business combination, that it would be appropriate to recognise the transactions using the historical values in Zeltia's consolidated financial statements, since the figures to be disclosed in the consolidated financial statements of PharmaMar following the merger would, under a reasonable interpretation of the EU-IFRS currently in force, be the same, even as regards the numbers presented for the purposes of comparison, as those that would be disclosed in the consolidated financial statements of Zeltia if the merger did not take place and if PharmaMar continued as a dependent company of Zeltia (except for any differences in the equity structure, there being no difference in total equity figures).

BUSINESS PERFORMANCE.

Below is an overview of the group companies' business performance through December 2015.

A) Biopharmaceuticals

1.- Oncology: PharmaMar

Approvals/authorisations:

Janssen Biotech Inc. received approval from the US Food and Drug Administration (FDA) to commercialise YONDELIS® (trabectedin) for treating patients with non-resectable or metastatic liposarcoma (LPS) or leiomyosarcoma (LMS)—both types of soft tissue sarcoma (STS)—who had received at least one round of

treatment with anthracycline. LPS and LMS are the most common types of STS and this is the first treatment approved specifically for patients with LPS in the US. As a result of this approval, as provided in the 2001 license and co-development agreement, PharmaMar received 9.5 million euro (10 million dollars) as a result of reaching a milestone consisting of approval by the US regulator.

Taiho Pharmaceutical received authorisation from Japan's Ministry of Health, Labour and Welfare to commercialise Yondelis® for the treatment of soft tissue sarcoma. This approval triggered two payments for PharmaMar: 4.5 million euro (600 million yen) from its Japanese partner and 4.4 million euro (5 million dollars) from Janssen Products.

Licensing agreements and strategic alliances:

In July, PharmaMar signed a licensing agreement with TTY Biopharm covering the commercialisation of Aplidin® in Taiwan. Under the terms of the agreement, PharmaMar will collect an upfront payment for signing the agreement, recurring payments for sales, and additional remuneration for sales and regulatory milestones attained by Aplidin®. PharmaMar will retain exclusive production rights and will supply the product to TTY Biopharm for sale in Taiwan.

In August, PharmaMar signed a licensing agreement with Specialised Therapeutics Australia Pty, Ltd for the commercialisation of Aplidin® in Australia and New Zealand. Under the terms of the agreement, PharmaMar will collect an upfront payment for signing the agreement, recurring payments for sales, and additional remuneration for sales and regulatory milestones attained by Aplidin®. PharmaMar will retain exclusive production rights and will supply the product to Specialised Therapeutics Australia Pty, Ltd for sale in Australia and New Zealand.

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

a) Yondelis®:

Soft-tissue sarcoma

During 2015, recruitment continued 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 the observational and post-authorisation trials with Yondelis® in soft tissue sarcoma in collaboration with several cooperative groups. A new trial (TARMIC) commenced in the fourth quarter of 2015 in combination with cyclophosphamide in this indication at Institut Bergonie (France). During 2015, a total of eleven observational and post-authorisation trials in collaboration with various European cooperative groups continued recruitment satisfactorily.

The Y-IMAGE observational trial on real-life use of Yondelis®, which concluded recruitment in 2014, presented its interim results at the European Cancer Congress (ESMO) in Vienna in late September 2015, and at the Connective Tissue Oncology Society (CTOS) Annual Meeting.

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.

At present, seven post-approval trials are under way in this indication, and recruitment is proceeding satisfactorily. The INOVATYON international Phase III trial, promoted by the MANGO cooperative, and the PROSPECTYON prospective trial (GINECO group in France), which describes real-life use of the Yondelis®+PLD combination, are particularly noteworthy.

The retrospective trial with the two-drug combination performed by the GEICO group in Spain was presented at the European Society of Gynaecological Oncology (ESGO) Congress.

Regarding combinations with other drugs for this indication, recruitment continues for the Phase II trial (IRFMN-OVA 6152) to evaluate the efficacy of trabectedin + bevacizumab, with and without carboplatin, which is being promoted by the Mario Negri Institute in Milan.

Three new trials in ovarian cancer commenced in 2016: PR-trab-Pt (Hospital San Carlos, Madrid) and TRANSITION1 (Università Cattolica del Sacro Cuore, Roma), which were proposed by researchers, and an international prospective observational trial (NIMES-ROC) on the efficacy and safety of the combination Yondelis® + PLD in real life in patients previously treated, or not, with antiangiogenics.

Recruitment for the OvaYond observational multi-centre trial in Germany concluded in December 2015.

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).

