

**LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Audit report, Annual accounts for the year ended 31 December,  
and Management report for 2015



***This version of our report is a free translation from the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation***

## **INDEPENDENT AUDITOR'S REPORT ON ANNUAL ACCOUNTS**

To the shareholders of Laboratorios Farmacéuticos Rovi, S.A.:

### **Report on the Annual Accounts**

We have audited the accompanying annual accounts of Laboratorios Farmacéuticos Rovi, S.A., which comprise the balance sheet as at December 31, 2015, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

#### *Directors' Responsibility for the Annual Accounts*

The company's directors are responsible for the preparation of these annual accounts, so that present fairly the equity, financial position and financial performance of Laboratorios Farmacéuticos Rovi, S.A., in accordance with the financial reporting framework applicable to the entity in Spain, as identified in Note 2 to the accompanying annual accounts, and for such internal control as directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with legislation governing the audit practice in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the annual accounts taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of Laboratorios Farmacéuticos Rovi, S.A. as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.

**Report on Other Legal and Regulatory Requirements**

The accompanying directors' Report for 2015 contains the explanations which the directors consider appropriate regarding the company's situation, the development of its business and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the directors' Report is in agreement with that of the annual accounts for 2015. Our work as auditors is limited to checking the directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the company's accounting records.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Rafael García Anguita

23 February 2016

# **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Annual Accounts and Management Report  
for the year ended 31 December, 2015

Free translation of the annual accounts originally issued in Spanish and prepared in accordance with “Plan General de Contabilidad” approved by Royal Decree 1514/2007 of 16th November. In the event of discrepancy, the Spanish version prevails.

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Financial Position at 31 December, 2015 ad 2014  
(Thousands of euros)

	Note	At 31 December	
		2015	2014
<b>NON-CURRENT ASSETS</b>		<b>75,626</b>	<b>73,449</b>
<b>Intangible assets</b>	5	<b>17,283</b>	<b>15,952</b>
<b>Property, plant and equipment</b>	6	<b>43,730</b>	<b>43,183</b>
<b>Non-current investments in Group &amp; associated companies</b>	8 y 9	<b>10,492</b>	<b>10,492</b>
Equity instruments		10,492	10,492
<b>Non-current financial investments</b>		<b>1,559</b>	<b>1,390</b>
Equity instruments	7 y 11	62	64
Other financial assets	7 y 10	1,497	1,326
<b>Deferred tax assets</b>	21	<b>2,562</b>	<b>2,432</b>
<b>CURRENT ASSETS</b>		<b>152,374</b>	<b>242,766</b>
<b>Inventories</b>	12	<b>32,664</b>	<b>35,364</b>
<b>Trade and other receivables</b>		<b>92,554</b>	<b>185,023</b>
Trade receivables for sales of goods and services	7 y 10	31,320	38,781
Trade receivables, Group & associated companies	7 y 10	50,351	134,765
Sundry debtors	7 y 10	763	686
Employees	7 y 10	-	9
Current income tax assets	23	3,945	4,117
Other credits with Public Administrations	23	6,175	6,665
<b>Current investments in Group &amp; associated companies</b>	7 y 10	<b>5</b>	<b>5</b>
Credits to companies		5	5
<b>Current accruals and prepayments</b>		<b>9</b>	<b>15</b>
<b>Cash and cash equivalents</b>	7 y 13	<b>27,142</b>	<b>22,359</b>
<b>TOTAL ASSETS</b>		<b>228,000</b>	<b>316,215</b>

Free translation of the annual accounts originally issued in Spanish and prepared in accordance with "Plan General de Contabilidad" approved by Royal Decree 1514/2007 of 16th November. In the event of discrepancy, the Spanish version prevails.

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Financial Position at 31 December, 2015 ad 2014  
(Thousands of euros)

	Note	At 31 December	
		2015	2014
<b>EQUITY</b>		<b>123,929</b>	<b>120,165</b>
<b>Equity</b>		<b>119,523</b>	<b>115,508</b>
Capital	14	3,000	3,000
Reserves	15	6,959	6,959
(Treasury shares)	15	(8,112)	(2,813)
Retained earnings	15	100,167	84,018
Profit for the year	16	17,509	24,344
<b>Adjustments for change in value</b>		<b>(2)</b>	<b>(2)</b>
Available-for-sale financial assets		(2)	(2)
<b>Grants, donations and legacies received</b>	17	<b>4,408</b>	<b>4,659</b>
<b>NON-CURRENT LIABILITIES</b>		<b>34,988</b>	<b>35,013</b>
<b>Non-current debt</b>		<b>31,780</b>	<b>30,786</b>
Bank borrowings	7 y 18	20,932	19,020
Other financial liabilities	7 y 18	10,848	11,766
<b>Deferred tax liabilities</b>	21	<b>2,562</b>	<b>3,495</b>
<b>Non-current accruals</b>	19	<b>646</b>	<b>732</b>
<b>CURRENT LIABILITIES</b>		<b>69,083</b>	<b>161,037</b>
<b>Current provisions</b>	20	<b>2,497</b>	<b>2,027</b>
<b>Current debt</b>		<b>9,997</b>	<b>4,150</b>
Bank borrowings	7 y 18	7,247	1,540
Other financial liabilities	7 y 18	2,750	2,610
<b>Current debt with Group and associated companies</b>	7 y 18	<b>87</b>	<b>172</b>
<b>Trade and other payables</b>		<b>56,333</b>	<b>154,418</b>
Trade payables	7 y 18	25,840	32,240
Trade payables, group and associated companies	7 y 18	26,493	117,460
Sundry creditors	7 y 18	15	1,068
Employees (outstanding remuneration)	7 y 18	3,279	2,770
Other debts with public authorities	23	706	880
<b>Current accruals</b>	19	<b>169</b>	<b>270</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>228,000</b>	<b>316,215</b>



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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Income Statement for the annual periods ended 31 December, 2015 and 2014  
(Thousands of euros)

