



First Quarter 2012 Results

26 April 2012



Laboratorios Farmacéuticos Rovi, S.A. and Subsidiaries
Investor Relations



ROVI – First Quarter 2012 Results

ROVI reports an operating revenues growth of 9%, led by sales for pharmaceutical specialities and by the strength of the toll manufacturing business

- **Operating revenues increased by 9% to 50.9 million euros in the three-month period ended 31 March 2012, driven by the strength of the specialty pharmaceutical business, where sales rose 8%, and of the toll manufacturing business which grew by 12% in the first quarter of 2012.**
- **Forecast operating revenues growth for 2012, from high single digit to low double digit, under review after the publication, on 24 April 2012, of a new measures package approved by the Spanish Government in order to achieve savings of more than 7 billion euros for the healthcare sector.**
- **Sales of Bemiparin increased by 12% to 14.8 million euros and sales of Corlantor and Osseor, from Servier, grew by 29% and 1% respectively in the three-month period ended 31 March 2012. Sales of Thymanax, an innovative antidepressant from Servier that ROVI launched in March 2010, increased by 79% to 2.8 million euros in the first quarter of 2012.**
- **In January 2011, ROVI started the marketing of Absorcol®, whose active principle is ezetimibe, and Vytorin®, which combines two active principles, ezetimibe and simvastatin, the first of the five licenses of Merck Sharp & Dohme (MSD), in Spain. Sales of Absorcol® and Vytorin® increased by 3.0 times to 2.8 million euros in the first quarter of 2012.**
- **EBITDA increased by 8% to 6.6 million euros in the three-month period ended 31 March 2012, compared to the same period of the previous year, reflecting a rise in the gross margin to 61.4% in the first quarter of 2012 up from 60.3% in the same period of the previous year.**
- **Net profit increased by 8% to 5.3 million euros in the three-month period ended 31 March 2012, compared to the same period of the previous year.**



- **ROVI will propose to the Shareholders General Meeting a dividend of 0.1269 euros per share on 2011 earnings. This proposed dividend would imply the payout of 35% of consolidated net profit for 2011.**

Madrid (Spain), 26 April 2012, 8:00 AM CET - ROVI released today its financial results for the three-month period ended 31 March 2012.

Juan López-Belmonte Encina, Chief Executive Officer of ROVI, said that *"in the first quarter of 2012, we reached an excellent 9% operating revenues growth driven by the strength of two of our pillars of growth, our specialty pharmaceutical area and our toll manufacturing area. Our young portfolio has protected us from the governmental measures which were effective from November 2011, and we expect these measures to have an impact of less than 1 million euros on 2012 sales. On 20 April 2012, the Spanish Government announced a new measures package, which was published on the official state gazette on the 24th of April. The potential impact of these last measures on the Group accounts has to be evaluated. Once again Bemiparin led the growth with a 12% increase in sales. Bemiparin sales in Spain remained stable and outside Spain grew by 43%, highlighting the continued internationalisation of our flagship product as one of the Company's growth engines in the medium term. Furthermore, the agreement with MSD allows us to strengthen our toll manufacturing area, as we have already reflected in the 2010, 2011 and the first quarter 2012 results, as well as our specialty pharmaceutical area, as we have shown with the launch, in January 2011, of Vytorin and Absorcol, the first of the five licenses from MSD that will contribute to our growth in the coming years. This launch required a significant investment effort in human capital in 2011 in order to address new prescribers. We expect this effort to result in a strong sales growth and operating leverage in the coming years. In addition, the MSD agreement will allow us to launch four additional new products in the next 10 years, underpinning our belief in the sustainability of the long term outlook for the company. The development of the research and production centre for seasonal and pandemic flu vaccines in Spain, also reflects our commitment to diversify and to reinforce our business model and, together with the MSD agreement, provide us with an excellent opportunity for growth as we maximise the potential of the infrastructure we have built and purchased. ROVI's R&D pipeline continues to hold strong potential to drive the company's growth in future years. We are very excited with the potential of the ISM technology, especially with the Risperidone-ISM® project development, whose phase I/II studies are planned to start by the second half of 2012. This gives us the confidence and security to continue, not only with our development of Risperidone ISM, but also with the development of other candidates with which we are already in an advanced pre-clinical phase"*.