In cooperation with the European Organisation for Research and Treatment of Cancer (EORTC), a new Phase II clinical trial commenced in 2015 with Yondelis® in patients with highly recurrent meningioma to assess its efficacy and safety in comparison with the standard treatment.

b) Aplidin®

Multiple Myeloma

At the end of May, recruitment concluded for the Phase III registration trial of Aplidin® in combination with dexametasone in patients with relapsed or refractory multiple myeloma that is being carried out in hospitals in Europe, the US, New Zealand, Australia, Taiwan and Korea. Once patient tracking for the time established in the protocol has concluded (expected in the first quarter of 2016), if the trial results after database closure are positive, a registration dossier will be drafted for the fourth quarter of 2016.

The dose for the combination of Aplidin®+Bortezomib was defined: it is the full dose of each drug as if taken separately. The results of the trial will be presented at a scientific meeting in 2016. The trial was conducted on patients with multiple myeloma with a view to allowing the use of Aplidin® at earlier stages of the disease.

The mass balance trial, which is essential for obtaining information on the metabolism and elimination of Aplidin® for the registration dossier, completed recruitment in 2015, as expected.

These three trials are part of the clinical development process, aimed at obtaining the necessary information to support the use of Aplidin® in various phases of treatment of multiple myeloma.

c) PM1183

Resistant/refractory ovarian cancer

As a result of the excellent results of the Phase II clinical trial with PM1183 as monotherapy in platinum-resistant/refractory ovarian cancer patients, Pharma Mar commenced a pivotal Phase III trial in patients with platinum-resistant ovarian cancer in 2015. This trial is evaluating PM1183 as monotherapy vs. a control arm with topotecan or pegylated liposomal doxorubicin in a total of 420 patients. A total of 112 hospitals in 13 countries in Europe and North America are participating. The first patient was enrolled in June 2015 and recruitment is expected to conclude in 18 months. Recruitment is advancing faster than initially expected.

Advanced breast cancer

Recruitment continues on schedule for the Phase II clinical trial in patients with advanced breast cancer with known BRCA 1 or 2 gene mutations (hereditary cancer). Very significant anti-tumour activity has been

observed in this subgroup of patients. Recruitment is expected to be completed in the first quarter of 2016, and there are plans to present the trial data some time this year.

Small-cell lung cancer (SCLC)

Following the excellent results obtained in the Phase I trial in combination with doxorubicin, where patients with SCLC undergoing second-line treatment obtained a tumour response rate of 70%, including 10% complete tumour responses, PharmaMar designed an international registration trial for this indication. Since the trial design has been cleared by the regulators, recruitment is expected to commence in 2016.

Basket trial in advanced solid tumours

In August 2015, recruitment commenced for a Phase II trial with PM1183 as monotherapy in 9 indications chosen on the basis of the drug's action mechanism or on the basis of its activity as observed in combination trials. Those indications are small cell lung cancer, head and neck cancer, neuroendocrine tumours, germ cell cancer, bile duct cancer, breast cancer in patients with BRCA gene mutations, endometrial cancer, cancer of unknown origin, and the Ewing family of tumours.

Combination trials

As regards Phase I combination trials, recruitment was completed for the combinations with doxorubicin, capecitabine and paclitaxel with or without bevacizumab. The latter two trials produced promising preliminary results in a range of breast cancer types and, consequently, the next stages of development for this indication are currently being assessed. Recruitment continues for the trial in combination with cisplatin.

d) PM060184

The Phase I development trial with PM060184 as monotherapy has concluded. The programme of combination trials continues with the current trial in combination with gemcitabine and another planned for 2016 with cisplatin.

The first Phase II protocol with this product for breast cancer was designed and presented to the regulators and ethics committees; authorisation was obtained to commence the trial early in 2016.

2.- Diagnostics: Genómica

Genómica obtained 6.35 million euro in revenues in 2015, i.e. 17% more than in 2014 (5.44 million euro). Clinical diagnostics is the main area, accounting for 97% of revenues.

The domestic market in diagnostics performed better than expected, providing 2.94 million euro in revenues (2.97 million euro in 2014). The company's strategic bid to internationalise resulted in a 40% increase in exports to 3.24 million euro in 2015 (from 2.31 million euro in 2014). Sales expanded in all the territories worldwide where Genómica has a presence, including Genómica AB, a wholly owned subsidiary created to serve the Scandinavian market, which contributed approximately 700 thousand euro in revenues in 2015.

The contract with the Castilla León Regional Government's Health Ministry for the "Supply of reagents, taking of samples, and disposable material necessary for genotyping human papillomavirus (HPV) using molecular biological in vitro diagnosis as part of the Programme for the Prevention and Early Detection of Cervical Cancer" was renewed in 2015. Revenues under this contract amounted to 297 thousand euro in 2015, compared with 635 thousand euro in 2014, due to the delay in signing the contract.

