



# Rovi

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**Nine-month period ended 30  
September 2012 Financial Results**



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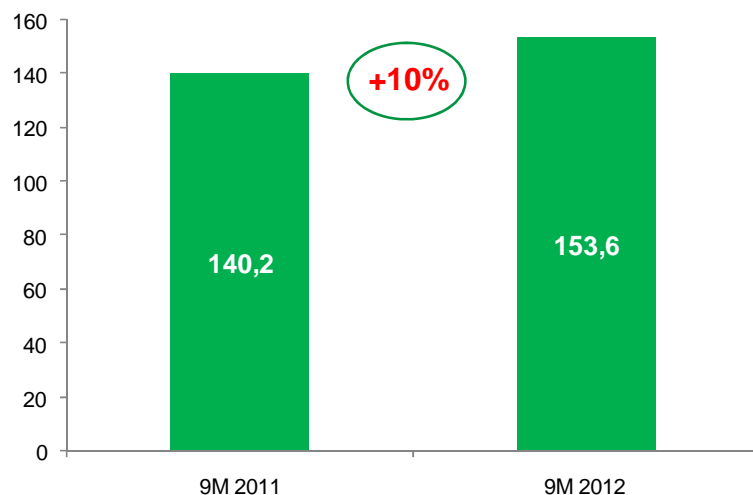


# Operating results

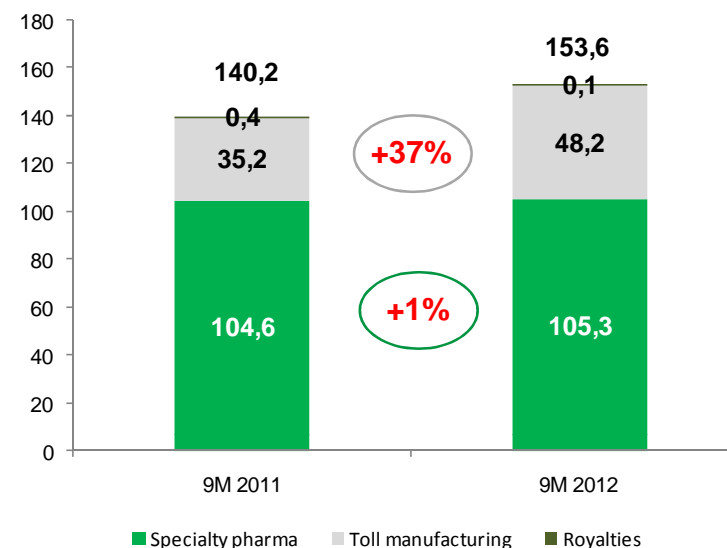
# Growth driven by recent launches and toll manufacturing business strength...



**Total operating revenues (€m)**



**Operating revenues growth by category (€m)**



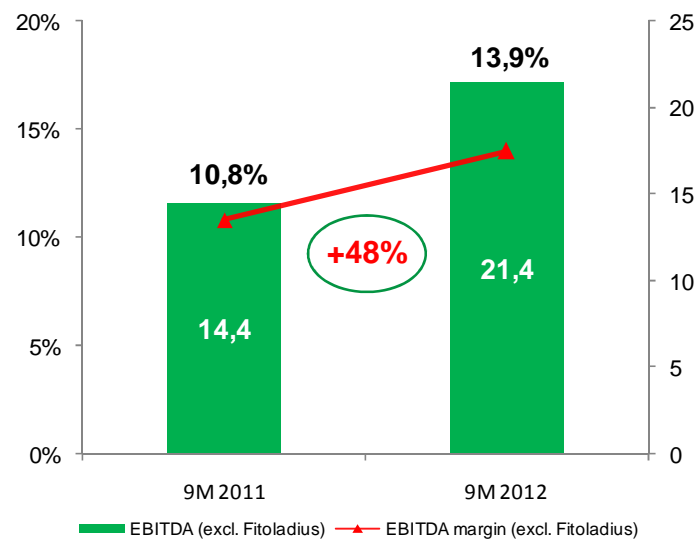
- **Operating revenues** increased by 10% in 9M 2012 driven by the strength of:
  - ✓ The toll manufacturing business, where sales increased by 37%; and
  - ✓ The specialty pharmaceutical business, where sales rose 1%.
- In Q2 11, Fitoladius was sold to a third party (one-off revenues of €5.6m). Excluding the impact of Fitoladius in 9M 11:
  - ✓ Operating revenues increased by 15% in 9M 2012; and
  - ✓ Sales of specialty pharmaceutical business increased by 7% in the same period.
- Limited impact of the austerity measures approved in August 2011: < €1m in 2012.
- The introduction of the last measures (Apr. 12) meant a market fall >20% monthly from Jul. to Sep. 12. ROVI forecasts these measures as well as the decrease of the market<sup>1</sup> expected for 2012 (15%) & 2013 (13%) could slow down its growth.

Note: The exclusion of the Fitoladius impact considers the sale of Fitoladius to a third party (€5.6m) and the revenues from its distribution in 9M 2011.  
<sup>1</sup> Source: Farmindustria, the Spanish Pharmaceutical Association.