1. Financial highlights

€ million	Q1 2012	Q1 2011	Growth	% Growth
Operating revenues	50.9	46.8	4.2	9%
Other income	0.3	0.3	0.0	(7%)
Total revenue	51.3	47.1	4.1	9%
Raw materials used and changes in inventories	(20.0)	(18.9)	(1.1)	6%
Gross profit	31.3	28.2	3.1	11%
<i>% margin</i>	<i>61.4%</i>	<i>60.3%</i>		1.1pp
R&D expenses	(2.3)	(2.2)	(0.1)	3%
Other SG&A	(22.3)	(19.9)	(2.4)	12%
Share of loss/profit of joint venture	0.0	-	n.a.	n.a.
EBITDA	6.6	6.1	0.5	8%
<i>% margin</i>	<i>12.9%</i>	<i>13.0%</i>		(0.1pp)
EBIT	5.4	5.0	0.4	8%
<i>% margin</i>	<i>10.6%</i>	<i>10.7%</i>		(0.1pp)
Net profit	5.3	4.9	0.4	8%

Note: certain numerical figures included in this document have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.

The consolidated financial statements of Grupo ROVI for the first quarter of 2012 and the comparative information for 2011 (balance sheet) and for the first quarter of 2011 (consolidated income statement and cash flow statement) are attached to this report (see Appendix 1).

2. Performance of the Group

Operating revenues increased by 9% to 50.9 million euros in the three-month period ended 31 March 2012, driven by the strength of the specialty pharmaceutical business, where sales rose 8%, and of the toll manufacturing business which grew by 12% in the first quarter of 2012.

Sales of **prescription-based pharmaceutical products** rose 13% to 28.6 million euros in the three-month period ended 31 March 2012. In the first quarter of 2011, ROVI marketed Fitoladius, which was sold to a third party in the second quarter of 2011, and EMLA, which was stopped to be marketed and started to be only promoted in June 2011. Excluding the



impact of Fitoladius and EMLA distribution in the first quarter of 2011, sales of prescription-based pharmaceutical products increased by 22% in the first quarter of 2012.

ROVI's low molecular weight heparin (LMWH), **Bemiparin**, maintained a growth rate, with sales up 12% to 14.8 million euros. Sales of Bemiparin in Spain (**Hibor®**) remained stable at 9.3 million euros, while international sales rose 43% to 5.5 million euros in the first quarter of 2012 supported by the increased presence of Bemiparin, through strategic alliances, in countries where it was already present, and by the launch of the product in five new countries, Mexico, Saudi Arabia, Iraq, Syria and Oman, during the first quarter of 2012. This accelerated growth of the international sales was specific to the first quarter of 2012 and a more moderate growth is expected for 2012.

Sales of **Corlenter®**, a specialty product for stable angina and chronic heart failure¹ from Laboratoires Servier, rose 29% to 2.1 million euros in the three-month period ended 31 March 2012. In February 2012, Corlenter® was approved by the European Commission for the treatment of patients with chronic heart failure¹. The European Commission's decision to authorise this new indication for Corlenter® followed the review of data from the SHIT trial, the largest-ever morbi-mortality study of treatments for chronic heart failure involving more than 6000 patients. It demonstrated that the treatment significantly reduced the risk of death and hospitalisation from heart failure, and improved the quality of life of people living with the disease.^{2,3} This reduction in mortality was highly significant in patients with a heart rate of 75 beats per minute (bpm), or above, for whom Corlenter® is now indicated.¹

Sales of **Osseor®**, a specialty product for the treatment of postmenopausal osteoporosis from Laboratoires Servier, increased by 1% to 1.8 million euros in the three-month period ended 31 March 2012.

Sales of **Exxiv®**, a selective COX-2 inhibitor from Merck Sharp & Dohme (MSD), decreased by 6% to 1.9 million euros in the three-month period ended 31 March 2012, mainly due to a slight deceleration of the COX-2 market.

