REPORT AT 31 MARCH 2016

Madrid, 28 April 2016

1Q16 MILESTONES

Corporate

- Group net sales increased by 16% with respect to the same period in 2015 (40 million euro vs. 34.6 million euro). However, the increase of 5.7 million euro in the R&D expending and the end of the milestone payment schedule under the Coordination Agreement signed with Janssen in 2011, made the EBITDA decline to -3.9 million euro (vs. 9.4 million euros 1Q 2015)
- Sales of Yondelis (including raw material sales) increased by 15% year-on-year. Commercial sales of Yondelis increased by 8%.
- Sales by the Consumer Chemicals segment increased by 18% to 15.8 million euro in the first quarter (13.4 million euro in 1Q15).
- Total Group revenues amounted to 42.2 million euro (45.6 million euro in 1Q15).

Oncology

- A Phase II trial commenced with PM184 in advanced breast cancer
- The ADMYRE Phase III trial with Aplidin in patients with recurrent multiple myeloma concluded, having attained its primary endpoint. An application for authorisation to commercialise the drug will be presented to the European Medicines Agency (EMA) in the fourth quarter of 2016.
- The IDMC (Independent Data Monitoring Committee) recommended continuing the CORAIL Phase III trial with PM1183 in patients with platinum-resistant ovarian cancer.

Diagnostics

- The CLART® PneumoVir2 kit for detecting viral respiratory infections was launched.
- The CLART® HPV4 kit for genotyping 35 genotypes of human papilloma virus without DNA extraction was launched.
- The AutoClart® Plus kit for automatic processing of the CLART technology was launched.

Consumer Chemicals

- The Consumer Chemicals division increased revenues by 18% in the period.

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FIGURES TO MARCH 2016

Period	Q1 16	Q1 15	Δ%
Net Revenue (€ 000)			
Sales			
Biopharmaceuticals	24,177	21,113	*15%*
Consumer Chemicals	15,803	13,433	*18%*
Revenues from licenses and co-development agreements and royaltis			
Biopharmaceuticals	1,986	10,822	-82%
Unallocated	209	230	-9%
Total Group	**42,175**	**45,598**	***-8%***
Cost of goods sold (€ 000)	10,449	8,387	*25%*
Gross Income	**29,740**	**26,389**	***13%***
Gross Margin	74.0%	75.9%	
EBITDA (€ 000)			
Biopharmaceuticals	-4,708	8,967	
Consumer Chemicals	814	603	
Unallocated	-38	-93	
Total Group	**-3,932**	**9,477**	**-141%**
R&D Expenditure			
Oncology	16,941	11,224	*51%*
Other	1,822	2,249	*-19%*
	18,763	**13,473**	*39%*
R & D capitalization	0	-795	*-100%*
Total Group	**18,763**	**12,678**	***48%***
Marketing & Commercial Expenses			
Biopharmaceuticals	7,095	5,320	*33%*
Consumer Chemicals	4,437	3,989	*11%*
Other	5	4	
Total Group	**11,537**	**9,313**	***24%***
Income for the year attributable to equity-holders of the parent company	**-7,136**	**6,541**	

(thousand euro)

Total Group revenues

Net sales in the Biopharmaceutical segment amounted to 24.2 million euro, a 15% increase with respect to the same period of 2015 (21.1 million euro). Of that figure, 22.8 million euro were from Yondelis® sales at PharmaMar (19.8 million euro in 1Q15).

Net sales by the Consumer Chemicals companies totalled 15.8 million euro (13.4 million euro in 2015), an 18% increase year-on-year.

However, Group net revenues amounted to 42.2 million euro in 1Q16, 8% less than in the same period of 2015 (45.6 million euro).

This interyear difference is due to conclusion of the Coordination Agreement signed with Janssen in 2011, whose last milestone was achieved in 2015. In the first quarter of 2016, PharmaMar collected the last milestone payment under that agreement: 10 million dollars (8.8 million euro). Also in the first quarter of 2015, PharmaMar collected 1.5 million euro from Taiho for the presentation of the registration dossier for Yondelis to the Japanese regulator. The effect of these two transactions is reflected in the "Licensing and co-development agreements. Biopharmaceuticals" item in the table above.

In the first quarter of 2016, this revenue item is due almost entirely to sales of Yondelis by Janssen and Taiho (our licensees). These royalties amounted to 1.8 million euro, compared with 0.6 million euro in the first quarter of 2015.

Of the 42.2 million euro in total Group revenues in the first quarter of 2016, 58.5% were from other countries.