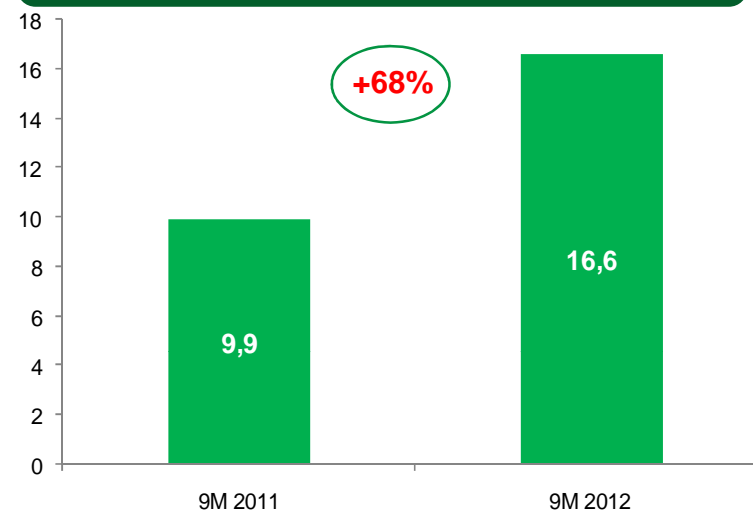


## ...with high profitability

EBITDA (€m) and EBITDA margin (%) (excl. Fitoladius)



Net profit (€m) (excl. Fitoladius)



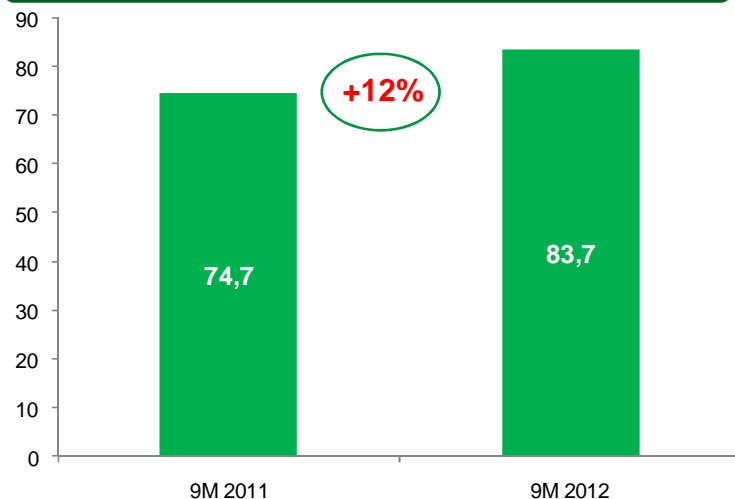
- **EBITDA** increased by 48% to €21.4m in 9M 2012, excluding the impact of Fitoladius.
- **Net profit** increased by 68% to €16.6m in 9M 2012, excluding the impact of Fitoladius.

Note: The exclusion of the Fitoladius impact considers the sale of Fitoladius to a third party (€5.6m) and the gross profit from its distribution in 9M 2011.