	Note	Annual period ended 31 December	
		2015	2014
<b>CONTINUING OPERATIONS</b>			
<b>Net sales</b>	22 a)	<b>200,547</b>	<b>196,305</b>
Sales of goods		200,547	196,305
<b>Change in inventories of finished products &amp; work in progress</b>		<b>(5,553)</b>	<b>6,069</b>
<b>Supplies</b>		<b>(109,305)</b>	<b>(118,015)</b>
Raw materials and consumables used	22 b)	(108,440)	(117,013)
Inventory write-down	12	(865)	(1,002)
<b>Other operating income</b>		<b>2,165</b>	<b>3,147</b>
Ancillary and current management income		1,933	1,238
Operating grants recognized in profit and loss	22 d)	232	1,909
<b>Employee benefit expenses</b>	22 e)	<b>(31,229)</b>	<b>(29,806)</b>
Wages, salaries and similar remuneration		(26,179)	(24,974)
Welfare charges		(5,050)	(4,832)
<b>Other operating income</b>		<b>(47,470)</b>	<b>(38,357)</b>
External services		(47,112)	(37,233)
Taxes		(524)	(575)
Losses, impairment and changes in trade provisions		166	(549)
<b>Amortization, depreciation &amp; impairment charges</b>	5 y 6	<b>(6,321)</b>	<b>(5,605)</b>
<b>Allocation of grants for non-financial assets and other</b>	17	<b>750</b>	<b>916</b>
<b>Impairment and gains/(losses) on disposal of intangible assets and property, plant and equipment</b>	6	<b>(12)</b>	<b>(4)</b>
Gains/(losses) for sales and others		(12)	(4)
<b>PROFIT FROM OPERATING ACTIVITIES</b>		<b>3,572</b>	<b>14,650</b>
Finance revenue		13,791	13,078
Finance expenses		(1,724)	(2,404)
Impairment and (losses)/gains on disposal of financial instruments		-	(302)
<b>FINANCE COSTS - NET</b>	24	<b>12,067</b>	<b>10,372</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>15,639</b>	<b>25,022</b>
<b>Income tax</b>	23	<b>1,870</b>	<b>(678)</b>
<b>PROFIT FOR THE YEAR</b>	16	<b>17,509</b>	<b>24,344</b>

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Changes in Equity for the annual periods ended 31 December, 2015 and 2014  
(Thousands of euros)

### A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES (thousands of euros)

	Note	Annual period ended 31 December	
		2015	2014
<b>Profit for the year</b>	16	<b>17,509</b>	<b>24,344</b>
<b>Income and expenses credited or charged directly to the equity</b>		<b>311</b>	<b>(2,248)</b>
Measurement of financial instruments			
- Available-for-sale financial assets	11	(2)	151
Grants, donations and legacies received	17	(28)	(3,363)
Tax effect	21	341	964
<b>Transfers to profit and loss</b>		<b>(562)</b>	<b>(430)</b>
Measurement of financial instruments			
- Available-for-sale financial assets	11 y 24	-	302
Grants, donations and legacies received	17	(750)	(916)
Tax effect	21	188	184
<b>TOTAL RECOGNIZED INCOME AND EXPENSES</b>		<b>17,258</b>	<b>21,666</b>

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Changes in Equity for the annual periods ended 31 December, 2015 and 2014  
(Thousands of euros)

### B) STATEMENT OF CHANGES IN EQUITY (thousands of euros)

	Share capital (Note 14)	Reserves (Note 15)	Treasury shares (Note 15)	Retained earnings (Note 15)	Profit for the year (Note 16)	Adjust- ments for changes in value	Grants, donations & legacies received (Note 17)	TOTAL
<b>BALANCE AT END OF 2013</b>	<b>3,000</b>	<b>6,959</b>	<b>(782)</b>	<b>67,303</b>	<b>25,111</b>	<b>(319)</b>	<b>7,654</b>	<b>108,926</b>
Adjustments for changes in policies 2013 and prior years Ajustes por errores 2013 y anteriores	-	-	-	-	-	-	-	-
<b>ADJUSTED BALANCE, BEGINNING OF 2014</b>	<b>3,000</b>	<b>6,959</b>	<b>(782)</b>	<b>67,303</b>	<b>25,111</b>	<b>(319)</b>	<b>7,654</b>	<b>108,926</b>
Total recognized income and expenses	-	-	-	-	24,344	317	(2,995)	21,666
- Application of profit for 2013	-	-	-	25,111	(25,111)	-	-	-
- Distribution of dividends	-	-	-	(8,060)	-	-	-	(8,060)
- Transactions with treasury shares (net)	-	-	(2,031)	62	-	-	-	(1,969)
Dividends from treasury shares (Note 15.b)	-	-	-	18	-	-	-	18
Other movements (Note 15.b)	-	-	-	(416)	-	-	-	(416)
<b>BALANCE AT END OF 2014</b>	<b>3,000</b>	<b>6,959</b>	<b>(2,813)</b>	<b>84,018</b>	<b>24,344</b>	<b>(2)</b>	<b>4,659</b>	<b>120,165</b>
Adjustments for changes in policies 2014 and prior years Ajustes por errores 2014 y anteriores	-	-	-	-	-	-	-	-
<b>ADJUSTED BALANCE, BEGINNING OF 2015</b>	<b>3,000</b>	<b>6,959</b>	<b>(2,813)</b>	<b>84,018</b>	<b>24,344</b>	<b>(2)</b>	<b>4,659</b>	<b>120,165</b>
Total recognized income and expenses	-	-	-	-	17,509	-	(251)	17,258
- Application of profit for 2014	-	-	-	24,344	(24,344)	-	-	-
- Distribution of dividends	-	-	-	(8,450)	-	-	-	(8,450)
- Transactions with treasury shares (net)	-	-	(5,299)	151	-	-	-	(5,148)
Dividends from treasury shares (Note 15.b)	-	-	-	104	-	-	-	104
<b>BALANCE AT END OF 2015</b>	<b>3,000</b>	<b>6,959</b>	<b>(8,112)</b>	<b>100,167</b>	<b>17,509</b>	<b>(2)</b>	<b>4,408</b>	<b>123,929</b>

Free translation of the annual accounts originally issued in Spanish and prepared in accordance with “Plan General de Contabilidad” approved by Royal Decree 1514/2007 of 16th November. In the event of discrepancy, the Spanish version prevails.

