



Nine-month period ended 30 September 2013 Results

7 November 2013



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



ROVI – Nine-month period ended 30 September 2013 Financial Results

ROVI reports an EBITDA growth of 19% and a net profit growth of 12%

- **Operating revenue increased by 5% to 160.9 million euros in the nine-month period ended 30 September 2013, mainly driven by the strength of the prescription-based pharmaceutical business, where sales rose 11%, despite the drop of 9% experienced by the Spanish pharmaceutical market in the nine-month period ended 30 September 2013 compared to the same period of the previous year.**
- **ROVI expects operating revenue to grow from mid to high single digit for 2013, despite the impact of the latest package of measures and the Spanish pharmaceutical market decrease of 9%-10% expected for 2013 according to Farmaindustria¹, the Spanish Pharmaceutical Association.**
- **ROVI expects operating revenue to grow from mid to high single digit for the full year 2014, despite (i) a 4% contraction in the Spanish pharmaceutical market as forecast by analysts according to Farmaindustria², and (ii) the continued decreases in the pharmacy retail market at least until 2016 forecast by IMS Health³.**
- **Sales of Bemiparin increased by 15% to 49.1 million euros in the first nine months of 2013; sales in Spain rose 16% and international sales registered an 11% increase. Sales of Corlentor, from Servier, grew by 28% in the nine-month period ended 30 September 2013.**
- **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 44% to 12.8 million euros in the first nine months of 2013.**

¹ http://www.farmaindustria.es/idc/groups/public/documents/publicaciones/farma_122734.pdf

² http://www.farmaindustria.es/idc/groups/public/documents/publicaciones/farma_120989.pdf

³ *IMS Market Prognosis March 2013*



- **EBITDA increased by 19% to 25.4 million euros in the nine-month period ended 30 September 2013, compared to the same period of the previous year, reflecting a 1.9 percentage points rise in the EBITDA margin to 15.8% in the period from January to September 2013 up from 13.9% in the same period of the previous year.**
- **Net profit increased by 12% to 18.7 million euros in the nine-month period ended 30 September 2013, compared to the same period of the previous year.**

Madrid (Spain), 7 November 2013, 8:00 AM CET - ROVI released today its financial results for the nine-month period ended on 30 September 2013.

Juan López-Belmonte Encina, Chief Executive Officer of ROVI, said that *"in the first nine months of 2013, we reached a 5% operating revenue growth mainly driven by the strength of our specialty pharmaceutical area. We achieved this significant operating revenue growth despite the drop of 9% experienced by the Spanish pharmaceutical market in the nine-month period ended 30 September 2013. In addition, according to Farmaindustria¹, the Spanish Pharmaceutical Association, the Spanish pharmaceutical market will fall 9%-10% in 2013. In spite of the difficult situation that the pharmaceutical industry is going through, we forecast to continue growing.*

Once again Bemiparin led the growth with a 15% increase in sales. Bemiparin sales in Spain rose 16% and outside Spain grew by 11%. We expect the continued internationalisation of our flagship product to be one of the Company's growth engines in the medium term. Furthermore, the agreement with MSD allowed us to strengthen our toll manufacturing area, as we reflected in the results for the 2010-2012 period (98.7 million euros accumulated revenue in the mentioned period, amounting to 18% of total operating revenue). In the first nine months of 2013, sales of this area became weaker as a consequence of lower volumes manufactured for MSD. Nevertheless, we expect our ability to acquire new clients, as we have already shown in the past, to allow us to get back to grow shortly. In addition, the MSD agreement helped us to reinforce our specialty pharmaceutical area, as we showed with the launch, in January 2011, of Vytarin® 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 significant sales growth and operating leverage in the coming years. On top of that, this agreement will allow us to launch four additional new products in the next 7 years, underpinning our belief in the sustainability of the long term outlook for the company. 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 II trial is planned to start in the first