Within Genómica's strategic plan aimed at maintaining a strong leading position in the markets where it operates, the company inaugurated new facilities in April 2015, in accordance with the plan and on schedule. As part of its R&D work in the area of biomarkers, in 2015 Genómica launched CLART®CMA MELANOMA, designed to detect the presence of the most prevalent spot mutations in the BRAF gene and mutations of the MEK1 and AKT1 genes, which are involved in cell proliferation and apoptosis inhibition associated with melanoma.

Closely linked with the latter, the first part of the action plan to optimise production and manufacturing processes was completed in 2015. At 2015 year-end, the biomarker diagnostics line was being manufactured entirely at Genómica facilities, with the resulting positive impact on margins.

Additionally, equipment is being developed for processing diagnostic assays automatically.

3.- RNA interference: Sylentis

Sylentis, S.A. focuses on research and development of new drugs based on gene silencing (interference RNA, RNAi) for treating eye diseases.
In 2015, the company advanced with its research and development of new products based on RNAi and formulations for treating eye diseases. Specifically, a new line of research is being pursued to develop RNAi candidates for treating diseases of the retina.

The product that is most advanced in the process of clinical trials is SYL040012 (Bamosiran) for treating glaucoma and ocular hypertension. The SYLTAG Phase IIb dose-seeking trial with Bamosiran which also compared efficacy with comparator Timolol has concluded. After 28 days' treatment, the four groups treated with Bamosiran exhibited a similar reduction in intra-ocular pressure (IOP).The secondary endpoint, non-inferiority to Timolol, was not attained. However, the 1.125% dose (450 micrograms) proved effective in patients with a basal IOP of 25 mm Hg or higher, and it was not inferior to the comparator, Timolol, in this group of patients. Bamosiran demonstrated very good tolerance, with very low hyperaemia (under 8%).

The company's second product, SYL1001, for treating eye discomfort associated with dry eye syndrome, is undergoing Phase II clinical trials. Recruitment for the first Phase II dose-response trial with 60 patients in 6 Spanish centres concluded in July 2015. At the same time, an application was filed with the Spanish Agency of Medicines and Medical Devices (AEMPS) for authorisation of a second dose-response trial in order to ascertain the product's full response range. In July 2015, authorisation was given to conduct this trial in 6 centres in Spain and Estonia; recruitment had been completed by year-end.

B) Consumer chemicals:

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

Net sales amounted to 16.588 million euro in the 2015, i.e. 9.87% more than in 2014 (15.215 million euro).

During the year, the company launched a new range of aerosol paint and similar products under the Rust Oleum and Luxens brands, which contributed to the aforementioned growth in sales. Using that same supplier, Xylazel successfully launched a co-branded chalky finish furniture paint in the interior decor niche, a first in this product range. Xylazel is focusing on this interesting niche, which will enable us to break out of the seasonal sales pattern of other products.

Exports accounted for 11% of Xylazel's total sales in 2015, having increased by 21.9% with respect to 2014.

Average procurement price performance continued to be positive for raw materials and neutral for packaging. Total expenses (fixed and variable) increased by 10.9% year-on-year (variable expenses rising as a result of sales growth).

As a result, EBITDA in 2015 amounted to 1.334 million euro, a reduction of 8,6% (125 thousand euro) on 2014.

Net profit amounted to 559.6 thousand euro, an increase of 9.4% (58 thousand euro) with respect to 2014.

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

Sales performance in 2015 was irregular: after rising strongly in the first half, sales declined moderately in the third quarter and then recovered in the final months.

Overall, sales increased by 0.8% year-on-year in 2015, with growth both in Spain (+0.5%) and worldwide (+1.1%). The sharp increase in sales by Copyr offset less positive trends in other foreign markets that were attributable to a number of factors: country risk in Angola, the change of name by the importer in Algeria, and the reduction in retailer-brand sales in Portugal.

Sales were stable in Spain in the main product lines (own-brand insecticides and cleaning products, and third-party brands). All of Copyr's business lines performed well; in particular, the Environmental Hygiene business (which accounts for 60% of Copyr's total sales) expanded by 15%.

The table below shows the breakdown of sales by geographic market, Foreign sales amounted to close to 50% of the total. Given the importance of increasing that proportion, resources and efforts continue to be devoted to growth in foreign markets.

(thousand euro)	2014	2015	Change	
Sales in Spain	26,352	26,493	+141	+0.5%
Sales in other countries	24,169	24,444	+275	+1,1%
Total net sales	50,521	50,937	+416	+0.8%

The prices of the main raw materials remained stable in 2015, in line with the trend in 2014. Prices of petroleum derivatives (primarily butane) continue to decline gradually. However, the euro/dollar exchange rate performance had a negative impact, albeit limited, on Copyr's pyrethrum extract procurements in that currency and, therefore, on the company's general profitability.