EBITDA

Group EBITDA in the first quarter of 2016 amounted to -3.9 million euro (9.5 million euro in 1Q15). This decline in the first quarter was due partly to the conclusion of the Coordination Agreement with Janssen, under which 8.8 million euro in revenues were collected in the same period of 2015. This decline in revenues was partially offset by superb sales performance in all business segments, with the result that revenues ultimately declined by only 3.4 million euro. The other main factor behind the decline in EBITDA was the 6.1 million euro (48%) increase in R&D spending.

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

R&D expenditure

R&D expenditure increased by 48% year-on-year, to 18.8 million euro in 1Q16 (13.5 million euro in 1Q15). The Oncology area spent 16.9 million euro on R&D in 1Q16 (11.2 million euro in 1Q15) and the Diagnostics and RNA interference area spent 1.8 million euro (2.2 million euro in 1Q15).

Increased R&D spending in the oncology segment was due mainly to the considerable progress achieved in the clinical trial with PM1183 in platinum resistant ovarian cancer, as well as a number of preclinical and clinical trials with that same compound.

Marketing and commercial expenses

Marketing and commercial expenses amounted to 11.5 million euro in 1Q16 (9.3 million euro in 1Q15). The Biopharmaceutical segment accounted for 7.1 million euro (5.3 million euro in 1Q15) as a result of expanding the headcount, stepping up sales efforts and presence at international conferences, and the organisation of scientific events on soft tissue sarcoma.

Income attributable to the parent company

As a result, income attributable to the parent company amounted to a loss of 7.1 million euro, compared with 6.5 million euro profit in 1Q15.

Cash and Debt

Cash and cash equivalents plus current financial assets amounted to 44.6 million euro (46.7 million euro at 31 December 2015). The Group's total interest-bearing debt (current and non-current) amounted to 105

million euro (93.6 million euro at 2014 year-end). The main difference in gross debt between 31 March 2016 and 31 December 2015 was due to greater use of credit lines (+8 million euro).

Bank debt in the amount of 3.4 million euro was repaid in the first quarter and a new loan amounting to 7 million euro at 5 years was arranged.

The breakdown of total debt, at amortised cost, classified as current and non-current, together with current and non-current financial assets and cash and cash equivalents, is shown in the table below:

	03/31/2016	***12/31/2015***
Long term interest bearing debt	***69,492***	***64,973***
Bank debt	24,962	20,651
Govt. agencies: R&D funding (interest free debt)	28,180	27,972
Obligations and bonds	16,350	16,350
Short term interest-bearing debt	***35,671***	***28,629***
Credit facilities	18,262	10,558
Effects and certifications	1,070	2,148
Bank loan	11,428	11,585
Govt. agencies: R&D funding (interest free debt)	3,988	3,753
Interest and others	923	585
Total financial debt	***105,163***	***93,602***
Cash & cash equivalents + no current and current financial investments	***44,582***	***46,692***
TOTAL NET DEBT	***-60,581***	***-46,910***

BUSINESS PERFORMANCE.

Below is an overview of the group companies' business performance in the first quarter of 2016.

B) Biopharmaceuticals

1.- Oncology: PharmaMar

In February 2016, PharmaMar licensed Aplidin® to Specialised Therapeutics Asia Pte, Ltd. (STA), a Singapore-based company, for the treatment of haematological tumours in 12 Asian countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Papua New Guinea, Philippines, Singapore, East Timor, Thailand and Vietnam. PharmaMar collected an upfront payment (250,000 dollars) for signing the agreement, and will receive recurring payments in the future for sales, and additional remuneration for the attainment of sales and regulatory milestones. PharmaMar will retain exclusive production rights and will supply the product to STA.

To celebrate the approval of Yondelis® in the United States and Japan, and the fact that it is now available virtually worldwide, PharmaMar held a symposium in Barcelona on 12 March to discuss the state of the art in soft tissue sarcoma with the world's leading researchers. A total of 250 European specialists attended the symposium.

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

a) Yondelis®:

Soft-tissue sarcoma

In the first quarter of 2016, a total of ten post-authorisation trials were under way with a number of European cooperative groups, 8 of which were actively recruiting in line with expectations.

The T-SAR Phase III randomised trial with Trabectedin vs. best supportive care, conducted in France with the French Sarcoma Group, which concluded enrolment in the fourth quarter of 2015, will present its initial results at the forthcoming annual meeting of the American Society of Clinical Oncology, to be held in Chicago in June; the TOMAS Phase I trial with trabectedin in combination with olaparib will also be presented at the meeting.

New data from a subgroup of patients with uterine leiomyosarcoma in the SAR-3007 trial sponsored by Janssen were presented at the annual meeting of the US Society of Gynecologic Oncology, which was held in San Diego, California, from 19 to 22 March.