¹ http://www.farmaindustria.es/idc/groups/public/documents/publicaciones/farma_122734.pdf



half of 2014. 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 | 9M 2013 | 9M 2012 | Growth | % Growth |
|---|--------------|--------------|------------|------------|
| Operating revenue | 160.9 | 153.6 | 7.3 | 5% |
| Other income | 1.1 | 1.0 | 0.1 | 6% |
| Total revenue | 162.0 | 154.6 | 7.4 | 5% |
| Raw materials used and changes in inventories | -61.7 | -57.8 | -3.9 | 7% |
| Gross profit | 100.3 | 96.8 | 3.6 | 4% |
| <i>% margin</i> | <i>62.3%</i> | <i>63.0%</i> | | -0.7pp |
| R&D expenses | -7.8 | -6.9 | -0.9 | 12% |
| Other SG&A | -67.1 | -68.4 | 1.3 | -2% |
| EBITDA | 25.4 | 21.4 | 4.0 | 19% |
| <i>% margin</i> | <i>15.8%</i> | <i>13.9%</i> | | 1.9pp |
| EBIT | 20.5 | 17.6 | 2.8 | 16% |
| <i>% margin</i> | <i>12.7%</i> | <i>11.5%</i> | | 1.2pp |
| Net profit | 18.7 | 16.6 | 2.0 | 12% |

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 nine months of 2013 and the comparative information for 2012 (balance sheet) and for the first nine months of 2012 (consolidated income statement and cash flow statement) are attached to this report (see Appendix 1).

2. Performance of the Group

Operating revenue increased by 5% to 160.9 million euros in the nine-month period ended 30 September 2013, driven by the strength of the specialty pharmaceutical business, where sales rose 9%, despite the drop of 9% experienced by the Spanish pharmaceutical market in



the nine-month period ended 30 September 2013 compared to the same period of the previous year.

Sales of **prescription-based pharmaceutical** products rose 11% to 92.6 million euros in the nine-month period ended 30 September 2013. In September 2012, ROVI and UCB reached an agreement under which they ended their commercial relationship with regards to Cimzia. Since 15th of June 2010, Cimzia had been jointly co-promoted in Spain by ROVI and UCB. Excluding the impact of Cimzia co-promotion in the first nine months of 2012, sales of prescription-based pharmaceutical products increased by 12% in the nine-month period ended 30 September 2013.

ROVI's low molecular weight heparin (LMWH), **Bemiparin**, maintained a very positive behaviour, with sales up 15% to 49.1 million euros. Sales of Bemiparin in Spain (**Hibor®**) increased by 16% to 31.4 million euros, while international sales rose 11% to 17.6 million euros in the first nine months of 2013 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 three new countries, South Korea, Lebanon and United Arab Emirates, during the first nine months of 2013.

Sales of **Vytorin®** and **Absorcol®**, the first of the five licenses of MSD, launched in January 2011, increased by 44% to 12.8 million euros in the nine-month period ended 30 September 2013.

Sales of **Corlontor®**, a specialty product for stable angina and chronic heart failure from Laboratoires Servier, rose 28% to 8.5 million euros in the nine-month period ended 30 September 2013.

Sales of **Thymanax®**, an innovative antidepressant from Laboratoires Servier, launched in March 2010 and for which ROVI has a co-marketing agreement covering Spain, decreased by 3% to 8.4 million euros in the nine-month period ended 30 September 2013 impacted by the latest measures package introduced by the Spanish Government in April 2012 which is explained below. Nevertheless, sales of Thymanax increased by 4% in the third quarter of 2013.

Sales of **Exxiv®**, a selective COX-2 inhibitor from Merck Sharp & Dohme (MSD), decreased by 4% to 5.2 million euros in the nine-month period ended 30 September 2013, mainly due to a fall of the COX-2 market.

Sales of **Osseor®**, a specialty product for the treatment of postmenopausal osteoporosis from Laboratoires Servier, decreased by 30% to 3.3 million euros in the first nine months of 2013.



On 20th of April of 2012, the Spanish government announced a new package of measures in order to achieve savings of more than 7 billion euros in healthcare expenditure. These new measures were published on the official state gazette on the 24th of April of 2012 (see <http://www.boe.es/boe/dias/2012/04/24/pdfs/BOE-A-2012-5403.pdf>).

