



Rovi

**Nine-month period ended 30
September 2011 Results**



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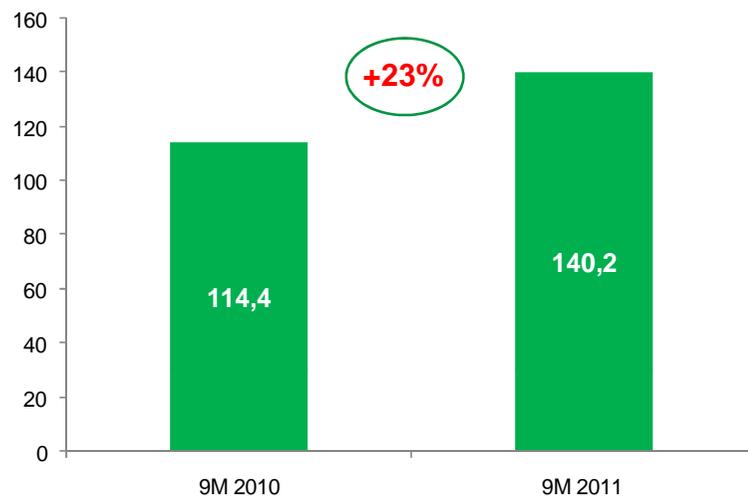
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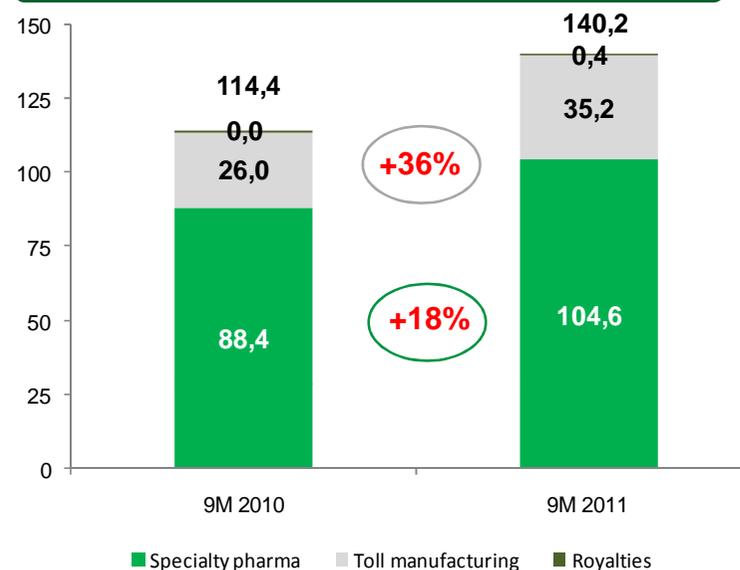
Growth driven by recent launches and toll manufacturing business strength



Total operating revenues (€m)



Operating revenues growth by category (€m)



- **Operating revenues** increased by 23% in 9M 2011 driven by the strength of:
 - ✓ The specialty pharmaceutical business, where sales rose 18%;
 - ✓ The toll manufacturing business, where sales increased by 36%.
- **Guidance upgrade for 2011**
 - ✓ Operating revenues rising mid teens, from low double digit.
- **Forecast operating revenues growth for 2012 is from high single digit to low double digit.**