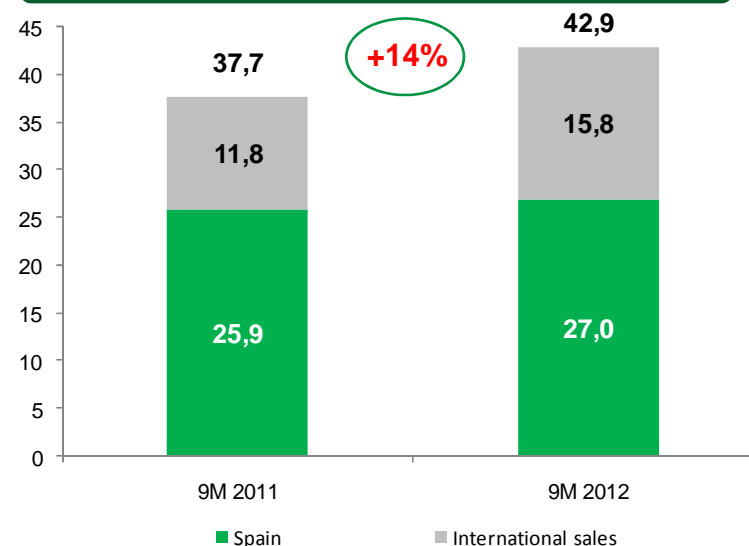


## Bemiparin, leading the growth

### Prescription-based pharma products sales (€m)



### Bemiparin sales (€m)

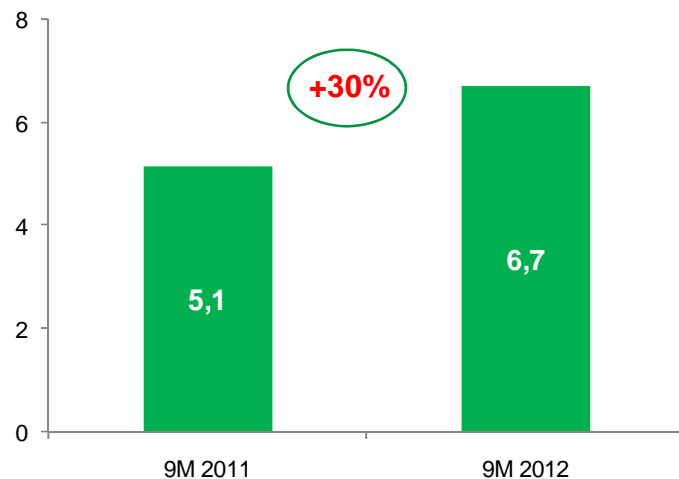


- **Sales of prescription-based pharmaceutical products** increased by 12% in 9M 2012.
  - ✓ In Q2 2011, Fitoladius was sold to a third party and, in June 2011, EMLA, was stopped to be marketed and started to be only promoted.
  - ✓ Excluding the impact of the Fitoladius and EMLA distribution in 9M 2011, sales of prescription-based pharmaceutical products increased by 17% in 9M 2012.
- **Bemiparin sales** increased by 14% in 9M 2012.
  - ✓ Sales in Spain grew by 4%.
  - ✓ International sales rose 34% due to the increased presence in countries where it was already present and by the launch of the product in 6 new countries: Mexico, Venezuela, Saudi Arabia, Iraq, Syria and Oman.

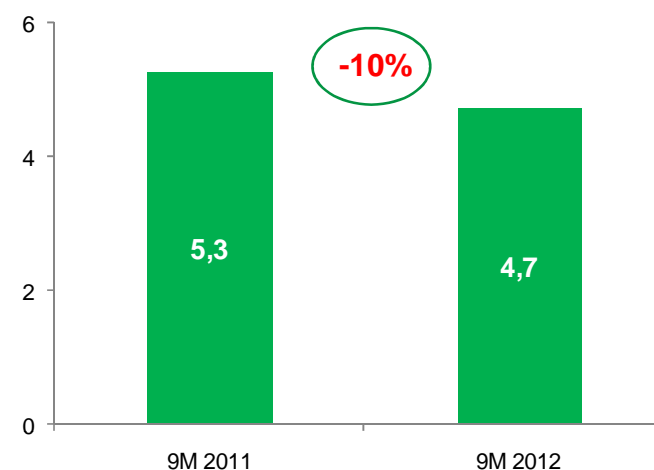


## Good performance of the product portfolio (1/2)

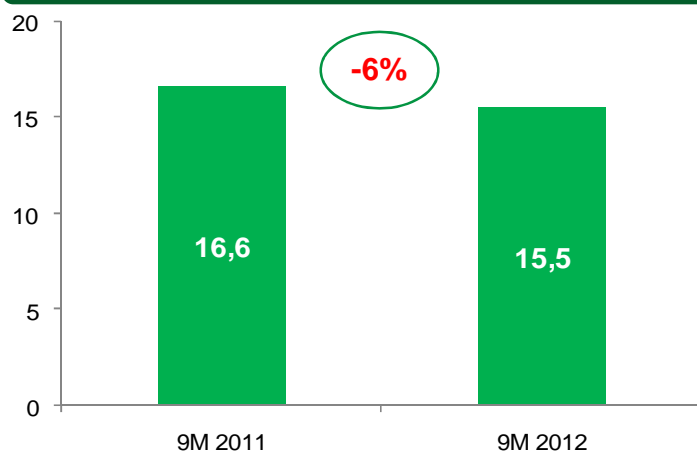
### Corlentor sales (€m)



### Osseor sales (€m)



### Contrast imaging agents (€m)



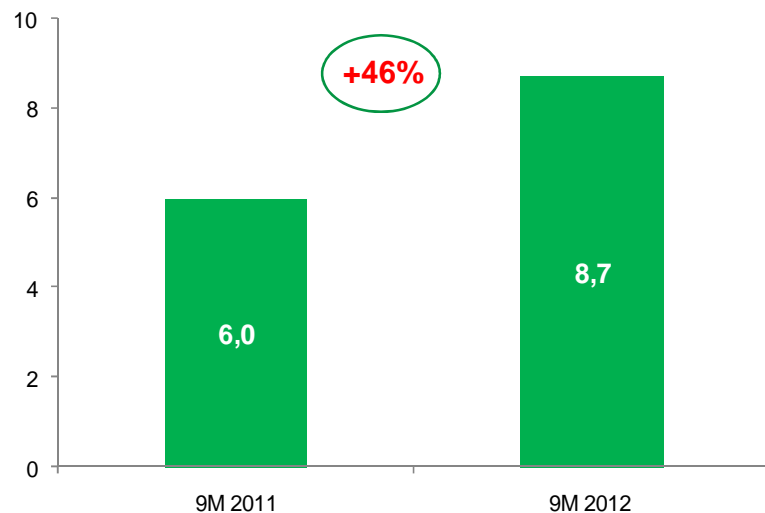
- In February 2012, **Corlentor** was approved by the European Commission for the treatment of patients with chronic heart failure<sup>1</sup>.
- Sales of **Exxiv**, a selective COX-2 inhibitor from MSD, decreased by 10% to €5.5m mainly due to a slight deceleration of the COX-2 market.