Among these new measures, (i) the exclusion of some drugs from reimbursement and (ii) the pharmaceutical copayment became more relevant. The list of drugs excluded from reimbursement was published on the 29th of June 2012, without any material impact for the ROVI product portfolio, and the pharmaceutical copayment was effective from the 1st of July 2012. The introduction of the latest package of measures, especially the measure related to the pharmaceutical copayment, meant a monthly pharmaceutical expenditure drop of above 20% on average from July to December 2012 and the number of prescriptions was reduced monthly by 15% on average in the same period. This negative trend continued in the first nine months of 2013; the Spanish pharmaceutical market as well as the number of prescriptions decreased by 9% in the nine-month period ended 30 September 2013. In conclusion, the pharmaceutical expenditure and the number of prescriptions decreased by 19% and 15% respectively from the introduction of the latest package of measures to 30 September 2013. In addition, according to Farmaindustria¹, the Spanish Pharmaceutical Association, the Spanish pharmaceutical market will fall 9%-10% in 2013. Furthermore, according to IMS Health², the Spanish pharmaceutical market is the one with the most negative evolution among all the developed countries for the fourth year in a row (2010-2013 period). Despite the difficult situation that the pharmaceutical industry is going through, ROVI forecasts to continue growing.

Sales of **contrast imaging agents** and other hospital products increased by 11% to 17.3 million euros in the first nine months of 2013.

Sales of **over-the-counter pharmaceutical products** ("OTC") and **Other** declined by 15% to 5.1 million euros in the nine-month period ended 30 September 2013 compared to the same period of the previous year. This was mainly as consequence of the reduction of consumption in the current Spanish economic environment.

Toll manufacturing sales decreased by 5% to 45.6 million euros in the nine-month period ended 30 September 2013 compared to the same period of the previous year. The positive evolution of the injectables plant, whose revenue increased by 31% to 16.8 million euros in the nine-month period ended 30 September 2013, was offset by a 6.5 million euros revenue decline in the Frosst Ibérica plant to 28.8 million euros in the first nine months of 2013, as a consequence of a lower production for Merck Sharp and Dohme (MSD).

¹ http://www.farmaindustria.es/idc/groups/public/documents/publicaciones/farma_122734.pdf

² IMS Market Prognosis March 2013



Sales outside Spain represented 38% of operating revenue in the first nine months of 2013 compared to 42% in the same period of 2012. This reduction is mainly due to the increase of production for national clients in the Frosst Ibérica facility.

Gross profit increased by 4% to 100.3 million euros in the nine-month period ended 30 September 2013, reflecting a slight decrease in the gross margin to 62.3% in the first nine months of 2013, from 63.0% in the same period of the previous year, mainly as a result of:

- the increase of the production for other clients in the Frosst Ibérica facility which contributed lower margins than Merck Sharp and Dohme (MSD); and
- the price reduction of the contrast imaging agents and other hospital products that did not impede the achievement of higher sales as consequence of higher volume sold.

The decrease of the Bemiparin raw material cost impacted positively in the first nine months of 2013 gross margin. In the nine-month period ended 30 September 2013, ROVI continued to buy Bemiparin raw material for around 35 euros per million of international units and it expects this stable trend to continue in the last quarter of 2013. ROVI expects to maintain 2013 gross margin broadly in line with the 2012 figure, mainly supported by the Bemiparin raw material cost decrease.

Research and development expenses increased by 12% to 7.8 million euros in the nine-month period ended 30 September 2013, reflecting ROVI investments in products that are under development.

Selling, general and administrative expenses decreased by 2% to 67.1 million euros in the first nine months of 2013, compared to the same period of the previous year, mainly as a result of (i) the reduction of the ROVI sales team as a consequence of the end of the commercial relationship with UCB regarding Cimzia in September 2012 and (ii) ROVI's strict cost control policy.

EBITDA increased by 19% to 25.4 million euros in the nine-month period ended 30 September 2013, compared to the same period of the previous year, reflecting a 1.9 percentage points rise in the EBITDA margin to 15.8% in the first nine months of 2013 up from 13.9% in the same period of 2012.

Depreciation and amortisation expenses increased by 32% in the nine-month period ended 30 September 2013, 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 (see section 3.1).

EBIT increased by 16% to 20.5 million euros in the nine-month period ended 30 September 2013, compared to the same period of the previous year, reflecting a 1.2 percentage points



rise in the EBIT margin to 12.7% in the first nine months of 2013 up from 11.5% in the same period of the previous year.

Financial expense decreased by 21% in the first nine months of 2013, compared to the same period of the previous year. The financial expense line mainly includes the implicit interests registered as a result of the recognition at fair value of the reimbursable loans, at zero interest rate, granted by Public Administration.

The **financial income** line decreased by 77% in the nine-month period ended 30 September 2013, compared to the same period of the previous year, mainly as a result of lower returns on financial investments.