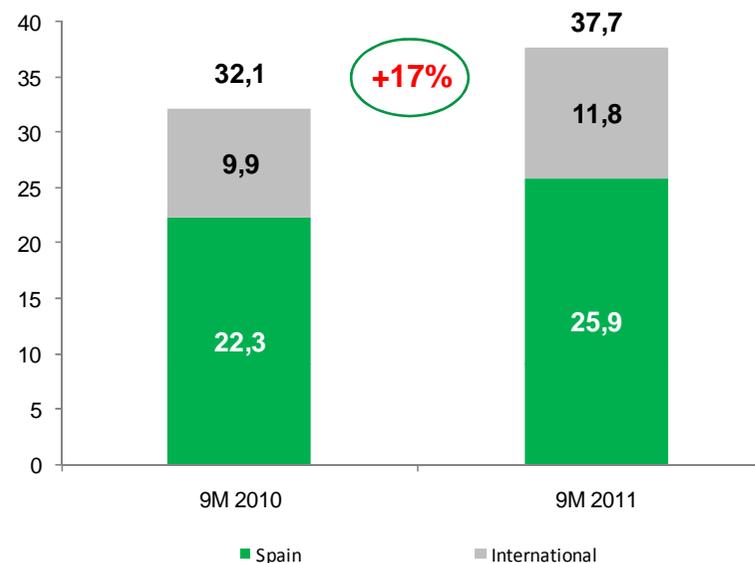


Bemiparin, leading the growth

Prescription-based pharma products sales (€m)



Bemiparin sales (€m)

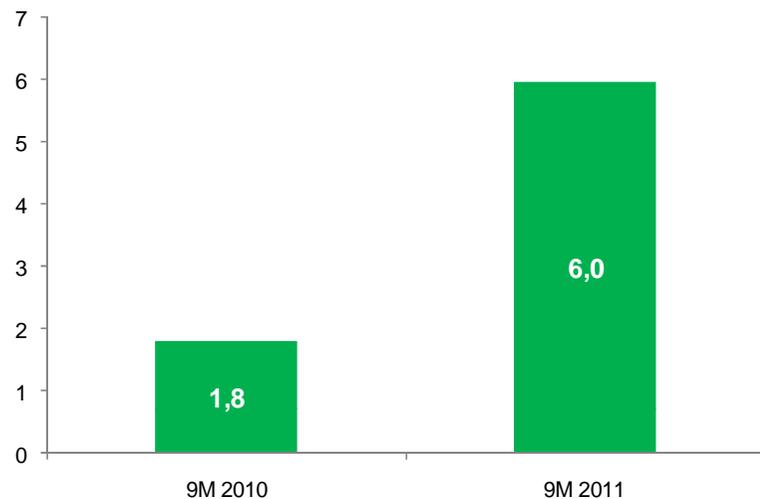


- **Sales of prescription-based pharmaceutical products** increased by 19% in 9M 2011.
 - ✓ Excluding the impact of the measures to reduce pharmaceutical expenditure, sales of prescription-based pharmaceutical products increased by around 25% in 9M 2011.
- **Bemiparin sales** increased by 17% in 9M 2011.
 - ✓ Sales in Spain rose 16%.
 - ✓ International sales rose by 20% due to the increased presence in countries where it was already present and by the launch of the product in three new country: Bolivia, Byelorussia and Russia.

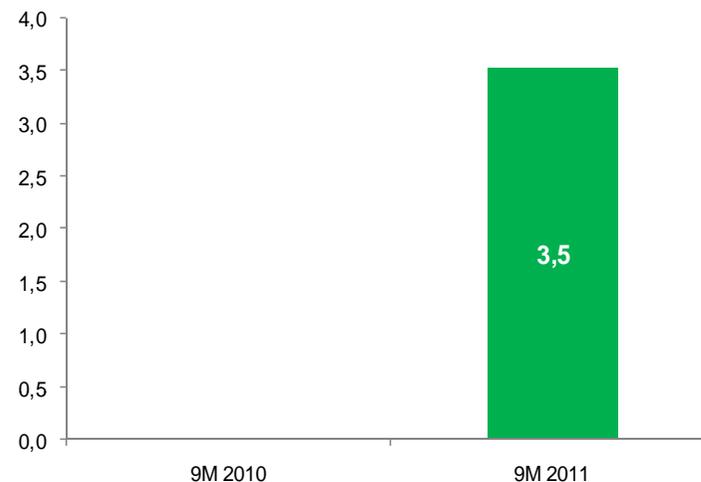


Recent launches sales

Thymanax sales (€m)



Absorcol and Vytorin sales (€m)



- **Sales of Thymanax**, an innovative antidepressant from Servier, launched in March 2010, reached €6.0m in 9M 2011.
- **Sales of Absorcol and Vytorin**, the first of the five licenses of MSD launched in January 2011, reached €3.5m in 9M 2011.