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Cash Flows for the annual periods ended 31 December, 2015 and 2014  
(Thousands of euros)

	Note	Annual period ended 31 December	
		2015	2014
Profit before income tax		15,639	25,022
Adjustments to profit		7,176	6,727
Changes in working capital		(1,025)	(8,573)
Other cash flows from operating activities		(2,265)	(6,380)
<b>Cash flows from operating activities</b>	25	<b>19,525</b>	<b>16,796</b>
Payments of investments		(8,381)	(20,256)
Proceeds on disinvestments		799	16,550
<b>Cash flows from investing activities</b>	26	<b>(7,582)</b>	<b>(3,706)</b>
Proceeds from and payments of financial liability instruments		6,334	7,000
Dividend payments and remuneration of other equity instruments		(8,346)	(8,042)
Transactions with treasury shares		(5,148)	(1,969)
<b>Cash flows from financing activities</b>	27	<b>(7,160)</b>	<b>(3,011)</b>
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>4,783</b>	<b>10,079</b>
Cash or cash equivalents at the beginning of the year	13	22,359	12,280
Cash or cash equivalents at the end of the year	13	27,142	22,359

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the annual accounts for 2015

(Thousands of euros)

### **1. General information**

Laboratorios Farmacéuticos Rovi, S.A. (hereinafter, ROVI or “the Company”) was incorporated in Madrid on 21 December, 1946 with the corporate purpose of the production and sale of pharmaceutical products in national territory. Its registered office and tax address are at Calle Julián Camarillo, 35, Madrid, where it also has its main facilities.

The Company’s principal activity is the research and sale of its own pharmaceutical products and the distribution of other products for which it holds licences granted by other laboratories for specific periods, in accordance with the terms and conditions contained in the agreements entered into with said laboratories.

The annual accounts for the year 2015 include the financial statements of the permanent establishment of Laboratorios Farmacéuticos Rovi, S.A. in Portugal. This permanent establishment was created on 23 October, 1998. Its corporate purpose is the importation, representation and sale of any kind of chemical or pharmaceutical product. Its registered office is Jardins da Parede, Rua do Pinhal, Lote 16 in Parede, (Portugal).

Laboratorios Farmacéuticos Rovi, S.A. is the parent of a consolidated group the consolidated annual accounts of which for 2015 will be presented under International Financial Reporting Standards (IFRS-EU). In accordance with the contents of Royal Decree 1159/2010 of 17 September, the Company prepares consolidated annual accounts for its group. On 23 February, 2016, the consolidated annual accounts of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries at 31 December, 2015 were formulated, showing a profit of 19,809 thousand euros and equity, including the net profit for the period of 164,785 thousand euros.

In December, 2015, the company Norbel Inversiones, S.L. came to own 69.64% of the shares of Laboratorios Farmacéuticos Rovi, S.A. as a consequence of the total spin-off of Inversiones Clidia, S.L., which, at 31 December, 2014, held 69.64% of the Company’s shares (Note 15). Norbel Inversiones, S.L., which has its registered office at Calle Julián Camarillo, 35, Madrid, files consolidated annual accounts with the Madrid Companies Registry.

The Company’s shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchange and are included in the Spanish Stock Exchange Interconnection System (Continuous Market).

### **2. Bases of presentation**

#### **a) True and fair view**

The annual accounts have been prepared using the Company’s accounting records and are presented in accordance with current mercantile legislation and the policies established in the “Plan General de Contabilidad” (“General Chart of Accounts”), approved by Royal Decree 1514/2007, subsequently amended by Royal Decree 1159/2010, to present fairly the equity, the financial position and the results of the Company, as well as the accuracy of the cash flows included in the cash flow statement.

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the annual accounts for 2015

(Thousands of euros)

### b) Critical accounting estimates and judgements

The preparation of the annual accounts requires the Company to use certain estimates and judgements in relation to the future that are continuously assessed and are based on historical experience and other factors, including expectations of future events deemed reasonable under the circumstances.

The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### b.1) Revenue recognition

The Company has recognized the total sales of goods marketed in 2015 and 2014 as revenue. The buyer has the right to return the goods sold. Company Management believes that, based on previous experience with similar sales, the level of returns will not be very meaningful and, therefore, ROVI considers ordinary revenue recognition criteria to be met. The Company has therefore recognized ordinary revenue for its sales together with the related provision against ordinary revenue for estimated returns. If the estimate changes by 1%, changes in revenue will not be significant.

#### b.2) Useful lives of property, plant and equipment

Company Management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This could significantly change due to technical innovations and actions undertaken by competitors in response to severe sector cycles. Management will increase the depreciation charge when the useful lives are less than those previously estimated or will write-down or write-off technically obsolete or non-strategic assets that have been abandoned or sold. A 20% variation in the estimated useful lives of property, plant and equipment would mean an increase in the depreciation expense for 2015 and 2014 of approximately 901 and 850 thousand euros, respectively.

#### b.3) Deferred tax assets

The Company recognizes the deferred tax assets and tax credits when it is likely that they will materialize in lower income tax payments in the future.

In order to determine the maximum amount that can be recognized by the Company in relation to the future tax effect of these items, Management recognizes only items where, after analysis, there is certainty as to their existence and the accuracy of the amount involved.

### c) Grouping of items

In order to facilitate an understanding of the statement of financial position, income statement, statement of changes in equity and statement of cash flows, the items on these statements are presented in groups and the required analysis is included in the relevant Notes to the annual accounts.

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the annual accounts for 2015

(Thousands of euros)

### **3. Accounting policies**

#### **3.1 Intangible assets**

##### **a) Research and development expenses**

Research expenditure is recognized as an expense when incurred, while the development costs incurred in a project are recognized as intangible assets when the following requirements are met:

- the project is viable from a technical and commercial point of view,
- sufficient technical and financial resources are available to complete it,
- the costs incurred can be determined reliably, and
- profits are likely to be generated.

The Company considers that its development project for a low-molecular-weight heparin, a biosimilar of enoxoparin, meets all the aforementioned requirements since last quarter of 2014, when the Company filed an application with the European health authorities to obtain authorisation for the marketing of this biosimilar. Therefore, the expenses incurred in this project have been being capitalized. These assets have a useful life of 20 years.

When the carrying amount of an asset is higher than its recoverable amount, its value is immediately written down to the recoverable amount.

In the event that the favourable circumstances of the project that have allowed the development expenses to be capitalized were to change, the portion that had not yet been depreciated would be taken to profit and loss in the reporting period in which the change in circumstances took place.

##### **b) Licences and trademarks**

Licences and trademarks are shown at historical cost. Those that have a finite useful life and are carried at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives, which are between 10 and 15 years. Amortizable assets are tested for impairment whenever any event or change in circumstances indicates that their carrying amount may not be recoverable.