Sales of **Thymanax®**, an innovative antidepressant from Laboratoires Servier, launched in March 2010 and for which ROVI has a co-marketing agreement covering Spain, increased by 79% to 2.8 million euros in the three-month period ended 31 March 2012.

1. EMA announcement

2. Swedberg K, Komajda M, Böhm M et al. Ivabradine and outcomes in chronic heart failure (SHIFT): a randomised placebo-controlled study. *Lancet* 2010; 376:875-85

3. Ekman I, Chassany O, Komajda M et al. Heart rate reduction with ivabradine and health related quality of life in patients with chronic heart failure: results from the SHIFT study. *Eur Heart J*. 2011; DOI:10.1093/eurheartj/ehr343. Available at: <http://eurheartj.oxfordjournals.org>



Sales of **Vytorin®** and **Absorcol®**, the first of the five licenses of MSD, launched in January 2011, increased by 3.0 times to 2.8 million euros in the three-month period ended 31 March 2012.

On 21st of July of 2011, the Spanish government announced a measures package to reduce the pharmaceutical expenditure.

(see <http://www.msps.es/gabinetePrensa/notaPrensa/desarrolloNotaPrensa.jsp?id=2165>).

The impact of these measures, which were effective from November 2011, will not be significant for the accounts of the company in 2012. ROVI expects that this impact could be less than 1 million euros in 2012.

On 20th of April of 2012, the Spanish government announced a new measures package in order to achieve savings of more than 7 billion euros for the healthcare sector. These new measures have been published on the official state gazette on the 24th of April (see <http://www.boe.es/boe/dias/2012/04/24/pdfs/BOE-A-2012-5403.pdf>). According to the Spanish government comments, this new measures package would contribute to reduce drugs demand. The potential impact of these measures on the ROVI Group accounts has to be evaluated.

In the second quarter of 2011, **Fitoladius®** product was sold to a third party. Revenues related to Fitoladius distribution amounted to 0.6 million euros in the first quarter of 2011.

In the first quarter of 2012, ROVI did not register sales from the **EMLA®** distribution, a topical anaesthetic licensed by AstraZeneca that has been marketed by ROVI since 1998. In June 2011, the EMLA® distribution agreement with AstraZeneca was replaced by a promotion agreement. Revenues related to EMLA® promotion amounted to 0.3 million euros in the first quarter of 2012. Revenues related to EMLA® distribution amounted to 1.5 million euros in the first quarter of 2011.

Sales of **over-the-counter pharmaceutical products** declined by 13% to 1.4 million euros in the three-month period ended 31 March 2012 compared to the same period of the previous year. This was mainly as consequence of ROVI divestiture strategy in this area.

Sales of **contrast imaging agents** and other hospital products decreased by 7% to 5.5 million euros in the three-month period ended 31 March 2012.

Toll manufacturing sales increased by 12% to 15.4 million euros in the three-month period ended 31 March 2012 compared with the same period of the previous year, mainly as a result of the contribution of the Frosst Ibérica plant whose revenues amounted to 13.6 million euros in the three-month period ended 31 March 2012. The Frosst Ibérica plant has current manufacturing capabilities of 3 billion of capsules and 100 million of boxes. ROVI counted on a spare capacity of 50% in this plant when it was acquired in the second quarter of 2010. The



company is using this spare capacity and it has been reduced by more than 10% since the plant acquisition. For the time being, the spare capacity is less than 40% in this plant which will allow ROVI to continue acquiring new customers in order to maximise the potential of the acquired infrastructure. In January 2011, ROVI signed an agreement with Farmalíder, a pharmaceutical company specialised in the development of branded, OTC, value-added, and traditional generic products, for the manufacturing, research and conditioning of pharmaceutical specialties based on Ibuprofen and Paracetamol. Farmalíder has undertaken to work towards providing ROVI with annual manufacturing that will represent an increase in the production of the plant of Frosst Ibérica by 10% to 15%.