Note: Corlentor is a specialty product for stable angina and chronic heart failure<sup>1</sup> from Laboratoires Servier.  
Osseor is a specialty product for the treatment of postmenopausal osteoporosis from Laboratoires Servier.  
1. EMA announcement

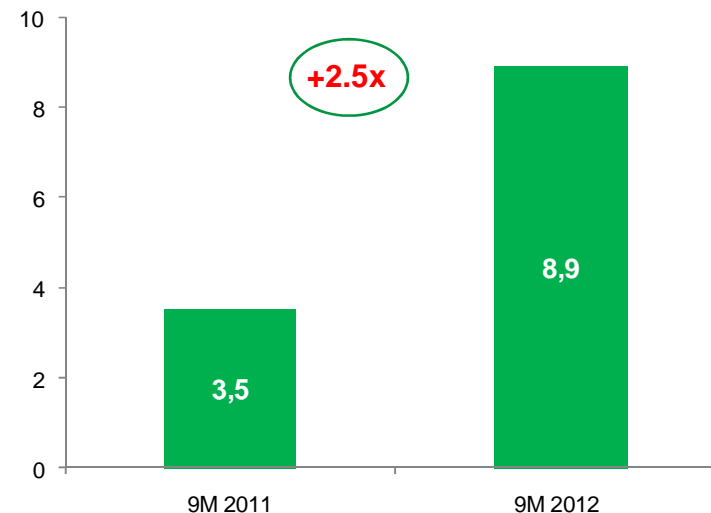


## Good performance of the product portfolio (2/2)

Thymanax sales (€m)



Absorcol and Vytorin sales (€m)



- Sales of **Thymanax**, an innovative antidepressant from Servier, launched in March 2010, increased by 46% to €8.7m in 9M 2012.
- Sales of **Absorcol and Vytorin**, the first of the five licenses of MSD launched in January 2011, increased by 2.5 times to €8.9m in 9M 2012.

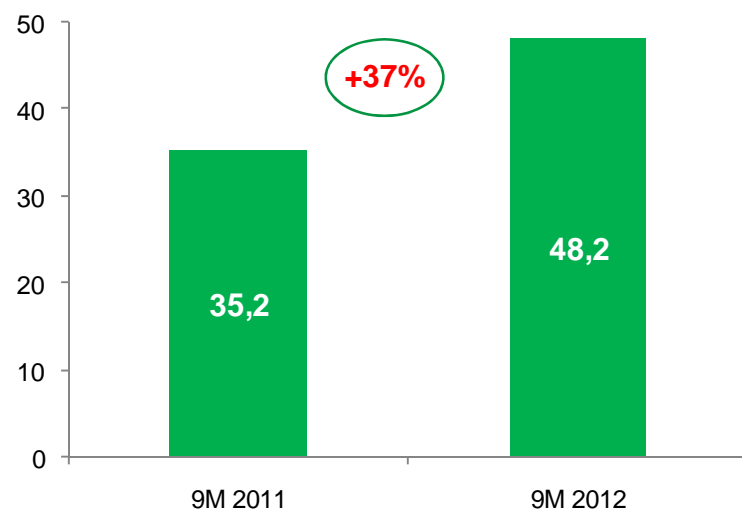
*Note: Thymanax is an innovative antidepressant from Laboratoires Servier. Vytorin and Absorcol are the first of the five licenses of MSD..*





## Value added toll manufacturing services

### Toll manufacturing sales (€m)



- **Toll manufacturing sales** increased by 37% to €48.2m in 9M 2012 mainly as a result of the contribution of the Frosst Ibérica plant, whose revenues amounted to €35.2m in 9M 2012.
- ROVI is using the spare capacity of Frosst Ibérica plant which has been reduced by more than 20% since its acquisition.
- **< 30% of spare capacity** in the Frosst Ibérica plant.
  - ✓ New contract with Farmalíder, signed in January 2011.





## Guidance 2012 and 2013



### Our main strategic pillars to lead growth

**Specialty pharma**

- Bemiparin
- Vytorin and Absorcol
- Recent launches such as Thymanax
- Existing portfolio (Corlantor, Osseor, Exxiv...)
- New in-licensed products to be launched

**Toll manufacturing**

- 50% of spare capacity in the injectable plant
- < 30% of spare capacity in the oral compounds plant
- New customers to be acquired in both plants