There are some assets in this category with an indefinite useful life. These assets are tested annually for possible impairment.

##### **c) Computer software**

Licences for computer software acquired from third parties are capitalized on the basis of the cost incurred in acquiring them and preparing the specific program for use. These costs are amortized over their estimated useful lives (from 4 to 10 years).

Expenses related to software maintenance are recognized as an expense when incurred.

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the annual accounts for 2015

(Thousands of euros)

### **3.2 Property, plant and equipment**

Items included in property, plant and equipment are recognized at purchase price or production cost less accumulated depreciation less recognized impairment losses, adjusted in accordance with Law 9/1983 of 13 July, promulgated by the Administration. In addition, the Company applied the balance sheet restatement at 31 December, 1996, in accordance with Royal Decree Law 7/1996 of 7 June.

The costs of expansion, modernization or improvement of items included in property, plant and equipment are included in the asset as an increase in its value only when they represent an increase in its capacity, productivity or useful life and provided it is possible to know or estimate the carrying amounts of the elements that have been derecognized in the inventory because they have been replaced.

Major repair costs are capitalized and are depreciated over their useful lives, while recurring maintenance expenses are recognized in profit and loss in the year they are incurred.

Depreciation of property, plant and equipment, except for land, which is not depreciated, is calculated systematically using the straight-line method in accordance with the estimated useful lives, taking into account the actual impairment suffered as a result of the use and enjoyment of the items.

Buildings - 40 years

Technical facilities and machinery – between 4 and 14 years

Other facilities, fittings and equipment and furniture – between 5 and 10 years

Other property, plant and equipment– between 4 and 5 years

The assets' residual values and useful lives are reviewed and, if appropriate, adjusted at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in profit and loss.

### **3.3 Impairment losses on non-financial assets**

Assets that have an indefinite useful life are not subject to amortization/depreciation and are tested annually for impairment. Assets subject to amortization/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that have suffered impairment are reviewed at the end of each reporting period to see whether the impairment has been reversed.



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(Thousands of euros)

### **3.4 Financial assets**

- a) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are included in current assets, except for maturities at more than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and other receivables are included in “Credits to companies” and “Trade and other receivables” on the statement of financial position.

Bank deposits maturing at more than 90 days and less than 12 months are included in this category.

These financial assets are recognized initially at fair value, including transaction costs directly attributable to them, and subsequently measured at amortized cost, recognizing the interest accrued in accordance with the effective interest rate, defined as the discount rate that equals the carrying amount of the instrument to the totality of its estimated cash flows until maturity. Notwithstanding the foregoing, credits for trading operations maturing at more than one year are measured, both upon initial recognition and subsequently, at their face value, provided that the effect of not discounting the flows is not significant.

At least at the end of the reporting period, the measurement adjustments required due to impairment will be made if there is objective evidence that not all the amounts outstanding will be received.

The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at an effective interest rate upon initial recognition. Impairment losses and, if applicable, the reversal thereof are recognized in profit and loss.

- b) Held-to-maturity investments: Held-to-maturity financial assets are securities representing debt with fixed or determinable payments and fixed maturities that are listed on an active market and that company Management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities at less than 12 months after the end of the reporting period, which are classified as current assets.

The measurement criteria for these investments are the same as for loans and receivables.

- c) Investments in the equity of group, multi-group and associated companies: These are measured at cost less, if applicable, the accumulated amount of the impairment losses. Notwithstanding, when there is an investment prior to the classification as a group, multi-group or associated company, the carrying amount before being thus classified is deemed to be the investment cost. Previous value adjustments recorded directly in the equity remain there until they are derecognized.

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If there is objective evidence that the carrying amount is not recoverable, the applicable value adjustments will be made for the difference between the carrying amount and the recoverable amount, defined as the higher of the fair value less sale costs and the present value of the cash flows derived from the investment. Unless there is other evidence of the recoverable amount, when estimating the impairment of these investments, the equity of the investee adjusted by any tacit capital gains that may exist at the measurement date, will be used. The value adjustment and, if applicable, the reversal thereof, will be recognized in profit and loss in the period in which it takes place.

- d) Available-for-sale financial assets: This category includes securities representing debt and equity instruments not classified in any of the preceding categories. They are included in non-current assets unless Management intends to dispose of the investment within the 12 months after the end of the reporting period.

They are measured at fair value, recognizing any changes that take place directly in the equity until the asset is disposed of or impaired, when the losses and gains accumulated in the equity are taken to profit and loss, provided it is possible to determine the aforementioned fair value. Otherwise, they are recognized at cost less impairment losses.

For available-for-sale financial assets, value adjustments are made if there is objective evidence that they have been impaired as the result of a reduction or delay in the estimated future cash flows in the case of debt instruments acquired or the non-recoverability of the carrying amount of the asset in the case of investments in equity instruments. The value adjustment is the difference between the cost or amortized cost less, if applicable, any value adjustment previously recognized in profit and loss and the fair value at the time the measurement is made. In the case of equity instruments measured at cost because it is not possible to determine their fair value, the value adjustment is determined in the same way as for investments in the equity of group, multi-group and associated companies.

If there is objective evidence of impairment, the Company recognizes the accumulated losses from a decrease in the fair value which were previously recognized in the equity in profit and loss. Impairment losses on equity instruments recognized in profit and loss are not reversed through profit and loss.

The fair values of listed investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company fixes a fair value using measurement techniques that include the use of recent transactions between interested and duly-informed parties, references to other instruments that are substantially the same, methods employing the discount of estimated future cash flows and option price-fixing methods, making maximum use of data observable in the market and placing as little confidence as possible in the Company's subjective considerations.

Financial assets are derecognized in the statement of financial position when all the risks and rewards of ownership of the asset are substantially transferred. In the specific case of receivables, this is deemed to take place, in general, when the risks of default and delinquency are transferred.

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### **3.5 Inventories**

Inventories are recognized at the lower of cost or net realizable value. When the net realizable value of the inventories is lower than their cost, the applicable value adjustments will be made, recognizing them as an expense in profit and loss. If the circumstances that cause the value adjustment cease to exist, the amount of the adjustment is reversed and recognized as income in profit and loss.