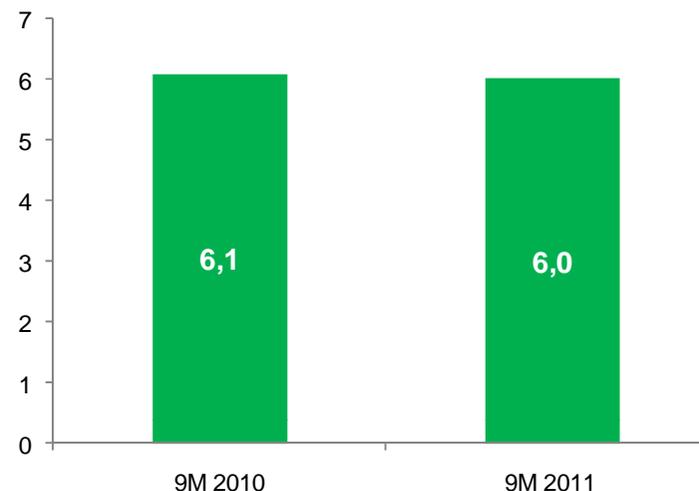


Good performance of the product portfolio

Corlentor sales (€m)



Exxiv sales (€m)



Contrast imaging agents (€m)

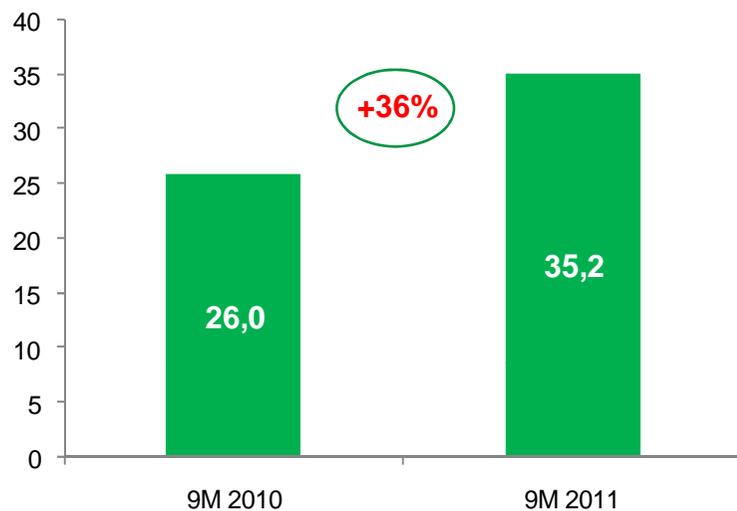


- Very positive results of the **SHIFT study** which will allow Ivabradine (Corlentor) to obtain a new indication for heart failure.



Value added toll manufacturing services

Toll manufacturing sales (€m)