Ovarian cancer

Recruitment continues on schedule for the pivotal (registration) 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.

Seven post-approval trials were ongoing in the first quarter of 2016.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, continue to recruit actively.

Regarding combinations with other drugs for this indication, recruitment continues for the IRFMN-OVA 6152 Phase II trial7 to evaluate the efficacy of trabectedin + bevacizumab, with and without carboplatin, which is being promoted by the Mario Negri Institute in Milan.

Recruitment continues satisfactorily in the NIMES-ROC international prospective observational trial on the efficacy and safety of the Yondelis® + PLD combination in real life in patients previously treated, or not, with antiangiogenics.

Other indications

Recruitment is continuing in 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).

Recruitment is also continuing satisfactorily in the EORTC 1320-BTG trial, conducted in cooperation with the European Organization for Research and Treatment of Cancer (EORTC); this Phase II randomised trial with Yondelis® in patients with highly recurrent meningioma seeks to assess the drug's efficacy and safety in comparison with the standard treatment.

b) Aplidin®

Multiple Myeloma

The ADMYRE Phase III trial to assess Aplidin (plitidepsin) in combination with dexamethasone vs. dexamethasone as monotherapy in patients with relapsed or refractory multiple myeloma disclosed a statistically significant 35% reduction in the risk of progression or death vs. the comparator, thereby achieving the primary endpoint.

ADMYRE is a randomised open international multicentre Phase III pivotal trial involving 255 patients at 83 hospitals in 19 countries (including the US, Europe and Asia-Pacific) with relapsed multiple myeloma following at least three but not more than six rounds of other treatment. The trial analysed the effectiveness of plitidepsin in combination with dexamethasone versus dexamethasone, comparing progression-free survival calculated using the criteria established by the International Myeloma Working Group (IMWG).

PharmaMar intends to file an application for permission to commercialise the drug with the European Medicines Agency (EMA) in the fourth quarter of the year.

The results of the Phase I trial with Aplidin® combined with Bortezomib and dexamethasone have been selected for an oral presentation at the American Society of Clinical Oncology (ASCO) meeting, to be held in Chicago in June.

Authorisation was obtained from the competent authorities to commence a Phase II trial with Aplidin® in patients with angioimmunoblastic T-cell lymphoma; consequently, centres will be opened and patient recruitment will commence in April.

c) PM1183

Platinum-resistant ovarian cancer

The Phase III pivotal (registration) trial in patients with platinum-resistant ovarian cancer to assess PM1183 as monotherapy vs. a control arm with topotecan or pegylated liposomal doxorubicin is continuing, with a recruitment rate in excess of initial expectations.

The first meeting of the Independent Data Monitoring Committee (IDMC) to assess safety data from the first 80 patients was held on 4 February. After analysing these patients, the Committee recommended continuing the trial without any changes.

Advanced breast cancer

In the Phase II clinical trial in advanced breast cancer, the arm consisting of breast cancer patients with BRCA 1 or 2 mutations who had not been pre-treated with PARP inhibitors was closed. Very significant anti-tumour activity has been observed in this subgroup of patients. The data from this trial are expected to be presented in 2016.

Small-cell lung cancer (SCLC)

Following the good results obtained in the Phase I trial in combination with doxorubicin, as second-line treatment of patients with SCLC, PharmaMar designed an international Phase III registration trial for this indication. The FDA approved the trial design in February 2016 and recruitment is expected to commence this year.

Combination trials

As regards Phase I combination trials, recruitment was completed for the combinations with doxorubicin, cisplatin, 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. A combination trial with CPT-11 is commencing and is expected to recruit the first patient in May 2016.

Recruitment continues for the trial in combination with cisplatin.

Basket trial in advanced solid tumours

Recruitment is continuing for the 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. The trial is being conducted in Spain, France, Belgium, the United States, Germany, Italy, Switzerland and the United Kingdom. Patient recruitment advanced at a good pace in the first quarter of 2016.

d) PM060184

After completion of the Phase I trials with PM184 as monotherapy, recruitment continues for the first combination trial, which commenced at the end of 2014. This trial with PM184 in combination with gemcitabine is being conducted in Spain and the US. It will be followed by a combination trial with gemcitabine in cooperation with GEICAM (Spanish Breast Cancer Research Group).

The first patient in the Phase 2 programme with this compound was enrolled on 25 February 2016 and recruitment is advancing on schedule. This first Phase II trial is being conducted in hormone-receptor positive breast cancer patients.