Cost is determined using the weighted average price method. The cost of finished goods and work in progress comprises design, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and, in the case of raw materials and work in progress, the costs estimated necessary to complete their production.

### **3.6 Equity**

Share capital is represented by ordinary shares.

The costs of issuing new shares or options are recognized directly in equity as a reduction in the reserves.

When treasury shares are purchased, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's shareholders until the shares are cancelled, reissued or resold. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity.

### **3.7 Financial liabilities**

#### **a) Financial liabilities**

This category includes trade and non-trade debits. These debits are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after end of the reporting period.

These debts are recognized initially at fair value, net of transaction costs directly incurred, and are subsequently stated at amortized cost applying the effective interest rate method. This effective interest is the discount rate that makes the carrying amount of the instrument equal to the expected flow of future payments forecast until maturity of the liability.

Notwithstanding the foregoing, trade debits maturing at no more than one year that do not have a contractual interest rate are measured, both initially and subsequently, at their face value when the effect of not discounting the cash flows is not significant.

#### **b) Financial liabilities held for trading and other financial liabilities held at fair value through profit and loss**

Financial liabilities held at fair value through profit and loss are those held for trading that are issued with the intention of reacquiring them in the short term or those that form part of a portfolio of identified financial instruments managed overall to obtain short-term gains, together with financial liabilities that the Company designates to be included in this category upon initial recognition because this provides more relevant information.

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These financial liabilities are measured, both initially and in subsequent assessments, at their fair value, recognizing any changes in profit and loss for the period.

Transaction costs directly allocable to issuance are recognized in profit and loss in the period in which they arise.

### **3.8 Grants received**

Reimbursable grants are recognized as liabilities until they meet the conditions not to be considered non-reimbursable, while non-reimbursable grants are recognized as income directly in the equity on a systematic and rational basis in correlation with the expenses derived from the grant.

In this respect, a grant is considered non-reimbursable when there is an individual decision to award the grant, all the conditions fixed for awarding it have been met and there is no reasonable doubt that it will be received.

Monetary grants are recognized at the fair value of the amount awarded and non-monetary grants at the fair value of the item received. In both cases, the values refer to the time of recognition.

Non-reimbursable grants related to the acquisition of intangible assets, property, plant and equipment and real estate investments are allocated as income for the period in proportion to the amortization or depreciation of the related assets or, if applicable, when the assets are disposed of, there is a value adjustment for impairment or they are derecognized in the statement of financial position. Non-reimbursable grants related to specific expenses are recognized in profit and loss in the same period as the related expenses are accrued, while those awarded to offset an operating deficit are recognized in the period in which they are granted, except when they are intended to offset operating deficits in future periods, in which case they will be allocated to the period in question.

### **3.9 Current and deferred taxes**

The income tax charged (credited) is the amount accrued in the year for this item comprising both current and deferred income tax charged (credited).

Both the current and deferred income tax charged (credited) is recognized in profit and loss. Notwithstanding, the tax effect related to items recorded directly in the equity is recognized in equity.

Current income tax assets and liabilities will be measured at the amounts it is expected to pay to or recover from the tax authorities in accordance with current legislation or legislation that has been approved but not yet published at the end of the reporting period.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor tax profit or loss. Deferred income tax is determined using the rules and tax rates that have been approved or are on the point of approval at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be offset.

### **3.10 Employee benefits**

#### a) Pension commitments

The Company holds a defined-contribution plan exclusively on behalf of certain employees.

A defined-contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal, contractual or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all the commitments assumed.

For defined-contribution plans, the Company pays contributions to privately- or publicly-managed pension insurance plans on an mandatory, contractual or voluntary basis. Once the contributions have been paid, the Company is not obliged to make any further payments. The contributions are recognized as employee benefits when accrued. Contributions paid in advance are recognized as an asset to the extent to which a cash refund or reduction in future payments is available.

The Company recognizes a liability for contributions to be made when, at the end of the reporting period, contributions have accrued but not been settled.

#### b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### **3.11 Provisions and contingent liabilities**

Provisions for environmental restoration, restructuring costs and legal claims are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as a finance cost as accrued.

Provisions maturing at one year or less with an insignificant financial effect are not discounted.

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When part of the expenditure necessary to settle the provision is reimbursed by a third party, the reimbursement is recognized as a separate asset, provided it is almost certain to be received.

Contingent liabilities are the possible obligations arising from past events the materialization of which depends on whether one or more future events take place irrespective of the Company’s wishes. These contingent liabilities are not recognized but details are set forth in the Notes (Note 28).

### **3.12 Business combinations**

Transactions of merger, spin-off or non-monetary contribution of a business between group companies are recorded applying the rules for transactions with related parties (Note 3.16).

Other merger, spin-off or non-monetary contribution transactions and business combinations arising from the acquisition of all the assets and liabilities of a company or a part of a company that comprises one or more businesses are recognized applying the acquisition method.

For business combinations resulting from the acquisition of shares in the capital of a company, the Company recognizes the investment in accordance with the rules for investments in the equity of group, multi-group and associated companies (Note 3.4.c).

### **3.13 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, rendering of services and other revenue received in the ordinary course of the Company’s activities. Revenue is shown net of returns, rebates, discounts and value-added tax.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### **a) Sale of goods**

The Company sells pharmaceutical products for which it holds a manufacturing and sale licence in the wholesale market and also to retailers. It also acquires and sells pharmaceutical products of other entities.

Sales of goods are recognized when the Company has delivered products to the customer and there is no unfulfilled obligation which could affect the acceptance of the products by the customer. The sale does not take place until the products and the obsolescence and loss risks have been transferred to the customer, the customer has accepted the products in accordance with the sale contract and the acceptance period has finished, or the Company has objective evidence for that the necessary criteria have been met for customer acceptance.

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The products are sold with volume discounts and customers are entitled to return damaged products. Sales are recognized at the price fixed in the sale contract, net of volume discounts and returns estimated at the date of sale. Volume discounts are measured based on estimated annual purchases. Returns are not significant and they are measured based on the Company's historical experience (Note 2). Sales are carried out with short-term collection periods. Rovi's practice is generally to claim late-payment interest -calculated on the basis of the actual collection period- from government entities from which receivables are not collected in the short term.

### b) Interest income

Interest income is recognized in accordance with the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, discounting the estimated future cash flow at the original effective interest rate of the instrument, and continues unwinding the discount as less interest income. Interest income on impaired loans is recognized using the effective interest rate method.