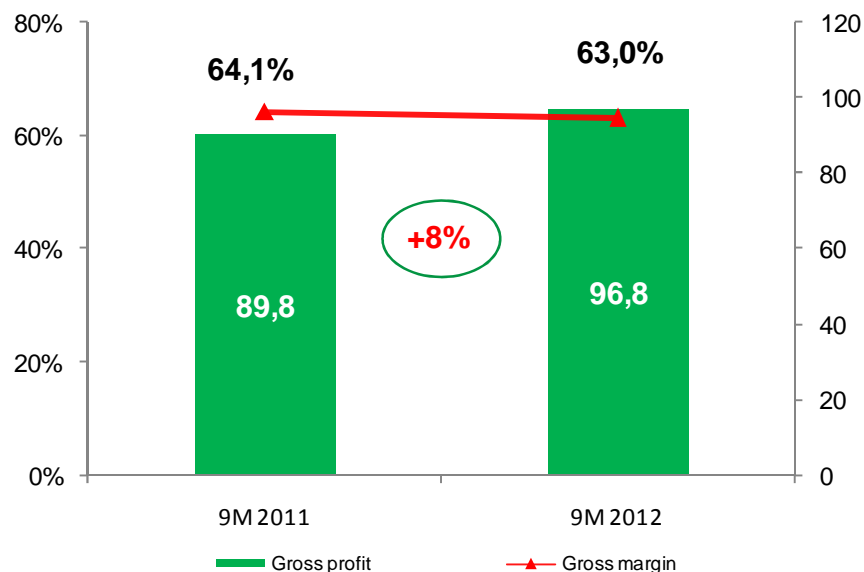


# Financial results

# Gross margin negatively impacted by the Fitoladius sale to a third party



## Gross profit (€m) & Gross margin (%)



### ➤ 9M 2012 gross margin impacted by:

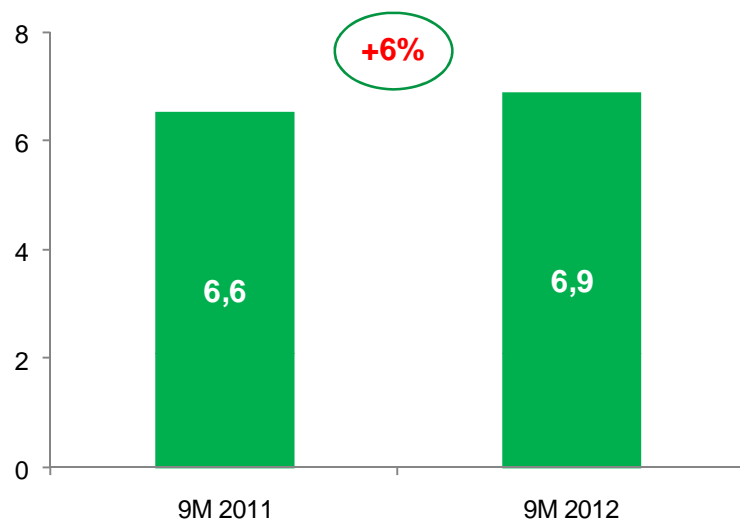
- ✓ Fitoladius product sale to a third party;
  - Excluding the Fitoladius impact, gross margin increased to 63.0% in 9M 2012 from 62.5% in 9M 2011.
- ✓ Other income (subsidies).
  - Excluding the impact of Fitoladius and the impact of other income, gross margin increased to 62.4% in 9M 2012 from 60.8% in 9M 2011.
- ✓ The decrease of the Bemiparin raw material cost impacted positively in 9M 2012 gross margin.
- ✓ In 9M 2012, ROVI continued to buy Bemiparin raw material for less than €40 per million of international units and it expects that this stable trend continues during 2012.

Note: The exclusion of the Fitoladius impact considers the sale of Fitoladius to a third party (€5.6m) and the gross profit from its distribution in 9M 2011.

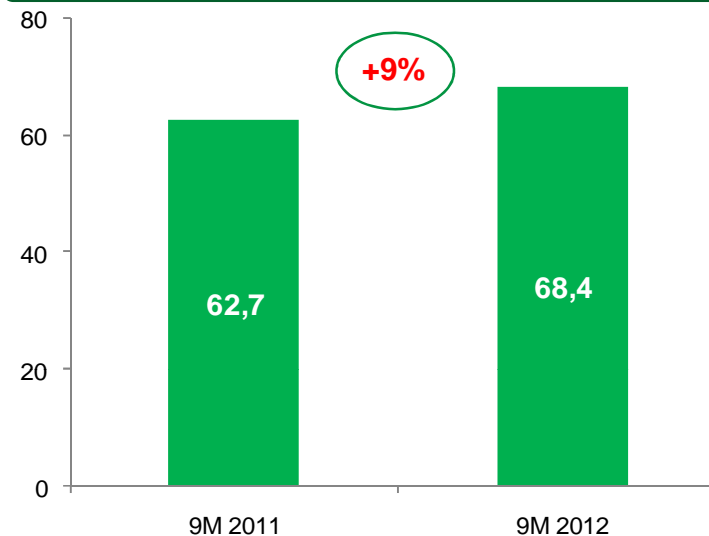
# Investment effort in the toll manufacturing area to generate growth



### R&D expenses (€m)



### SG&A expenses (€m)

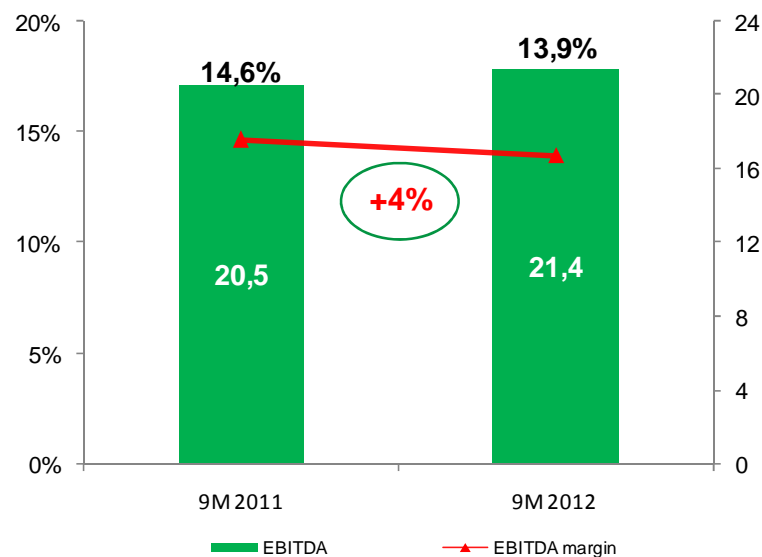


- **R&D expenses** increased by 6% reflecting ROVI investments in products that are under development.
- **SG&A expenses** increased by 9% to €68.4m in 9M 2012 mainly due to:
  - ✓ The increase in the toll manufacturing volumes; and
  - ✓ The preparation of the injectables facility for a FDA inspection.