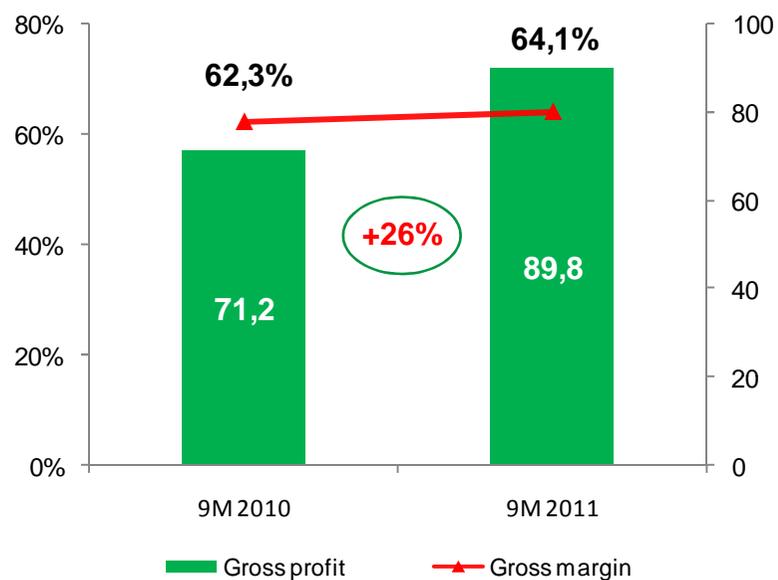


- **Toll manufacturing sales** increased by 36% in 9M 2011 as a result of the implementation of the MSD manufacturing and packaging agreement.
 - ✓ Revenues from the MSD amounted to €24.0m in 9M 2011.
- **50% of spare capacity** in the Frosst Ibérica plant.
 - ✓ New contract with Farmalíder, signed in January 2011.

Gross margin impacted by the increase in the Bemiparin raw material prices



Gross profit (€m) & Gross margin (%)



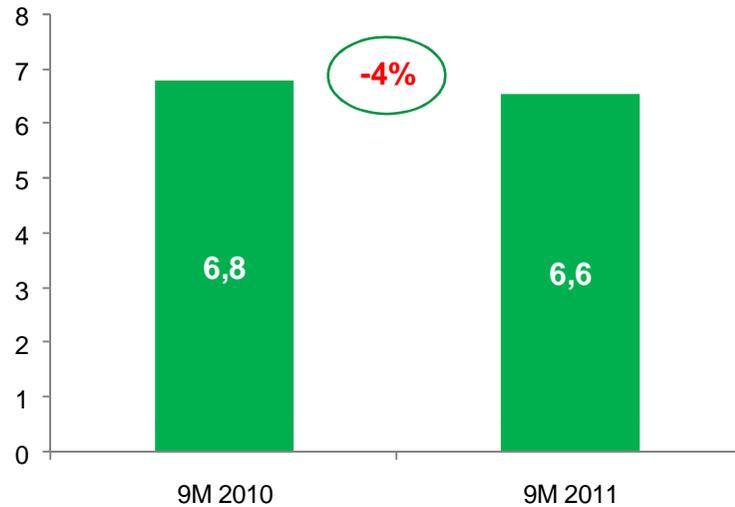
➤ 9M 2011 gross margin impacted by:

- ✓ Fitoladius product sale to a third part.
 - Excluding Fitoladius sale impact, gross margin increased to 62.6%.
- ✓ Other income (subsidies), which increased by 2.1 times in 9M 2011.
 - Excluding other income impact, gross margin decreased to 60.8% in 9M 2011 from 61.3% in 9M 2010, mainly due to:
 - Bemiparin raw material price increase; and
 - Measures to reduce pharmaceutical expenditure.
 - The implementation of the MSD agreement had a positive impact on the 9M 2011 gross margin.

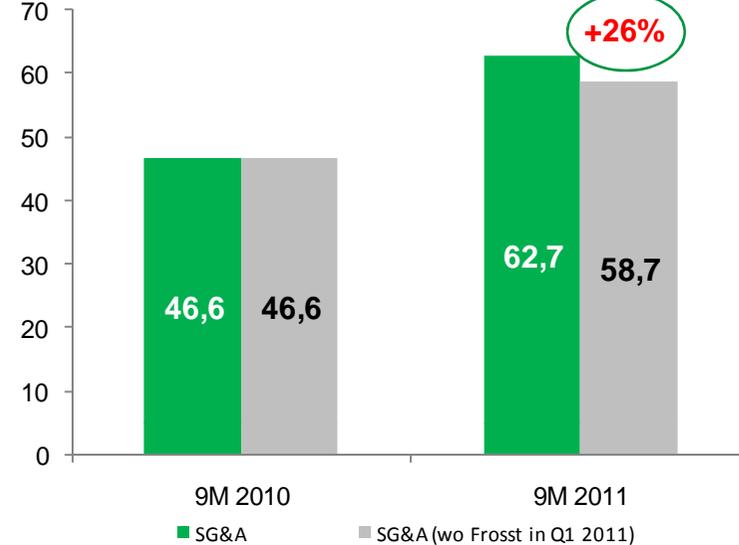
Investment effort in human capital to generate growth