### c) Dividend income

Dividend income is recognized in profit and loss when the right to receive payment is established. Notwithstanding the foregoing, if the dividends distributed come from profits generated before the acquisition date, they are not recognized as income and are shown as a decrease in the carrying amount of the investment.

### d) Other revenues: granting of exclusive distribution licences

The revenue received from the granting of exclusive distribution licenses for ROVI products to other companies is recognized on accruals basis in accordance with the substance of the corresponding contracts.

To date the Company has granted several exclusive licences to third parties to sell its products in a specific territory. Under these agreements, the Company has received a single amount for transfer of licence, with no refund obligation or the possibility of refund under very restrictive terms, when the product has been authorized for distribution in a given territory.

In addition, the Company undertakes, for the term of the contract, to sell the products under contract to the distributor at the prices agreed in the contract. The amount received on the transfer of the licence is recorded as “net sales” on a straight-line basis over the term of the contract. The non-accrued portion is recorded as a non-current liability if it is to be recognized in revenues after a period longer than a year.

## **3.14 Leases**

### When the Company is the lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognized in profit and loss in the period in which they accrue on a straight-line basis over the lease term.

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### **3.15 Foreign currency transactions**

#### a) Functional and presentation currency

The Company's annual accounts are presented in thousands of euros. The euro is the Company's functional and presentation currency.

#### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting-date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency and classified as available for sale are analysed considering the translation differences resulting from changes in the amortized cost of the security and other changes in its carrying amount. Translation differences relating to variations in the amortized cost are recognized in profit and loss and other changes in the carrying amount are recognized in equity.

Translation differences on non-monetary items such as equity instruments held at fair value through profit and loss are presented as part of the gain or loss in the fair value. Translation differences on non-monetary items such as equity instruments classified as available-for-sale financial assets are included in the equity.

### **3.16 Related-party transactions**

In general, transactions between group companies are initially recognized at fair value. When applicable, if the agreed price differs from the fair value, the difference is recorded in accordance with the actual economic value of the transaction. Subsequent recognition is in accordance with the provisions set forth in the applicable rules.

Notwithstanding the foregoing, in transactions of merger, spin-off or non-monetary contribution of a business, the elements that form the business acquired are measured at the amount that corresponds to them, once the transaction has been performed, in the consolidated annual accounts of the group or subgroup.

When the parent company of the group or subgroup and its subsidiary is not involved, the consolidated annual accounts to be considered in this respect will be those of the largest group or subgroup of which the assets and liabilities form part the parent company of which is Spanish.

In these cases, any difference that may arise between the net value of the assets and liabilities of the company acquired, adjusted by the balance of the groups of grants, donations and legacies received and adjustments for changes in value, and any amount of capital and/or share premium, if applicable, are recorded in reserves by the absorbing company.



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### **3.17 Health tax**

As the result of the 2005 General State Budget Act (Law 2/2004 of 27 December), Additional Provision 48, a health tax, imposed by Ministry of Health, came into force on 1 January, 2005. This tax applies to individuals and legal entities in Spain engaging in the manufacture and importation of medicines that are prescribed in Spanish territory on official National Health Service prescriptions. The amounts payable to the Ministry of Health and Consumer Affairs are calculated on a scale fixed by the aforementioned Additional Provision 48 and subsequently amended by Additional Provision 6 of Law 29/2006 of 29 July, on Guarantees and Rational Use of Drugs and Healthcare Products. The Company records the accrued health tax as a sales discount when the sale is made. There is a provision for the estimated amount accrued but unpaid and the possible adjustment of the tax to the actual sales for the period.

During 2010, the Spanish government approved a reduction of the pharmaceutical expenditure of 2,800 million euros through the introduction of two packages of pricing legislation. The first one was approved in March 2010 and was focused on generic products. With regard to these products, which are those out of patent, the reduction was 25% on average applied to the selling price to laboratories. The second package, which was approved in May 2010 and applied as from June 2010, addressed pharmaceutical products under patent. A discount of 7.5% was applied to the selling price to the public for these products. The impact of the measures approved in March has been minimal for ROVI because the majority of its products are under patent. However, the impact of the May measures has been significant, principally affecting the pharmaceutical product area. The Company has recognized the amounts relating to these measures as a decrease in sales.

## **4. Financial risk management**

### **4.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's global risk management program focuses on the unpredictability of the financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's Treasury Department, which, following policies approved by the Board of Directors, identifies, assesses and hedges financial risks. This Department identifies, assesses and hedges the financial risks in close collaboration with the Company's operating units. The Audit Committee analyzes policies for global risk management, as well as for specific areas, such as interest rate risk, liquidity risk and the investment of excess liquidity. The Company does not use derivatives to hedge financial risks.

#### **a) Market risk**

##### **(i) Exchange rate risk**

Foreign exchange risk is very low as (i) virtually all the Company's assets and liabilities are in euros; (ii) the majority of the transactions with foreign parties are carried out in euros; and (iii) transactions for a significant amount in currencies other than the euro are sometimes hedged with exchange rate insurance contracts.

At 31 December, 2015 and 2014, there were no financial assets or liabilities in currencies other than the euro.

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### (ii) Price risk

The Company is exposed to price risk for equity securities because of investments held by the Company and classified on the statement of financial position as available for sale or held at fair value through profit and loss. The Company is not exposed to price risk on quoted raw materials. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio in accordance with the limits set. The Company does not use derivatives to hedge price risk.

At 31 December, 2015 and 2014, a change in the listed price of equity securities would have had no significant effect on the Company's statement of financial position.

### (iii) Cash flow and fair value interest rate risk

The Company is subject to interest rate risk in respect of cash flows on long-term borrowing transactions at variable rates. The Company's policy is to endeavour to obtain a large part of its financial debt from government entities through reimbursable advances, on which there is no interest rate risk. In the case of bank borrowings, it tries to obtain the cash flows not only at variable rates, but also at fixed rates, thus keeping interest rate risk to a minimum.

Had interest rates on financial debt at variable rates been 1% higher or lower at 31 December 2015, with all other variables remaining constant, the gain/loss after taxes for the year would have decreased or increased by 107 thousand euros, respectively, owing to the difference in interest expense on loans at variable rates (65 thousand euros at 31 December, 2014).

## **b) Credit risk**

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, receivables classified as available for sale and trade receivables.