Gross profit increased by 11% to 31.3 million euros in the three-month period ended 31 March 2012, reflecting an increase in the gross margin to 61.4% in the first quarter of 2012 from 60.3% in the first quarter of 2011. The decrease of the Bemiparin raw material cost impacted positively in the first quarter 2012 gross margin. In the first quarter of 2012, ROVI continued to buy Bemiparin raw material at around 40 euros per million of international units and it expects that this stable trend continues during 2012.

Research and development expenses increased by 3% to 2.3 million euros in the three-month period ended 31 March 2012, reflecting ROVI investments in products that are under development.

Selling, general and administrative expenses increased by 12% to 22.3 million euros in the three-month period ended 31 March 2012, compared to the same period of the previous year, mainly as a result of the increase in the toll manufacturing volumes and of the preparation of the injectables facility for a FDA (*US Food and Drug Administration*) inspection.

On 23th February 2012, ROVI sold 50% of the Alentia Biotech share capital to Grupo Ferrer Internacional. The **share of loss/profit of joint venture** item corresponds to 50% of the result registered by Alentia Biotech from the sale date of the company to 31 March 2012.

EBITDA increased by 8% to 6.6 million euros in the three-month period ended 31 March 2012, compared to the same period of the previous year, reflecting a stable EBITDA margin at 12.9% in the first quarter of 2012.

Depreciation and amortisation expenses increased by 10% in the three-month period ended 31 March 2012, compared to the same period of the previous year, mainly as a result of the new property plant and equipment and intangible assets purchases made during the last twelve months.

EBIT increased by 8% to 5.4 million euros in the three-month period ended 31 March 2012, compared to the same period of the previous year, reflecting a stable EBIT margin at 10.6% in the first quarter of 2012.



Financial expense decreased by 6% in the three-month period ended 31 March 2012, compared to the same period of the previous year.

The **financial income** line decreased by 2% in the three-month period ended 31 March 2012, compared to the same period of the previous year.

The **effective tax rate** was 0.5% in the three-month period ended 31 March 2012 compared with 0.0% in the first quarter of 2011.

On 19th August 2011, a tax measures package was approved by law (<http://www.boe.es/boe/dias/2011/08/20/pdfs/BOE-A-2011-14021.pdf>) affecting tax bases. Previously, ROVI did not pay taxes on Frosst Ibérica profits as this company has negative tax bases and profits could be offset without limit. According to this law, ROVI has to pay taxes on Frosst Ibérica profits as this company can only offset its profits by 50% of the tax bases of the group during the period 2011-2013. Frosst Ibérica negative tax bases amounted to 75.7 million euros as of 31 December 2010, of which 6.4 million euros and 2.2 million euros were used in 2011 and in the first quarter of 2012 respectively.

On 30th March 2012, a new tax measures package (<http://www.boe.es/boe/dias/2012/03/31/pdfs/BOE-A-2012-4441.pdf>) was approved by law in order to reduce Spanish public deficit. Among these new tax measures, the elimination of the freedom of depreciation incentive, the reduction of the deductions limits and the consideration of the reinvestment deduction in the calculation of the deductions limit could affect ROVI Group income statement. ROVI expects to achieve an effective income tax expense rate of mid single digit for 2012 as the company has negative tax bases pending to be capitalised and research and development expenses to be deducted. Nevertheless, the latest measures will affect ROVI income tax payable rate. The tax payable rate would represent a percentage in the high single to low double digit range over the profit before income tax.

The **net profit** of ROVI increased by 8% to 5.3 million euros in the three-month period ended 31 March 2012, compared to the same period of the previous year.

Javier López-Belmonte Encina, Chief Financial Officer of ROVI, said that, "we are satisfied with the results for the first quarter of 2012. Operating revenues increased by 9% from the same period of the previous year. This was in line with expectations despite the difficulties in the economic and regulatory environments. We attribute this out-performance to the strength of our leading products, which continue to gain share in their various market segments, and to the contribution of the toll manufacturing business. Margins remained stable in the first quarter of 2012 and we expect this stability to be continued in 2012. It is very gratifying to witness the growth in the strength of our balance sheet and our excellent capacity to generate cash, which allow us to finance organic growth through the launch of new products, such as Vytorin and Absorcol, and to be in a strong position to benefit in the current operating



environment as we will pay attention to potential opportunities to expand our sales base and better the utilisation of our asset base”.