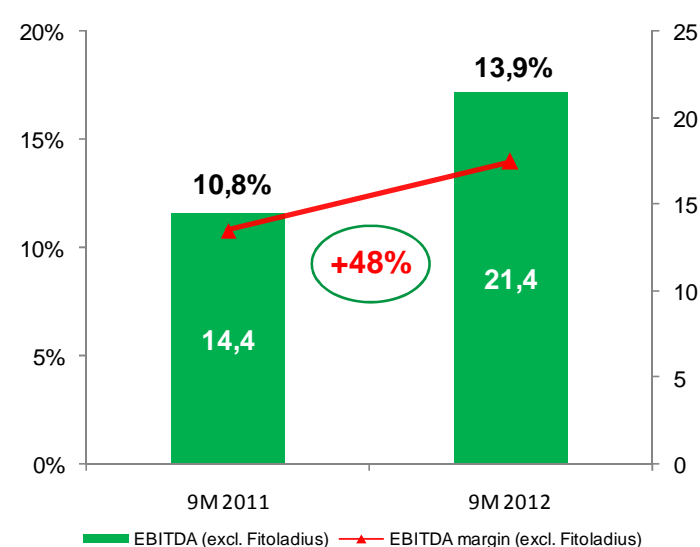


# EBITDA

**EBITDA (€m) and EBITDA margin (%)**



**EBITDA (€m) and EBITDA margin (%) (excl. Fitoladius)**



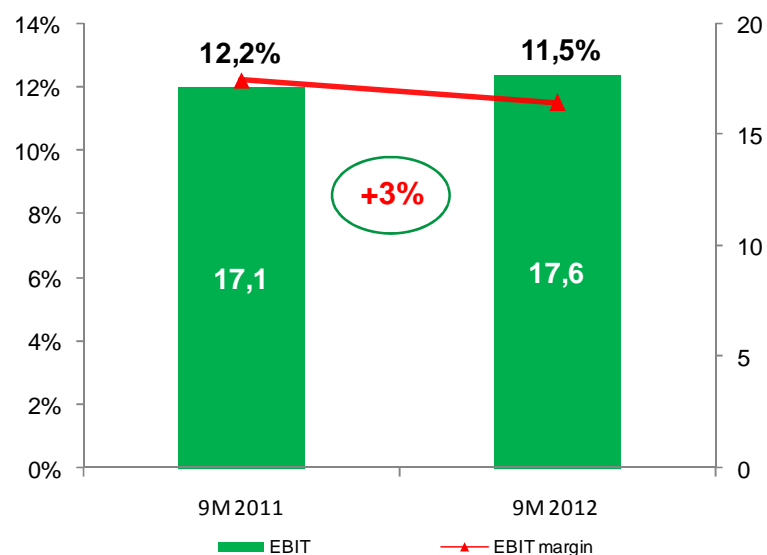
- **EBITDA** increased by 4% in 9M 2012, impacted by the Fitoladius sale to a third party in Q2 2011, which contributed with revenues of €5.6m.
  - ✓ Excluding the impact of Fitoladius, EBITDA increased by 48% in 9M 2012.

Note: The exclusion of the Fitoladius impact considers the sale of Fitoladius to a third party (€5.6m) and the gross profit from its distribution in H1 2011.

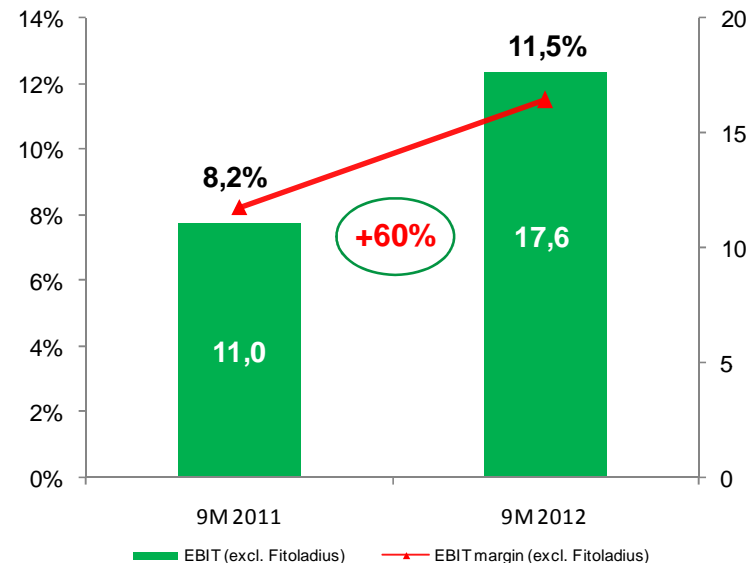


# EBIT

EBIT (€m) and EBIT margin (%)



EBIT (€m) and EBIT margin (%) (excl. Fitoladius)



- **Depreciation and amortisation expenses** increased by 10% in 9M 2012 as a result of the new PP&E and intangible assets purchases made during the last twelve months.
- **EBIT** increased by 3% in 9M 2012, impacted by the Fitoladius sale to a third party in Q2 2011.
  - ✓ Excluding the impact of Fitoladius, EBIT increased by 60% in 9M 2012.