The banks and financial institutions with which the Company works generally have independent ratings.

If customers have been independently rated, such ratings are used. If this is not the case, then the Company assesses the risk on the basis of the customer's financial position, historical experience and a series of other factors. In those cases in which there is no doubt as to the customer's financial solvency, the Company elects not to set credit limits.

At 31 December, 2015, the greatest investment in financial assets, apart from trade receivables, is related to Banco Santander, 17,287 thousand euros (10,778 thousand euros at 31 December, 2014). A significant proportion of trade and other receivables relates to accounts receivable from government entities, on which, in view of their nature, with the information currently available, the Management considers that there is no credit risk.

In the reporting periods for which information is presented, credit limits were not exceeded and Management does not expect losses due to default by any of the aforementioned counterparties.

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### c) Liquidity risk

Management monitors the liquidity estimates of the Company in accordance with the expected cash flows. ROVI maintains sufficient cash and marketable securities to meet its liquidity requirements. At 31 December, 2015, the Company held a credit policy with BBVA for 10,000 thousand euros at a rate of Euribor at 3 months plus 0.75%. At the end of the reporting period, ROVI had not drawn any amounts against this policy.

The following table analyzes the Company’s financial liabilities grouped by maturity dates based on the periods outstanding at the end of the reporting period through to the maturity date stipulated in the contract, including the related interest. The amounts shown on the table correspond to cash flows stipulated in the contract, which have not been discounted. Given that these amounts have not been discounted and that they include future interest accruals, they cannot be matched with figures on the statement of financial position for borrowings, derivative instruments and trade and other payables.

	Thousands of euros			
	Less than one year	Between 1 & 2 years	Between 2 & 5 years	More than 5 years
<b>At 31 December, 2015</b>				
Bank borrowings	7,470	18,171	2,970	-
Debt with government entities	2,750	5,463	4,278	1,710
Trade and other payables	55,714	-	-	-
	65,934	23,634	7,248	1,710

	Thousands of euros			
	Less than one year	Between 1 & 2 years	Between 2 & 5 years	More than 5 years
<b>At 31 December, 2014</b>				
Bank borrowings	1,954	12,369	7,334	-
Debt with government entities	2,610	5,548	5,970	2,829
Trade and other payables	153,710	-	-	-
	158,274	17,917	13,304	2,829

### 4.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as held-for-sale and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets is the current bid price.

The fair value of the reimbursable advances without a rate of interest or with a subsidized rate of interest is determined by applying the interest rate curve in force at the date of receipt of the advance to the reimbursements to be made, adding the spread normally applied in loans to the Company. For financial reporting purposes, fair value is calculated at each year end by applying the interest rate curve then in force to the outstanding payments and adding the corresponding spread. For loans at variable rates of interest, fair value has been regarded as coinciding with the amount for which they are recognized.

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### 5. Intangible assets

Details of the items included in Intangible assets and the movement on these items were as follows:

	Developmen t	Patents, licences and trademarks	Computer software	Advance payments	Total
<b>Balance at 01.01.2014</b>					
Cost or measurement	-	12,132	3,440	-	15,572
Accumulated amortization	-	(942)	(1,270)	-	(2,212)
<b>Carrying amount 31.12.14</b>	-	<b>11,190</b>	<b>2,170</b>	-	<b>13,360</b>
Additions	-	3,330	615	-	3,945
Amortization charge	-	(694)	(659)	-	(1,353)
<b>Balance at 31.12.2014</b>					
Cost or measurement	-	15,462	4,055	-	19,517
Accumulated amortization	-	(1,636)	(1,929)	-	(3,565)
<b>Carrying amount 31.12.14</b>	-	<b>13,826</b>	<b>2,126</b>	-	<b>15,952</b>
Additions	2,002	200	945	-	3,147
Transfers (net of amortization)	1,081	(1,081)	(20)	20	-
Amortization charge	-	(966)	(850)	-	(1,816)
<b>Balance at 31.12.15</b>					
Cost or measurement	3,094	14,570	4,980	20	22,664
Accumulated amortization	(11)	(2,591)	(2,779)	-	(5,381)
<b>Carrying amount 31.12.15</b>	<b>3,083</b>	<b>11,979</b>	<b>2,201</b>	<b>20</b>	<b>17,283</b>

#### a) Patents, licences and trademarks

The additions recognized in “Trademarks and licences” in 2014 relate to the acquisition of the marketing rights in Spain for:

- Medicebran<sup>®</sup> and Medikinet<sup>®</sup>, products for use in the treatment of ADHD (Attention Deficit Hyperactivity Disorder), and
- Hirobriz<sup>®</sup> Breezhaler<sup>®</sup>, bronchodilator inhaler.

These acquisitions were made from other laboratories.

Under the caption “Patents, licences and trademarks”, assets with indefinite useful lives were recognized for an amount of 5,366 thousand euros at 31 December, 2015 and 2014. Management reviews these assets for indications of impairment on an annual basis, although there has been none to date. The recoverable value, which was higher than the carrying amount at the end of both reporting periods, has been obtained by projecting the forecast cash flows for the following four years.

#### b) Development

In 2015, additions and transfers for a total net amount of 3,083 thousand euros were recognized, relating to the expenses incurred in the development of a low-molecular-weight heparin, biosimilar to enoxaparin, the evaluation process in Europe of which commenced after completion of the validation phase. The useful life of these assets is 20 years.

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

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(Thousands of euros)

### b) Fully amortized intangible assets

At 31 December, 2015, there were fully-amortized intangible assets that were still in use with a carrying cost of 805 thousand euros (803 thousand euros at 31 December, 2014).

### c) Assets affected by guarantees and ownership restrictions

At 31 December, 2015 and 2014, there were no significant intangible assets subject to ownership restrictions or pledged to guarantee liabilities.

### e) Insurance

The Company holds several insurance policies to cover the risks the intangible assets are exposed to. The insurance cover is considered sufficient.