2.- Diagnostics: Genómica

Genómica obtained 1.394 million euro in revenues in the first quarter of 2016, i.e. an increase of 3% with respect to the same period of 2015 (1.353 million euro).

This increase is due fundamentally to good performance in the Spanish market, where sales were boosted by renewal of the supply contract under the Castilla & León Regional Government's cervical cancer prevention and early detection campaign. Sales in the domestic market amounted to 897 thousand euro (664 thousand euro in 1Q15). Eliminating the impact of sales under that cervical cancer programme, domestic sales increased by 7%.

Exports declined with respect to the first quarter of 2015; however, this was due to temporary factors and sales in Latin America are expected to recover in the second quarter. Sales efforts continue in the Middle East and Asia in search of new business opportunities.

Additionally, Genómica launched a new CLART® PneumoVir2 kit, an improvement on the CLART® PneumoVir kit. This new kit reduces assay time from 7 to 5 hours, providing results earlier and allowing

greater throughput; it also includes new key targets in respiratory infections (coronavirus OC43, coronavirus NL63 and influenza A H7N9).

Genómica also launched the CLART® HPV4 ® kit this quarter, which genotypes 35 types of human papilloma virus from a direct sample, without requiring DNA extraction. This greatly enhances the efficiency of the analysis, by making it faster and much cheaper.

The company also developed the AutoClart® Plus equipment, which can automatically process 96 samples in a single pass, from amplification of the genetic material to displaying the results. This system can perform a larger number of analyses using the CLART® technology while optimising times and reducing processing errors.

3.- RNA interference: Sylentis

Bamosiran (SYL040012) is the company's first compound under development for treating glaucoma and ocular hypertension; the analysis of all the parameters from the Phase IIB dose-seeking trial which also measures this compound's efficacy vs. comparator timolol was concluded.

As for the company's second compound, SYL1001, for treating eye discomfort associated with dry eye syndrome, the two Phase II trials reported positive results in March 2016. These multi-centre randomised parallel group double-blind Phase II trials with placebo control took place at 8 centres in two European countries: Spain and Estonia. A total of 127 patients with eye pain associated with dry eye syndrome took part in the trials, which assessed the safety and the efficacy vs. placebo of four doses of SYL1001 (0.375%, 0.75%, 1.125% and 2.25%) after 10 days of once-per-day administration in the form of eye drops. The results revealed that the 1.125% dose best achieved the primary and secondary endpoints, reducing not only eye pain but also conjunctival hyperaemia associated with dry eye syndrome after ten days of treatment. The two trials also assessed the safety and tolerability of SYL1001, confirming the good safety and tolerance profile observed in Phase I trials, with no differences in the percentage of adverse events between the assessed doses of SYL1001 and the placebo group. The results and additional analysis will be presented at ARVO 2016 (the meeting of the Association for Research in Vision and Ophthalmology) in May.

B) Consumer chemicals:

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

Net sales amounted to 4.46 million euro in the first quarter of 2016, i.e. 21% more than in the same period of 2015 (3.68 million euro).

The launch in May 2015 of a novel range of co-branded paints (Rust-Oleum-Xylazel) contributed to that increase in revenues.

Exports increased by 25.6% compared with 1Q15, to account for 10.5% of Xylazel's total sales in 1Q16.

Xylazel remains committed to R&D and innovation in its own products and those of third parties. In the first quarter of 2016, 32.4% of sales were of products or presentations launched in the last three years.

Market prices of raw materials declined, as did those of packaging (to a lesser extent), with the result that the average cost of inputs decreased by 4.4% in the quarter.

In contrast, variable and structural expenses increased. Those variables logically increased in line with sales. Overall, variable and structural expenses increased by 18.6% with respect to the first quarter of 2015.

As a result, EBITDA in the first quarter of 2015 amounted to 330 thousand euro, 68.7% more than in the same period of last year.

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

In the first quarter, combined sales by Zelnova-Copyr increased by 1.6 million euro (+16.3%) with respect to 1Q15, to 11.4 million euro (9.8 million euro in 2015). This increase is due both to good sales in all business lines in Spain (+8.2%) and to sales by Copyr in its Home & Garden and Ecological Agriculture lines (in the latter case, because of Europe-wide expansion of its line of ecological products based on natural pyrethrins). These sizeable variations reveal a trend towards regaining pre-crisis sales levels and confirm the excellent prospects of natural pyrethrin, Copyr's flagship product, in organic farming.

The prices of the main raw materials remained stable in the period, in line with the trend in 2015. The euro/dollar exchange rate performance is having a positive impact 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 revenues, cost cuts and a recovery in margins resulted in a 33% increase in EBITDA.