3. Balance Sheet items

3.1 Capital expenditure

ROVI invested 1.9 million euros in the three-month period ended 31 March 2012, compared to 1.1 million euros in the three-month period ended 31 March 2011. Of this amount:

- 0.2 million euros correspond to investment capex related to the Alcalá facility (Frosst Ibérica), versus 0.1 million euros in the first quarter of 2011;
- 0.7 million euros correspond to investment capex related to Granada facility, versus 0.5 million euros in the first quarter of 2011;
- 0.3 million euros correspond to investment capex related to the injectables facility in order to prepare the plant for a FDA (*US Food and Drug Administration*) inspection and for the development of the ISM project; and
- 0.7 million euros correspond to expenditure on maintenance versus 0.5 million euros of maintenance capex in the first quarter of 2011.

ROVI expects capital expenditure for 2012 to be in line with the first quarter figure mainly as a result of (i) the preparation of the injectables facility for a FDA (*US Food and Drug Administration*) inspection and for the development of the ISM project, and (ii) the future implementation of a second production line in the Granada facility.

3.2 Debt

As of 31 March 2012, ROVI had total debt of 43.9 million euros. Debt with public administration represented, as of 31 March 2012, 63% of total debt and 90% of total debt is 0% interest rate debt.

<i>In thousand euros</i>	31 March 12	31 December 11
Loans from banks	4,219	4,799
Debt with public administration	27,644	33,897
Debt from purchase of shares	12,067	11,984
Total	43,930	50,680

The debt from purchase of shares registered as of 31 March 2012 corresponds to the outstanding payment related to the Frosst Ibérica acquisition, which includes the payment of 2.1 million euros for the Frosst Ibérica shares acquisition (the first two payments of 0.7 million euros each one were executed on 31 March 2010 and on 31 March 2011) and the payment of 10.0 million euros for the Frosst Ibérica working capital (the first payment of 3.2 million euros



was executed on 31 March 2011). In April 2012, 4.2 million euros related to this debt were paid and the outstanding debt of 7.9 million euros will be paid annually starting on 31 March 2013 and ending on 31 March 2014.

3.3 Free cash flow

Free cash flow (net cash generated (used) from operating activities minus property, plant and equipment and intangible assets purchases plus interest received) amounted to -3.2 million euros in the three-month period ended 31 March 2012, from -0.4 million euros in the same period of the previous year, mainly due to 0.8 million euros of additional capex invested in the first quarter of 2012 compared to the first quarter of 2011 and to an inventories increase of 3.2 million euros in the first quarter of 2012 compared to an inventories decrease of 0.1 million euros in the first quarter of 2011 mainly as a result of a larger Bemiparin production in the first quarter of 2012.

3.4 Net and gross cash position

As of 31 March 2012, ROVI had a gross cash position of 48.4 million euros, compared to 61.7 million euros as of 31 December 2011, and a net cash position (financial assets and cash minus short term and long term debt) of 4.4 million euros, compared to 11.0 million euros as of 31 December 2011, providing it with a high level of financial flexibility.

3.5 Working capital

The decrease in working capital in the three-month period ended 31 March 2012 was mainly due to a cash reduction of 12.0 million euros, of which 10.3 million euros correspond to Alentia Biotech cash and cash equivalents, retired from ROVI Group balance sheet as a result of the sale of 50% of the Alentia Biotech share capital to Grupo Ferrer Internacional. Inventories increased by 3.2 million euros in the first quarter of 2012. The "trade and other receivables" item increased by 1.9 million euros and the "trade and other payable" item decreased by 3.5 million euros.

In February 2012, the Spanish Government put in place a "Suppliers Plan" in order to cancel outstanding debts with Local Entities and Regions suppliers. The suppliers with invoices pending for collection, dated before 1 January 2012, from these public administrations can make use of this Plan. ROVI is following the operating development of this Plan and it expects to cash between 11 million euros and 14 million euros from this Plan in the second half of 2012.