R&D expenses (€m)



SG&A expenses (€m)

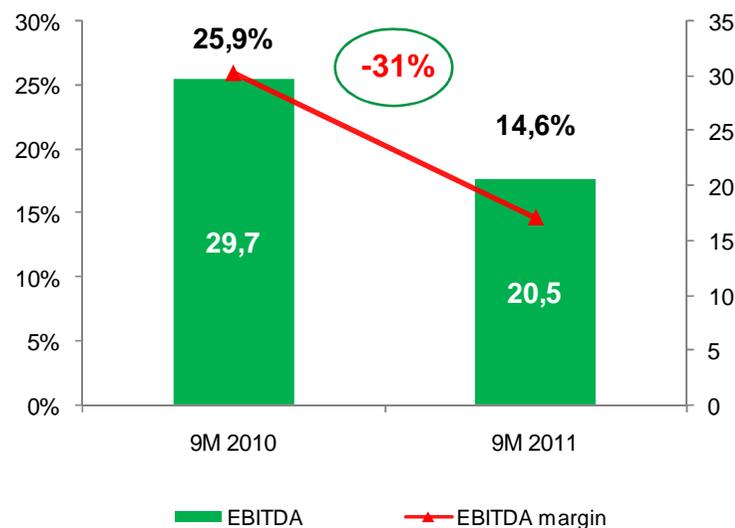


- **R&D expenses** decreased by 4% as a result of our search for greater cost efficiency.
- **SG&A expenses** increased by 35% in 9M 2011 as a result of:
 - ✓ MSD agreement implementation, which was effective on 31 March 2010; and
 - ✓ Launch of Vytorin and Absorcol.
- **SG&A expenses** increased by 26% in 9M 2011, excluding the impact of the MSD agreement in Q1 2011.
 - ✓ This 26% SG&A increase reflected ROVI investment effort in human capital to address primary care, main target of Vytorin and Absorcol products.

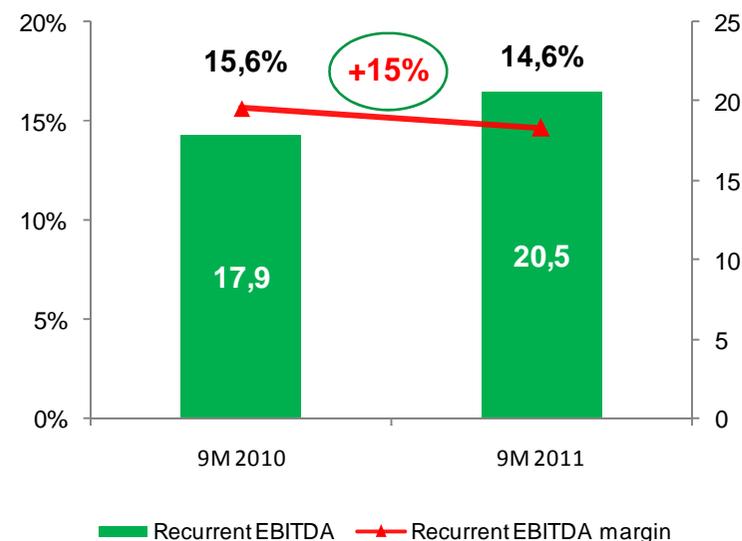


EBITDA

EBITDA (€m) and EBITDA margin (%)



Recurrent EBITDA (€m) and EBITDA margin (%)