The prospects for 2016 are very good because of this strong recovery in sales and earnings and the signature of agreements with major retailers to supply private label products, whose effect will become clear in the coming months.

BALANCE SHEET *(Thousand euro)*	03/31/2016	12/31/2015
ASSETS		
Non-current assets	**99,392**	**99,804**
Property, plant & equipment	30,946	30,624
Investment properties	6,146	6,157
Intangible assets	26,106	26,829
Goodwill	2,548	2,548
Long-term financial assets	1,067	1,067
Deferred tax assets	32,579	32,579
Current assets	**118,599**	**112,135**
Inventories	24,956	22,990
Customer and other receivables	46,684	40,200
Current financial assets	36,965	37,996
Receivable from public authorities	904	1,315
Other current assets	2,540	2,005
Cash & cash equivalents	6,550	7,629
TOTAL ASSETS	**217,991**	**211,939**

BALANCE SHEET *(Thousand euro)*	03/31/2016	12/31/2015
EQUITY		
Shareholders' equity	**69,313**	**76,874**
Share capital	11,110	11,110
Share premium	69,189	69,189
Treasury shares	(3,367)	(2,944)
Revaluation and other reserves	8	8
Retained earnings and other reserves	(7,627)	(489)
Minority interest	**(3,843)**	**(3,838)**
TOTAL EQUITY	**65,470**	**73,036**
LIABILITIES		
Non-current liabilities	**73,121**	**68,280**
Financial debt	69,492	64,973
Non-current deferred revenues	2,759	2,709
Other non-current liabilities	870	598
Current liabilities	**79,400**	**70,623**
Supplier and other accounts payables	36,400	31,959
Financial debt	35,671	28,629
Derivatives	7	14
Provisions for other liabilities & expenses	4,029	6,306
Current deferred revenues	57	54
Other current liabilities	3,236	3,661
TOTAL LIABILITIES	**152,521**	**138,903**
TOTAL LIABILITIES AND EQUITY	**217,991**	**211,939**

INCOME STATEMENT		
Thousand euro	**03/31/2016**	**03/31/2015**
Revenues:		
Product Sales	39,980	34,546
Co-development	229	10,250
Licensing agreements	1,757	572
Other income	209	230
	42,175	**45,598**
Cost of sales	(10,449)	(8,387)
Other operating revenues	385	300
Marketing & commercial organisation expenses	(11,537)	(9,313)
General and administration expenses	(4,990)	(5,429)
Research & development expenses	(18,763)	(12,678)
Other operating expenses	(2,573)	(2,137)
Net operating profit (loss) (EBIT)	**(5,752)**	**7,954**
Net financial results	(1,169)	(1,273)
Result from continuing operations	**(6,921)**	**6,681**
Corporate income tax in the period	(220)	(143)
Profit (Loss) for the year	**(7,141)**	**6,538**
Profit for the year	(7,141)	6,538
Attributable to owners of the parent	**(7,136)**	**6,541**
Attributable to minority interest	(5)	(3)

Net operating profit (loss) (EBIT)	(5,752)	7,954
Amortisation and depreciation	1,819	1,523
EBITDA	**(3,933)**	**9,477**

CONSOLIDATED CASH FLOW STATEMENT	03/31/2016
TOTAL NET OPERATING CASH FLOW	**(11,815)**
Income before taxes	**(6,921)**
Adjustments for:	**3,014**
Amortisation and depreciation	1,820
Other adjustements	1,194
Changes in working capital:	**(6,833)**
Other cash flow from operations:	**(1,075)**
Financial expenses	158
Financial revenues	(1,233)
TOTAL NET INVESTING CASH FLOW	**(402)**
Investments payments:	**(1,370)**
Purchases of property, plant & equipment and intangible assets	(1,370)
Disvestment receipts:	**1,031**
Other financial assets	1,031
Other investing cash flow:	**(63)**
Other investment receipts / (payments)	(63)
TOTAL NET FINANCING CASH FLOW	**11,138**
Collections and (payments) in connection with equity instruments:	**(423)**
Acquisition	(423)
Collections and (payments) in connection with financial liabilities:	**5,197**
Issue	9,357
Refund and amortization	(4,160)
Other financing cash flow:	**6,364**
Other financing receipts / (payments)	6,364
TOTAL NET CASH FLOW	**(1,079)**
Beginning balance of cahs and cash equivalents	7,629
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**6,550**

NET CASH POSITION	
Cash and cash equivalents	6,550
Current financial assets	36,965
Financial debt	(35,671)
TOTAL NET CASH POSITION	**7,844**