4. Guidance for 2012

Despite the impact of the additional measures approved by the Government in August 2011 for the rationalization of the pharmaceutical expenditure, and the subsequent significant decrease expected for the Spanish pharmaceutical market also in 2012, ROVI confirmed the guidance for 2012 that it published in its earnings release for the first nine months of 2011, when it forecast operating revenue growth in a range of high single digit to low double digit, in its earnings release for the full year 2011. ROVI expected its growth drivers to be Bemiparin, its existing portfolio of specialty pharmaceuticals, last launches such as Vytorin, Absorcol, Thymanax and Bertanel, new product distribution licenses and new customers in the toll manufacturing area. After the introduction of a new measures package, approved by the Spanish Government on 20 April 2012 and published in the official state gazette on 24 April 2012, in order to obtain savings of more than 7 billion euros in the healthcare sector, ROVI is evaluating if these new measures would affect the 2012 guidance achievement.

5. Research and Development update

ROVI's R&D projects are mainly focused on the ISM® platform, which is an own proprietary drug delivery system aimed to improve patients' therapeutic compliance. The most advanced candidate is Risperidone-ISM®, a second-generation antipsychotic drug. The results of a phase I study on healthy subjects were announced in 2011 and were confirming the expected pharmacokinetic profile of this innovative long-acting intramuscular formulation for the monthly administration of risperidone. As a consequence of the positive outcome of this "proof of concept" for validating ISM technology, further clinical development on Risperidone-ISM® is progressing now and patient recruitment for additional Phase I and II studies will be starting by the second half of 2012.

In addition, the antipsychotic ISM program is continuing its preclinical development on two new candidates, paliperidone and olanzapine, in order to start human testing by next year.

In addition, ROVI is also developing another novel formulation for a quarterly injection of letrozole, a well-recognised aromatase inhibitor which is currently considered as a key therapy for the treatment of the hormone-dependent breast cancer. First clinical trial is planned too for 2013.



6. Key operating and financial events

6.1 Dividend payment

ROVI will pay a dividend of 0.1269 euros per share on 2011 earnings if the Shareholders General Meeting approves the application of the 2011 profit, under proposal of ROVI Board of Directors. This proposed dividend would imply the pay-out of 35% of consolidated net profit for 2011.

About ROVI

ROVI is a fully integrated Spanish specialty pharmaceutical company engaged in the research, development, in-licensing, manufacturing and marketing of small molecule and specialty biologic drugs. The Company has a diversified portfolio of products that it markets in Spain through its specialized sales force, calling on specialist physicians, hospitals and pharmacies. ROVI's portfolio of 30 principal marketed products is currently anchored by the internally-developed, second generation low molecular weight heparin, Bemiparin. ROVI's research and development pipeline is focused primarily on the expansion of applications, indications and alternative mechanisms of action for the heparin-derived products and other glycosaminoglycans and on the development of new controlled release mechanisms based on ISMTM technology, with the aim of obtaining new pharmaceutical products that enable the regular administration of formulations which are administered daily in chronic and prolonged treatments. ROVI manufactures the active biological ingredient (Bemiparin) for its principal proprietary products and for injectable pharmaceutical products developed by its in-house research team, and utilizes its state-of-the-art filling and packaging capabilities to provide a broad array of toll manufacturing services to leading international pharmaceutical companies, primarily in the area of pre-filled syringes. In addition, ROVI provides contract manufacturing and packaging services of solid oral pharmaceutical dosage forms, using the most enhanced technology, Roller Compaction. Additional information about ROVI is available on the company's website: www.rovi.es

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Forward-looking statements

This news release contains forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance, or achievements of ROVI or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward looking statements. The statements in this press release represent ROVI's expectations and beliefs as of the date of this press release. ROVI anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while ROVI may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing ROVI's expectations or beliefs as of any date subsequent to the date of this press release.