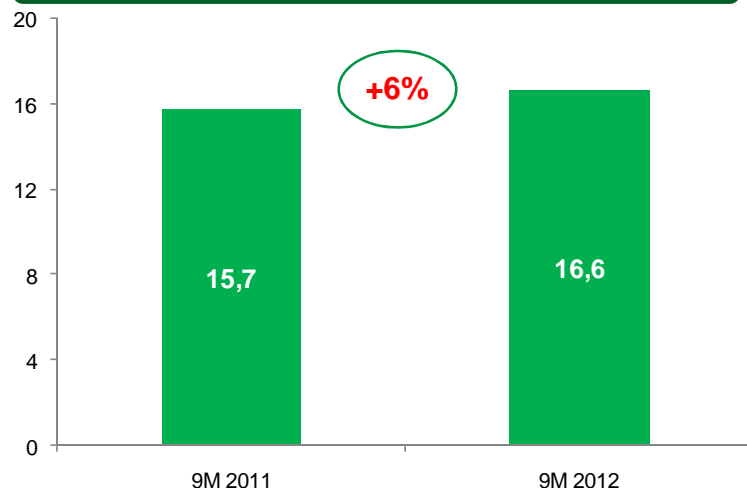
Note: The exclusion of the Fitoladius impact considers the sale of Fitoladius to a third party (€5.6m) and the gross profit from its distribution in 9M 2011.



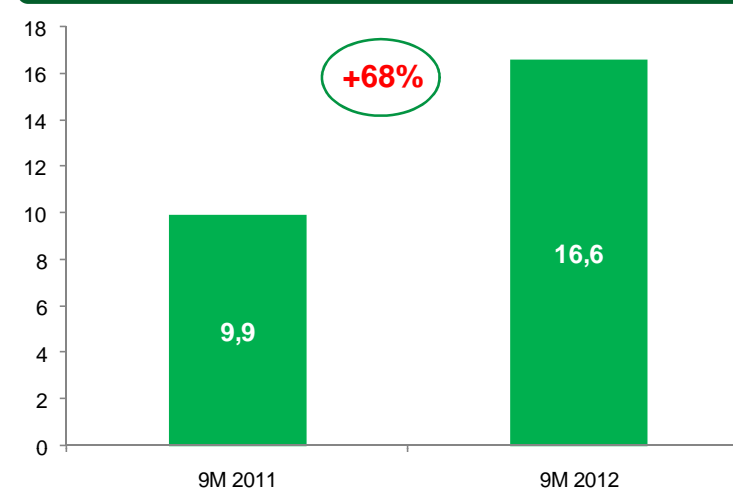


# Net profit

**Net profit (€m)**



**Net profit (€m) (excl. Fitoladius)**

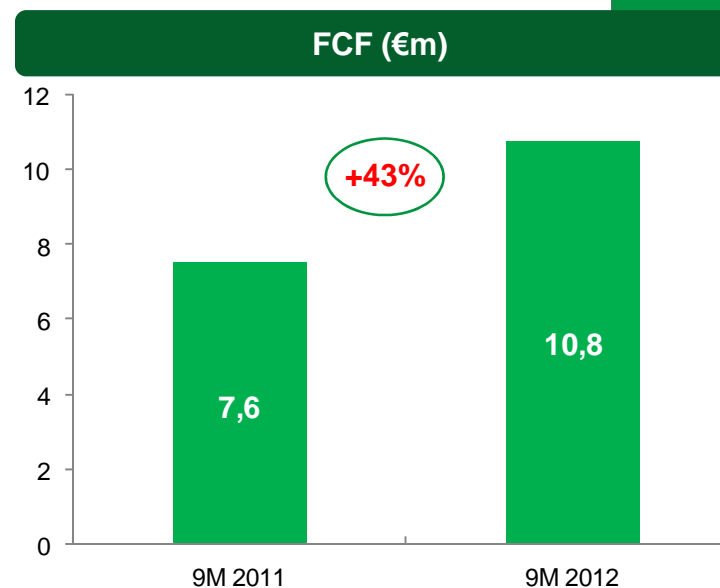
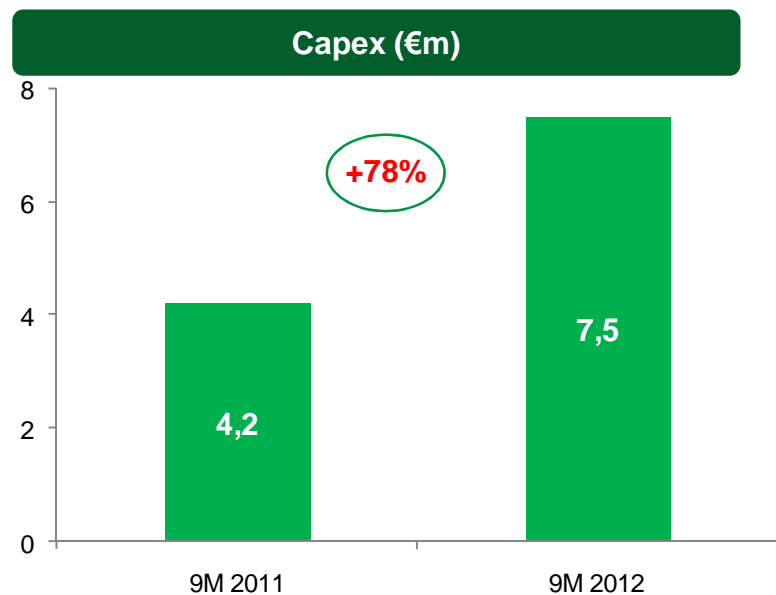