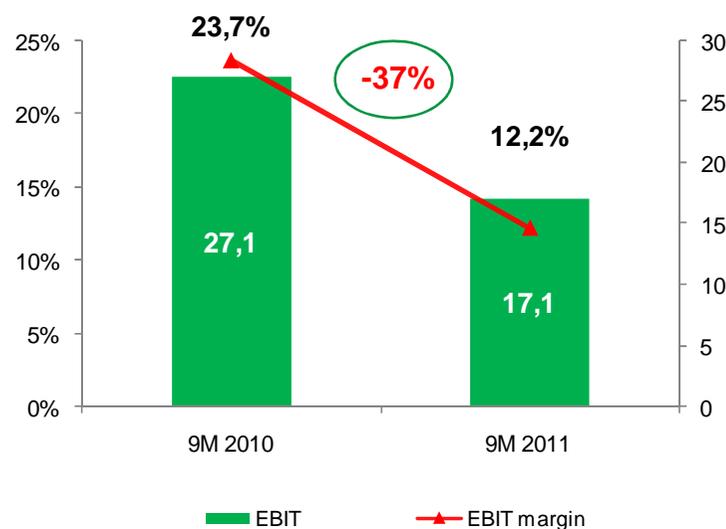
- **EBITDA** impacted by a one-off profit of €11.8m in Q2 2010 caused by the Frosst Ibérica integration.
- Excluding one-off profit in 2010, **EBITDA** increased by 15% in 9M 2011 vs 9M 2010.
- This 15% increase includes a profit of €5.6m related to Fitoladius sale, registered in Q2 2011.
- Excluding the impact of Fitoladius sale and the impact of the measures to reduce pharma expenditure, **EBITDA** increased by ~7% in 9M 2011.

Note: Recurrent EBITDA excludes the one-off profit of 11.8 million euros, registered in the first half of 2010.

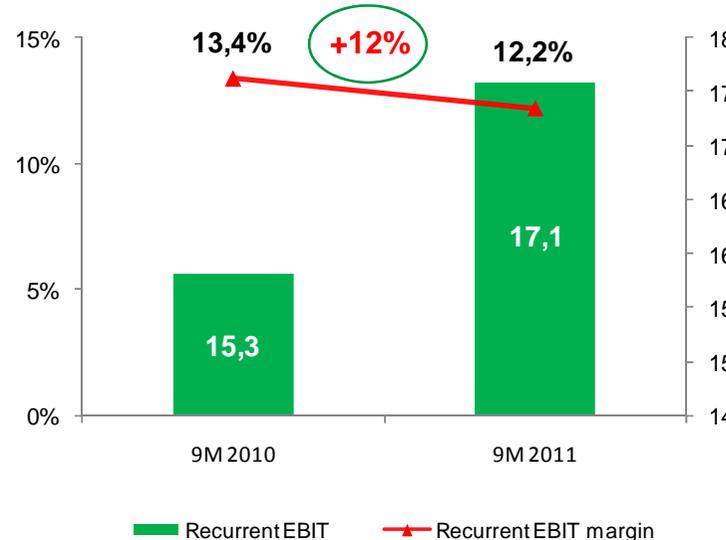


EBIT

EBIT (€m) and EBIT margin (%)



Recurrent EBIT (€m) and EBIT margin (%)