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

As a result, consolidated EBITDA declined by 2% (from 4.6 to 4.5 thousand euro) and profit declined by 253 thousand euro (from 2.376 million euro to 2.123 million euro).

BALANCE SHEET *(Thousand euro)*	12/31/2015	12/31/2014
ASSETS		
Non-current assets	**99,804**	**92,312**
Property, plant & equipment	30,624	29,218
Investment properties	6,157	6,939
Intangible assets	26,829	26,288
Goodwill	2,548	2,548
Long-term financial assets	1,067	1,072
Deferred tax assets	32,579	26,247
Current assets	**112,135**	**101,916**
Inventories	22,990	24,404
Customer and other receivables	40,200	36,989
Current financial assets	37,996	18,960
Receivable from public authorities	1,315	2,685
Other current assets	2,005	2,327
Cash & cash equivalents	7,629	16,551
TOTAL ASSETS	**211,939**	**194,228**

BALANCE SHEET *(Thousand euro)*	12/31/2015	12/31/2014
EQUITY		
Shareholders' equity	**76,874**	**63,882**
Share capital	11,110	11,110
Share premium	69,189	323,286
Treasury shares	(2,944)	(8,750)
Revaluation and other reserves	8	6
Retained earnings and other reserves	(489)	(261,770)
Minority interest	**(3,838)**	**(3,813)**
TOTAL EQUITY	**73,036**	**60,069**
LIABILITIES		
Non-current liabilities	**68,280**	**51,533**
Financial debt	64,973	47,003
Derivatives	0	42
Non-current deferred revenues	2,709	3,783
Other non-current liabilities	598	705
Current liabilities	**70,623**	**82,626**
Supplier and other accounts payables	31,959	28,710
Financial debt	28,629	44,466
Derivatives	14	0
Provisions for other liabilities & expenses	6,306	6,220
Current deferred revenues	54	16
Other current liabilities	3,661	3,214
TOTAL LIABILITIES	**138,903**	**134,159**
TOTAL LIABILITIES AND EQUITY	**211,939**	**194,228**

INCOME STATEMENT		
Thousand euro	**12/31/2015**	**12/31/2014**
Revenues:		
Product Sales	161,992	147,842
Co-development	29,034	24,278
Licensing agreements	1,788	1,872
Other income	1,003	810
	193,817	**174,802**
Cost of sales	(45,705)	(40,765)
Gross income	**148,112**	**134,037**
Other operating revenues	3,824	2,258
Marketing & commercial organisation expenses	(48,614)	(41,173)
General and administration expenses	(19,984)	(18,658)
Research & development expenses	(60,291)	(46,477)
Other operating expenses	(11,718)	(9,750)
Net operating profit (loss) (EBIT)	**11,329**	**20,237**
Net financial results	(5,327)	(5,762)
Result from continuing operations	**6,002**	**14,475**
Corporate income tax in the period	654	(1,304)
Profit (Loss) for the year	**6,656**	**13,171**
Discontinued operations	**(93)**	**(76)**
Attributable to owners of the parent	(68)	(56)
Attributable to minority interest	(25)	(20)
Profit for the year	6,563	13,095
Attributable to owners of the parent	**6,588**	**13,115**
Attributable to minority interest	(25)	(20)

CONSOLIDATED CASH FLOW STATEMENT	12/31/2015
TOTAL NET OPERATING CASH FLOW	**11,101**
Income before taxes	**5,909**
Profit before tax from continuing operations	*6,002*
Profit before tax from discontinued operations	*(93)*
Adjustments for:	**12,593**
Amortisation and depreciation	6,282
Other adjustements	6,311
Changes in working capital:	**(1,794)**
Other cash flow from operations:	**(5,607)**
Financial expenses	252
Financial revenues	(6,513)
Income tax received	654
TOTAL NET INVESTING CASH FLOW	**(28,325)**
Investments payments:	**(28,252)**
Purchases of property, plant & equipment and intangible assets	(9,221)
Other financial assets	(19,031)
Other investing cash flow:	**(73)**
Other investment receipts / (payments)	(73)
TOTAL NET FINANCING CASH FLOW	**8,302**
Collections and (payments) in connection with equity instruments:	**6,169**
Acquisition	(4,684)
Disposal	10,853
Collections and (payments) in connection with financial liabilities:	**(43)**
Issue	34,867
Refund and amortization	(34,910)
Other financing cash flow:	**2,176**
Other financing receipts / (payments)	2,176
TOTAL NET CASH FLOW	**(8,922)**
Net increase / (decrease) in cash and cash equivalents	(8,922)
Beginning balance of cahs and cash equivalents	16,551
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**7,629**