The **effective tax rate** was 4.1% in the first nine months of 2013 compared with 3.4% in the same period of 2012. This favourable effective tax rate is due to the deduction of existing research and development expenses and the capitalisation of negative tax bases resulting from the Frosst Ibérica, S.A. integration. Frosst Ibérica negative tax bases amounted to 62.8 million euros as of 31 December 2012, of which 5.3 million euros were used in the 2012 income tax and 5.5 million euros to be used in the nine-month period ended 30 September 2013.

On 13th July 2012, the Spanish Government approved by law a package of tax measures (<http://www.boe.es/boe/dias/2012/07/14/pdfs/BOE-A-2012-9364.pdf>) in order to guarantee budgetary stability and to promote competitiveness. Among these tax measures, the limitation of the negative tax bases to be offset, which was reduced to 25% from 50%, and the tax rate increase for the payment on account, from 27% to 29% for ROVI, as well as the minimum disbursement for this payment, from 8% to 12%, affect ROVI's income tax payable rate.

On the 27th December 2012, the Spanish Government approved by law a new package of tax measures (<http://www.boe.es/boe/dias/2012/12/28/pdfs/BOE-A-2012-15650.pdf>) in order to consolidate public finance and to promote economic activity. Among these tax measures, the limitation of up to 70% of the deduction in the tax base of amortization, both for tangible and intangible assets related to the periods 2013 and 2014 mainly affects ROVI's income tax payable rate.

As a consequence of the signature, on 15 February 2013, of the Conformity Assessment arising from the corporate income tax inspection of ROVI group for the periods 2007 and 2008, the Group recorded a corporate income tax expense of 109 thousand euros in the first nine months of 2013. On the same date, the VAT tax inspection of ROVI group for the same periods ended without any payments to be assumed.



Net profit increased by 12% to 18.7 million euros in the nine-month period ended 30 September 2013, 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 nine months of 2013. Operating revenue increased by 5% compared to 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. EBITDA margin increased in the first nine months of 2013 mainly as a result of the operating leverage contributed by our last product launches. We expect to keep EBITDA margin expansion in the last quarter of 2013. 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 12.8 million euros in the nine-month period ended 30 September 2013, compared to 7.5 million euros in the same period of the previous year. Of this amount:

- 4.3 million euros correspond to investment capex related to the injectables facility mainly due to the acquisition of two automatic inspection machines and to the preparation of the plant for the development of the ISM project, versus 1.8 million euros invested in the first nine months of 2012;
- 0.8 million euros correspond to investment capex related to the Alcalá facility (Frosst Ibérica), versus 1.9 million euros invested in the first nine months of 2012;
- 0.4 million euros correspond to investment capex in the Granada facility in the nine-month period ended 30 September 2013, versus 1.7 million euros in the first nine months of 2012; and
- 1.9 million euros correspond to expenditure on maintenance, versus 2.1 million euros in the first nine months of 2012.
- The rest of the capex invested in the first nine months of 2013 corresponds to the exercise of the Purchase Option over Rhodogil (see section 7.1).

ROVI expects capital expenditure for 2013 to be in line with the 2012 figure, excluding the impact of the exercise of the Purchase Option over Rhodogil®.



3.2 Debt

As of 30 September 2013, ROVI had total debt of 31.5 million euros. Debt with public administration represented, as of 30 September 2013, 83% of total debt and 96% of total debt is 0% interest rate debt.

| <i>In thousand euros</i> | 30 September 13 | 31 December 12 |
|---------------------------------|------------------------|-----------------------|
| Loans from banks | 1,374 | 2,813 |
| Debt with public administration | 26,075 | 27,505 |
| Debt from purchase of shares | 4,078 | 8,072 |
| Total | 31,527 | 38,390 |

The debt from purchase of shares registered as of 30 September 2013 corresponds to the outstanding payment related to the Frosst Ibérica acquisition, which includes the payment of 0.7 million euros for the Frosst Ibérica shares acquisition (the first four payments of 0.7 million euros each one were executed on 31 March 2010, 31 March 2011, 20 April 2012 and 2 April 2013) and the payment of 3.4 million euros for the Frosst Ibérica working capital (the first three payments of 3.2 million euros each one were executed on 31 March 2011, 12 April 2012 and 2 April 2013). The outstanding debt of 4.1 million euros will be paid on 31 March 2014.