- **Net profit** impacted by the same factors as EBITDA.
- **Effective tax rate** of 3.4% in 9M 2012 vs 3.9% in 9M 2011.
  - ✓ Frosst Ibérica has negative tax bases of €62.8m; €4.2m used in 9M 2012.
  - ✓ According to the tax measures introduced in Mar. 2012, these measures could have an impact on P&L:
    - ✓ Elimination of the freedom of depreciation;
    - ✓ Reduction of the deductions limits; and
    - ✓ Consideration of the reinvestment deduction in the calculation of the deductions limit.
  - ✓ According to the tax measures introduced in Jul.12, these measures could have an impact on tax payable rate:
    - ✓ Limitation of the negative tax bases to be offset; and
    - ✓ Tax rate increase for the payment on account as well as the minimum disbursement for this payment.
  - ✓ Effective income tax expense rate of mid single digit expected for 2012.
  - ✓ Tax payable rate in the range of high single to low double digit over the profit before income tax expected for 2012.

Note: The exclusion of the Fitoladius impact considers the sale of Fitoladius to a third party (€5.6m) and the gross profit from its distribution in 9M 2011.



## Capital expenditure and free cash flow

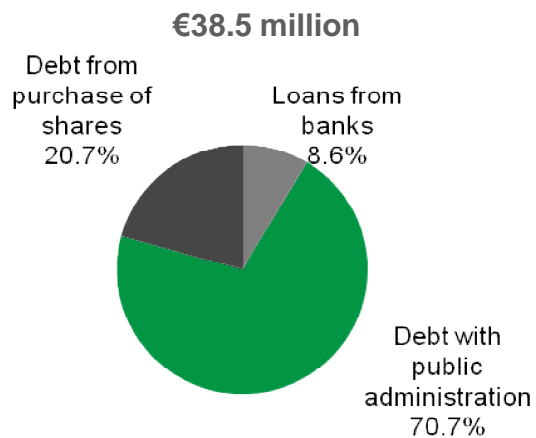


- €7.5m of **capex** invested in 9M 2012.
  - ✓ €1.9m of investment capex related to the Alcalá facility (Frosst Ibérica) vs €0.6m in 9M 2011;
  - ✓ €1.7m of investment capex related to the Granada facility vs €0.9m in 9M 2011;
  - ✓ €1.8m of investment capex related to the injectables facility; and
  - ✓ €2.1m of maintenance capex vs €2.7m in 9M 2011.
- Capex expected for 2012 in line with 9M 2012 figure.
- **FCF** (net cash generated (used) from operating activities minus property plant and equipment and intangible assets purchases plus interest received) amounted to €10.8m in 9M 2012 from €7.6m in 9M 2011 mainly as a result of:
  - ✓ Positive impact on the working capital of collections related to pending invoices of €12.4m from Spanish Public Administrations.



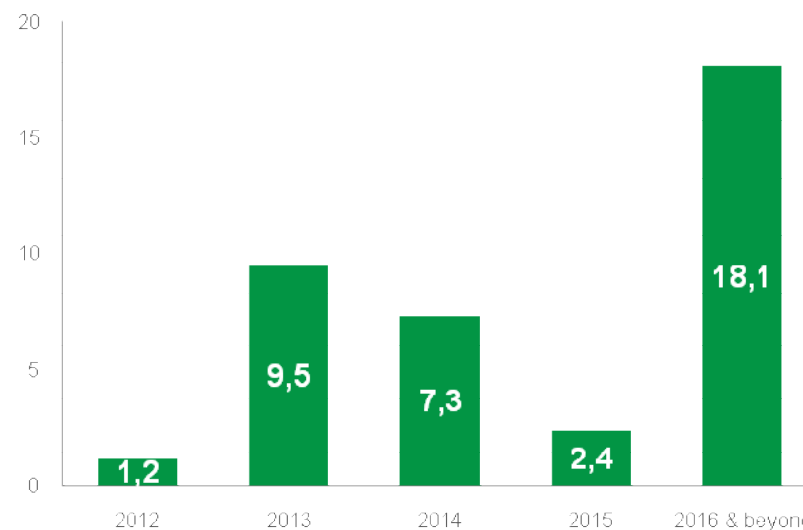
# Financial debt

## Debt breakdown by source (%)



Note: consolidated accounts under IFRS

## Maturities by year (€m)



- 91% of the debt is 0% interest rate debt.
- Debt with public administration represented 71% of total debt.
- Gross cash position of €49.7m as of 30 September 2012 vs €61.7m as of 31 December 2011.
- Net cash position of €11.2m as of 30 September 2012 vs €11.0m as of 31 December 2011.
- High level of financial flexibility.



## Newsflow 2012-2013

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### Specialty pharma

- Additional new in-licensing products to be launched

### Toll manufacturing

- New contracts to be announced

### R&D

- Start of ISM-Risperidone Phase II
- Start of ISM-Paliperidone Phase I
- Start of ISM-Letrozole Phase I



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