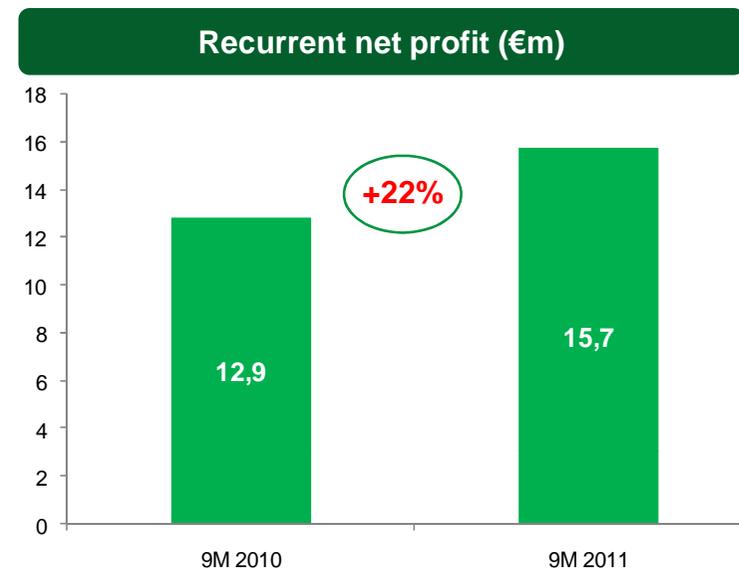
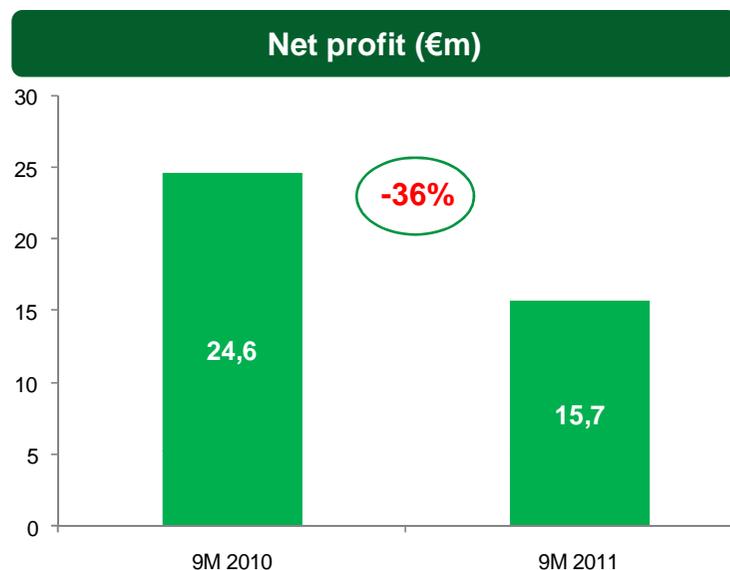


- **Depreciation and amortisation expenses** increased by 33% in 9M 2011 as a result of the MSD agreement implementation and the new PP&E and intangible assets purchases made during 2010 and 2011.
- **EBIT** impacted by the same factors as EBITDA.

Note: Recurrent EBIT excludes the one-off profit of 11.8 million euros, registered in the first half of 2010.



Net profit



- **Net profit** impacted by the same factors as EBITDA.
- **Effective tax rate** of 3.9% in 9M 2011 vs 8.1% in 9M 2010.
 - ✓ Before August 2011, no taxes paid on Frosst Ibérica profits as this company has negative tax bases and profits could be offset without limit.
 - ✓ According to the new law, approved in August 2011, taxes to be paid on Frosst Ibérica profits as this company can only offset its profits by 50% of the tax bases of the group in the period 2011-2013.

Note: Recurrent net result excludes the one-off profit of 11.8 million euros, registered in the first half of 2010.

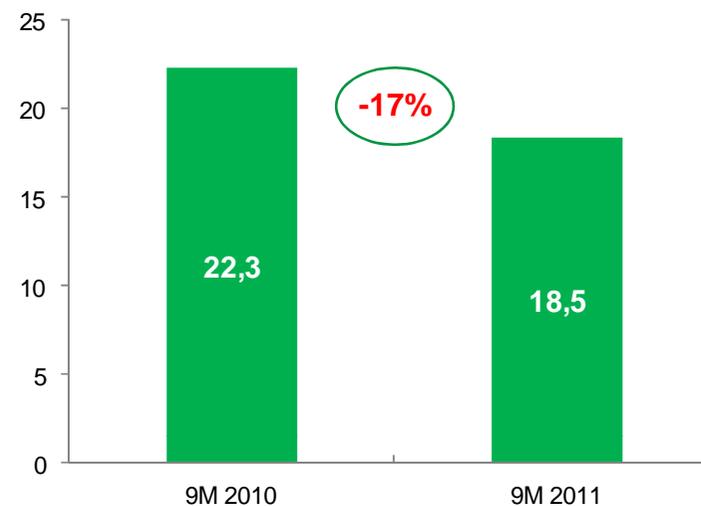


Capital expenditure and free cash flow

Capex (€m)