3.3 Free cash flow

Free cash flow (net cash generated (used) from operating activities plus/minus property, plant and equipment and intangible assets purchases/sales plus interest received) decreased to 4.2 million euros in the first nine months of 2013 from 10.8 million euros in the same period of 2012, mainly as a result of (i) the collection within the execution of the "Payment to Suppliers Plan" first phase, in June 2012, of 12.4 million euros from Spanish Public Administrations which corresponded to pending invoices due for collection from the Autonomous Regions by 31st December 2011, and (ii) the 70% capital expenditure increase in the first nine months of 2013 compared to the same period in 2012.

3.4 Net and gross cash position

As of 30 September 2013, ROVI had a gross cash position of 37.4 million euros, compared to 45.9 million euros as of 31 December 2012, and a net cash position (financial assets and cash minus short term and long term financial debt) of 5.9 million euros, compared to 7.5 million euros as of 31 December 2012, providing it with a high level of financial flexibility.



3.5 Working capital

The increase in working capital in the first nine months of 2013 was mainly due to a 12.1 million euros increase in the "trade and other receivables" item. Inventories increased by 4.2 million euros in the same period mainly due to a larger Bemiparin production in the nine-month period ended 30 September 2013. Cash and cash equivalents increased by 0.5 million euros in the first nine months of the year and the "trade and other payables" line rose 7.0 million euros in the mentioned period.

On the 28th June 2013, the Spanish Government approved by law a financing plan for the payment of suppliers in order to cancel outstanding debts due for collection up until 31st May 2013. This new "Payment to Suppliers Plan" was published in the official state gazette on the 29th of June (see <http://www.boe.es/boe/dias/2013/06/29/pdfs/BOE-A-2013-7063.pdf>).

On the 10th October 2013, the Spanish Government announced the start of the process for the payment of the last phase of the "2013 Suppliers Plan" for the Autonomous Communities (see <http://www.minhap.gob.es/Documentacion/Publico/GabineteMinistro/Notas%20Prensa/2013/S.E.%20ADMINISTRACIONES%20PUBLICAS/10-10-13%20NP%20Plan%20de%20Morosidad.pdf>).

Although the payment calendar has not been announced yet, some collections are expected to be carried out in December while the rest of the invoices due for collection up until 31st May 2013 are expected to be collected during the first half of 2014.

As of 30 September 2013, Social Security, foundations and Public Administration total debt with ROVI amounted to 13.7 million euros. Of this amount, ROVI expects to collect 7.9 million euros through the last phase of the aforementioned "2013 Suppliers Plan" in the first half of 2014, while the rest of the debt is expected to be collected through the usual channels.

4. Guidance for 2013

ROVI expects **operating revenue to grow from mid to high single digit for the full year 2013**, in spite of (i) the impact of the latest package of measures, approved by the Spanish Government on 20 April 2012, which was effective on the 1st of July in order to obtain savings of more than 7 billion euros in healthcare expenditure, and (ii) the decrease of the Spanish pharmaceutical market of 9%-10% expected for 2013, according to Farmaindustria¹, the Spanish Pharmaceutical Association.

¹ http://www.farmaindustria.es/idc/groups/public/documents/publicaciones/farma_122734.pdf



ROVI expects its growth drivers to be Bemiparin, its existing portfolio of specialty pharmaceuticals, contribution from last launches such as Vytorin® and Absorcol®, new product distribution licenses and new customers in the toll manufacturing area.

5. Guidance for 2014

ROVI expects **operating revenue to grow from mid to high single digit for the full year 2014**, despite (i) a 4% contraction in the Spanish pharmaceutical market as forecast by analysts according to Farmaindustria¹, and (ii) the continued decreases in the pharmacy retail market at least until 2016 forecast by IMS Health².

ROVI expects its growth drivers to be Bemiparin, its existing portfolio of specialty pharmaceuticals, contribution from last launches such as Vytorin® and Absorcol®, new product distribution licenses and new contracts in the toll manufacturing area.

6. Research and Development update

ROVI's R&D projects keep going 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.

As it has been previously informed, since last year ROVI has been undertaken important investments in order to build in Madrid a manufacturing plant for new medicines using the ISM® technology; this is being equipped with a very innovative, and unique in its class, machinery for filling solid compounds in syringes under good manufacturing practices.