**APPENDIX 1**
**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2012 AND 31 DECEMBER 2011**

(Thousand of euros)

	31 March 2012	31 December 2011
ASSETS		
Non-current assets		
Property, Plant and Equipment	46,580	45,857
Intangible assets	2,754	2,736
Deferred tax assets	5,034	4,856
Available-for-sale financial assets	3,780	5,117
Financial receivables	132	325
	58,280	58,891
Current assets		
Inventories	44,555	41,306
Trade and other receivables	70,561	68,698
Current income tax assets	2,351	3,682
Bank deposits	6,000	6,000
Cash and cash equivalents	37,519	49,491
	160,986	169,177
Total assets	219,266	228,068



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2012 AND 31 DECEMBER 2011

(Thousand of euros)

	31 March 2012	31 December 2011
EQUITY		
Capital and reserves attributable to shareholders of the company		
Share capital	3,000	3,000
Legal reserve	600	600
Treasury shares	(1,880)	(1,922)
Retained earnings and voluntary reserves	112,098	93,920
Profit for the year	5,257	18,127
Reserve for available-for-sale assets	33	256
Total equity	119,108	113,981
LIABILITIES		
Non-current liabilities		
Financial debt	35,810	41,246
Deferred income tax liabilities	3,750	3,635
Non-current deferred revenues	8,317	12,450
	47,877	57,331
Current liabilities		
Trade and other payables	38,313	41,775
Current income tax liabilities	243	-
Financial debt	8,120	9,434
Current deferred revenues	4,348	4,298
Provisions for other liabilities and charges	1,257	1,249
	52,281	56,756
Total liabilities	100,158	114,087
Total equity and liabilities	219,266	228,068



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE THREE-MONTH PERIODS ENDED 31
MARCH 2012 AND 31 MARCH 2011

(Thousand of euros)

	Three-month periods ended 31 March	
	2012	2011
Revenue	50,947	46,776
Changes in inventories	3,249	27
Raw materials and consumables used	(23,250)	(18,947)
Employee benefit expenses	(12,406)	(12,814)
Other operating expenses	(12,227)	(9,307)
Result from joint venture	(42)	-
Depreciation, amortisation and impairment charges	(1,185)	(1,073)
Recognition of government grants on non financial non-current assets and other	323	346
OPERATING PROFIT	5,409	5,008
Finance income	442	451
Finance costs	(568)	(607)
FINANCE COSTS - NET	(126)	(156)
PROFIT BEFORE INCOME TAX	5,283	4,852
Income tax	(26)	-
PROFIT FOR THE PERIOD	5,257	4,852



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE-MONTH PERIODS ENDED 31
MARCH 2012 AND 31 MARCH 2011

(Thousand of euros)

	Three-month periods	
	2012	2011
Cash flows from operating activities		
Profit before income tax	5,283	4,852
Adjustments for non-monetary transactions:		
Amortisation	1,185	1,073
Interest income	(442)	(451)
Gains or losses on derecognition of financial assets and liabilities	21	-
Interest expense	568	607
Net changes in provisions	8	65
Grant for non-financial fixed assets and distribution licence income	(201)	(253)
Changes in working capital		
Trade and other receivables	(2,839)	(2,145)
Inventories	(3,249)	93
Trade and other payables	(3,681)	(3,770)
Other collections and payments		
Interest paid	33	(40)
Income tax cash flow	1,639	174
Net cash generated (used) from operating activities	(1,675)	205
Cash flows from investing activities		
Purchases of intangible assets	(114)	(101)
Purchases of property, plant and equipment	(1,812)	(987)
Purchases of available-for-sale financial assets	(1,000)	-
Proceeds from sale of available-for-sale financial assets	2,019	-
Reduction in cash from sale of Alentia Biotech	(10,278)	-
Interest received	442	451
Net cash generated (used) in investing activities	(10,743)	(637)
Cash flows from financing activities		
Repayments of financial debt	(569)	(4,993)
Proceeds from financial debt	1,000	10,506
Purchase of treasury shares	(89)	(43)
Reissue of treasury shares	104	-
Net cash generated in financing activities	446	5,470
Net (decrease)/increase in cash and cash equivalents	(11,972)	5,038
Cash and cash equivalents at beginning of the period	49,491	33,635
Cash and cash equivalents at end of the period	37,519	38,673