FCF (€m)

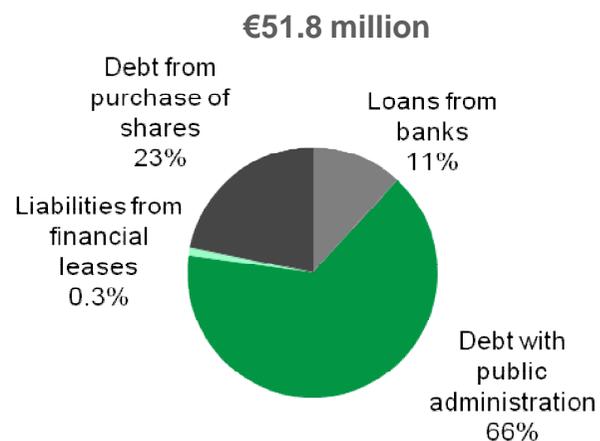


- €4.2m of **capex** invested in 9M 2011.
 - ✓ €0.9m of investment capex related to Granada facility.
 - ✓ €0.6m of investment capex related to Alcalá facility (Frosst Ibérica).
 - ✓ €2.7m of maintenance capex vs €1.9m in 9M 2010.
- **FCF** decreased by 17% in 9M 2011 mainly due to:
 - ✓ €4.2m of capex invested in 9M 2011 vs €1.9m in 9M 2010.
 - ✓ €3.4 m of investment in financial assets in 9M 2011 vs €2.1m of collection from financial assets in 9M 2010.
 - ✓ €-9.5m of WC variation in 9M 2011 vs €2.4m in 9M 2010, impacted by Frosst Ibérica integration in Q2 2010.
 - ✓ Positive impact of €14.0m related to the sale of short term deposits.



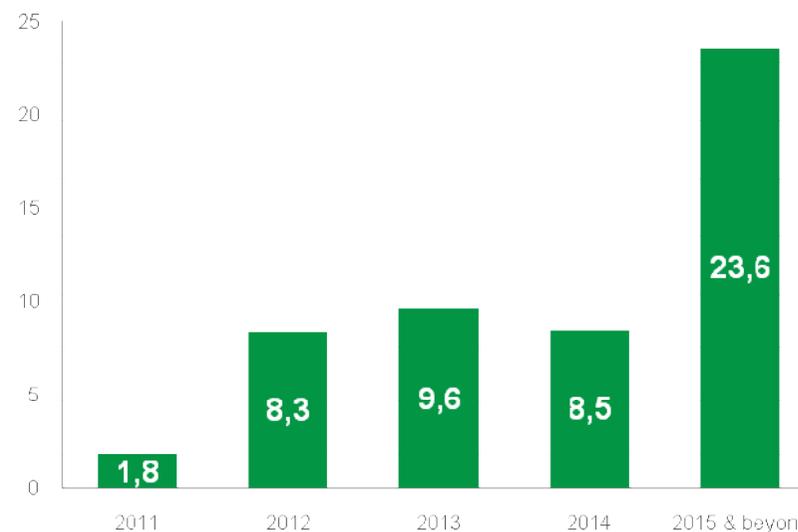
Financial debt

Debt breakdown by source (%)



Note: consolidated accounts under IFRS

Maturities by year (€m)



- 89% of the debt is 0% interest rate debt.
- Debt with public administration represented 66% of total debt.
- Gross cash position of €63.3m as of 30 September 2011 vs €59.8m as of 31 December 2010.
- Net cash position of €11.4m as of 30 September 2011 vs €7.9m as of 31 December 2010.
- High level of financial flexibility.



Newsflow 2011

Specialty pharma

- Additional new in-licensing products to be launched

Toll manufacturing

- New contracts to be announced



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