After having been validated the ISM technology by a "proof of concept" phase I study on healthy subjects, patients' enrolment of the phase I multicentre trial PRISMA-1 (*Pharmacokinetic evaluation of Risperidone ISM long-Acting injection - 1*) has already started in the first half of 2013. This is an open-label, randomized, parallel study to evaluate the pharmacokinetics, safety, and tolerability of a single intramuscular injection of Risperidone ISM® at three different dose strengths in subjects with schizophrenia or schizoaffective disorder³; it is also considered an additional escalating-dose stage, in case of the initial selected doses might not have achieved the optimal plasma levels; the results of the first

¹ http://www.farmaindustria.es/idc/groups/public/documents/publicaciones/farma_120989.pdf

² *IMS Market Prognosis March 2013*

³ *Pharmacokinetic, Safety, and Tolerability Study of Risperidone ISM® at Different Dose Strengths (PRISMA-1)*.
[<http://www.clinicaltrials.gov/ct2/show/NCT01788774?term=NCT01788774&rank=1>].



parallel stage are expected by the first half of 2014 (and alternatively, by the second half of 2014, if the second escalating-dose stage is needed).

Besides, an IND (*Investigational New Drug*) submission is also planned in the last quarter of 2013, which will allow initiating the phase II trial PRISMA-2 in the USA for evaluating multiple doses of Risperidone ISM[®] in schizophrenic patients. The results from this study are expected by the first half of 2015.

Both PRISMA-1 and 2 studies, along with a thorough population pharmacokinetics modelling, will provide trustworthy information for tuning the final design of the phase III program.

In addition, the initiation of the first human studies with Paliperidone ISM[®] (another second generation antipsychotic drug) and Letrozole ISM[®] (an aromatase inhibitor for the treatment of breast cancer) are planned for the first halves of 2014 and 2015, respectively.

7. Key operating and financial events

7.1 ROVI exercises the Purchase Option held over the health register of Rhodogil[®] in Spain

In June 2013, ROVI and Sanofi announced they had reached an agreement for ROVI to exercise the Purchase Option held over the health register of Rhodogil[®] in Spain, which was owned by Sanofi.

Since last 29th of July, 2003, ROVI had been providing to Sanofi commercial promotion services for Rhodogil[®] in Spain. Under the new agreement, Rhodogil[®] is directly marketed by ROVI in Spain.

Rhodogil[®] is a synergistic combination of two antibacterial: metronidazole and spiramycin. Is effective against a broad spectrum of germs, especially those associated with infections of the oral cavity (e.g. dental infections).

According to IMS Health data, Rhodogil[®] sales in Spain reached 3.6 million Euros over the last twelve months to April 2013 (MAT April 2013), and in the case of macrolide antibiotics market and similar (such as Rhodogil[®]) reached a total 34.1 million Euros, reflecting the product a market share in units of 15% for that period.



7.2 Dividend payment

The ROVI General Shareholders Meeting, on 12 June 2013, approved the payment of a gross dividend of 0.1366 euros per share on 2012 earnings. This dividend was paid on 3 July 2013 and it meant an increase of 8% compared to the dividend on 2011 earnings.

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 ISM® 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, except in case of substantive changes. 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 STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2013 AND 31 DECEMBER 2012

(Thousand of euros)

| | 30 September 2013 | 31 December 2012 |
|-------------------------------------|-------------------|------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, Plant and Equipment | 56,098 | 53,791 |
| Intangible assets | 8,702 | 3,176 |
| Deferred tax assets | 7,552 | 6,073 |
| Available-for-sale financial assets | 19,153 | 28,148 |
| Financial receivables | 134 | 133 |
| | 91,639 | 91,321 |
| Current assets | | |
| Inventories | 60,386 | 56,225 |
| Trade and other receivables | 66,443 | 54,377 |
| Current income tax assets | 556 | 3,855 |
| Cash and cash equivalents | 17,065 | 16,585 |
| | 144,450 | 131,042 |
| Total assets | 236,089 | 222,363 |



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2013
AND 31 DECEMBER 2012

(Thousand of euros)

| | 30 September 2013 | 31 December 2012 |
|---|--------------------------|-------------------------|
| EQUITY | | |
| Capital and reserves attributable to shareholders of the company | | |
| Share capital | 3,000 | 3,000 |
| Legal reserve | 600 | 600 |
| Treasury shares | (585) | (2,060) |
| Retained earnings and voluntary reserves | 118,830 | 105,692 |
| Profit for the period | 18,676 | 19,514 |
| Reserve for available-for-sale assets | (299) | (299) |
| Total equity | 140,222 | 126,447 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Financial debt | 22,902 | 29,135 |
| Deferred income tax liabilities | 3,021 | 3,256 |
| Non-current deferred revenue | 7,729 | 8,393 |
| | 33,652 | 40,784 |
| Current liabilities | | |
| Trade and other payables | 46,887 | 39,878 |
| Financial debt | 8,625 | 9,255 |
| Current deferred revenue | 4,358 | 4,348 |
| Provisions for other liabilities and charges | 2,345 | 1,651 |
| | 62,215 | 55,132 |
| Total liabilities | 95,867 | 95,916 |
| Total equity and liabilities | 236,089 | 222,363 |



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE NINE-MONTH PERIODS ENDED 30
SEPTEMBER 2013 AND 30 SEPTEMBER 2012

(Thousand of euros)

| | Nine-month periods ended 30 September | |
|--|--|---------------|
| | 2013 | 2012 |
| Revenue | 160,927 | 153,585 |
| Changes in inventories | 4,160 | 10,549 |
| Raw materials and consumables used | (65,840) | (68,371) |
| Employee benefit expenses | (40,126) | (39,637) |
| Other operating expenses | (34,775) | (35,722) |
| Depreciation, amortisation and impairment charges | (4,977) | (3,776) |
| Recognition of government grants on non financial non-current assets and other | 1,085 | 1,019 |
| OPERATING PROFIT | 20,454 | 17,647 |
| Finance income | 267 | 1,154 |
| Finance costs | (1,250) | (1,578) |
| FINANCE COSTS - NET | (983) | (424) |
| PROFIT BEFORE INCOME TAX | 19,471 | 17,223 |
| Income tax | (795) | (591) |
| PROFIT FOR THE PERIOD | 18,676 | 16,632 |



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE NINE-MONTH PERIODS ENDED 30
SEPTEMBER 2013 AND 30 SEPTEMBER 2012

(Thousand of euros)

| | Nine-month periods ended 30 September | |
|--|--|-----------------|
| | 2013 | 2012 |
| Cash flows from operating activities | | |
| Profit before income tax | 19,471 | 17,223 |
| Adjustments for non-monetary transactions: | | |
| Amortisation | 4,977 | 3,776 |
| Interest income | (267) | (1,154) |
| Gains or losses on derecognition of financial assets and liabilities | - | 21 |
| Interest expense | 1,250 | 1,578 |
| Net changes in provisions | 694 | 415 |
| Grant for non-financial assets and income from distribution licences | (1,194) | (792) |
| Changes in working capital | | |
| Trade and other receivables | (11,719) | 10,129 |
| Inventories | (4,161) | (10,549) |
| Trade and other payables | 7,009 | (4,352) |
| Other collections and payments | | |
| Collection for distribution licenses | 70 | - |
| Interest paid | (165) | (86) |
| Income tax cash flow | 790 | 931 |
| Net cash generated (used) from operating activities | 16,755 | 17,140 |
| Cash flows from investing activities | | |
| Purchases of intangible assets | (5,974) | (537) |
| Purchases of property, plant and equipment | (6,836) | (6,977) |
| Purchases of available-for-sale financial assets | - | (27,708) |
| Proceeds from sale of available-for-sale financial assets | 8,958 | 6,473 |
| Contracting short term bank deposits | (103) | (1,055) |
| Liquidating short term bank deposits | - | 6,487 |
| Cash decrease due to sale of Alentia Biotech | - | (10,278) |
| Interest received | 267 | 1,154 |
| Net cash generated (used) in investing activities | (3,688) | (32,441) |
| Cash flows from financing activities | | |
| Repayments of financial debt | (8,479) | (7,549) |
| Proceeds from financial debt | 793 | 1,712 |
| Purchase of treasury shares | (2,344) | (1,837) |
| Dividends paid | (6,780) | (6,300) |
| Reissue of treasury shares | 4,223 | 1,407 |
| Net cash generated in financing activities | (12,587) | (12,567) |
| Net (decrease)/increase in cash and cash equivalents | 480 | (27,868) |
| Cash and cash equivalents at beginning of the period | 16,585 | 49,491 |
| Cash and cash equivalents at end of the period | 17,065 | 21,623 |