## 6. Property, plant and equipment

Details of and movement on the items included in property, plant and equipment were as follows:

	Land and buildings	Technical installations and other property, plant and equipment	Total
<b>Balance at 01.01.14</b>			
Cost	7,295	37,836	45,131
Accumulated depreciation	(605)	(13,131)	(13,736)
<b>Carrying amount 01.01.14</b>	<b>6,690</b>	<b>24,705</b>	<b>31,395</b>
Additions	-	16,044	16,044
Retirements (net of depreciation)	-	(4)	(4)
Depreciation charge	(136)	(4,116)	(4,252)
<b>Balance at 31.12.14</b>			
Cost	7,295	53,765	61,060
Accumulated depreciation	(741)	(17,136)	(17,877)
<b>Carrying amount 31.12.14</b>	<b>6,554</b>	<b>36,629</b>	<b>43,183</b>
Additions	-	5,064	5,064
Retirements (net of depreciation)	(6)	(6)	(12)
Depreciation charge	(136)	(4,369)	(4,505)
<b>Balance at 31.12.15</b>			
Cost	7,284	58,811	66,095
Accumulated depreciation	(872)	(21,493)	(22,365)
<b>Carrying amount 31.12.15</b>	<b>6,412</b>	<b>37,318</b>	<b>43,730</b>

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

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(Thousands of euros)

### a) Impairment losses

In the years 2015 and 2014, no significant impairment losses were either recognized or reversed in relation to any individual item of property, plant and equipment.

### b) Fully-depreciated assets

The following assets were fully depreciated but still in use at the end of the reporting period:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Technical installations	2,228	1,567
Machinery	218	183
Tools	131	69
Furniture	248	248
Computer equipment	341	265
Other property, plant and equipment	4,055	2,543
	<b>7,221</b>	<b>4,875</b>

### c) Operating leases

The income statement includes operating lease expenses relating to rental of vehicles and buildings for an amount of 2,051 thousand euros (2,082 thousand euros at 31 December, 2014).

### d) Grants received

The construction of the Granada plant was partly financed by a grant awarded by the Innovation and Development Agency of Andalusia (Innovation, Science and Enterprise Department) for an amount of 5,431 thousand euros (Note 17). This grant was collected in November 2008 and the part that has not yet been allocated to the income statement is recognized under the heading “Grants, donations and legacies received”. This grant began to be allocated to the income statement in the second half of 2009, when depreciation of the assets for which it was granted commenced.

Also for the construction of the Granada bemiparin plant, the Innovation, Science and Enterprise Department of the Andalusian Regional Government granted the Company a non-reimbursable grant of 2,200 thousand euros. Part of this grant was allocated to ROVI’s income statement in the 2010 to 2013 reporting periods and, therefore, at 31 December, 2013, the amount recognized for this grant under the caption “Deferred revenues on current and non-current grants” was 1,784 thousand euros. In 2014, a final decision refusing ROVI the right to collect this grant was issued and, therefore, the amounts related thereto were derecognized in the Company’s statement of financial position (Note 17).

### e) Insurance

The Company holds several insurance policies to cover the risks the property, plant and equipment is exposed to. The insurance cover is considered sufficient.

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

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(Thousands of euros)

### 7. Analysis of financial instruments

#### 7.1 Analysis by category

The carrying amounts of each one of the financial instrument categories established in the “Financial instruments” accounting policy, except investments in the equity of group, multi-group and associated companies (Note 8), were as follows:

##### a) Financial assets

	Thousands of euros			
	<u>Equity instruments</u>		<u>Credits and other financial assets</u>	
	2015	2014	2015	2014
Available-for-sale financial assets (Note 11)	62	64	-	-
Loans and receivables (Note 10)	-	-	1,497	1,326
<b>Non-current</b>	<b>62</b>	<b>64</b>	<b>1,497</b>	<b>1,326</b>
Loans and receivables (Note 10)	-	-	82,439	174,246
Cash and cash equivalents (Note 13)	-	-	27,142	22,359
<b>Current</b>	<b>-</b>	<b>-</b>	<b>109,581</b>	<b>196,605</b>
<b>TOTAL</b>	<b>62</b>	<b>64</b>	<b>111,078</b>	<b>197,931</b>

##### b) Financial liabilities

	Thousands of euros			
	<u>Bank borrowings</u>		<u>Other financial liabilities</u>	
	2015	2014	2015	2014
Debits and payables (Note 18)	20,932	19,020	10,848	11,766
<b>Non-current</b>	<b>20,932</b>	<b>19,020</b>	<b>10,848</b>	<b>11,766</b>
Debits and payables (Note 18)	7,247	1,540	58,464	156,320
<b>Current</b>	<b>7,247</b>	<b>1,540</b>	<b>58,464</b>	<b>156,320</b>
<b>TOTAL</b>	<b>28,179</b>	<b>20,560</b>	<b>69,312</b>	<b>168,086</b>

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(Thousands of euros)

### 7.2 Credit rating of financial assets

The credit rating of financial assets which have not yet matured and which have suffered no impairment loss can be assessed based on the credit rating assigned by external organizations or by their historical delinquency rates:

<b>Cash and cash equivalents</b>	<b>Rating</b>	<b>Thousands of euros</b>	
		<b>2015</b>	<b>2014</b>
	A+	228	231
	A	238	267
	BBB+	26,175	-
	BBB	63	17,574
	BBB-	-	3,809
	BB +	-	15
	BB	112	160
	B-	76	71
	No rating	250	232
	<b>Total cash and cash equivalents (Note 13)</b>	<b>27,142</b>	<b>22,359</b>
<b>Other non-current financial assets</b>	<b>Rating</b>	<b>2015</b>	<b>2014</b>
	BBB+	1,327	-
	BBB	139	1,296
	Otros	31	30
	<b>Total Other non-current financial assets (Note 10)</b>	<b>1,497</b>	<b>1,326</b>

None of the assets classified as available for sale has received a financial rating. Note 10 “Loans and receivables” gives details of the credit quality of the balances receivable from public authorities.

### 8. Holdings in group companies

In 2014, two new companies were incorporated, both 100% held by Laboratorios Rovi, S.A.:

- Rovi Biotech Limited, with registered address in London; and
- Rovi Biotech, S.R.L, with registered address in Milan.

Neither of these two companies had any activity in 2015 and 2014.



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(Thousands of euros)

With these latest inclusions, the companies in which Laboratorios Farmacéuticos Rovi, S.A. held a significant shareholding at 31 December, 2015 were:

Corporate name	Address	Activity	Shareholding		Voting rights	
			% Direct	% Indirect	% Direct	% Indirect
Pan Química Farmacéutica, S.A.	Madrid, C/Rufino González, 50	(1)	100%	-	100%	-
Gineladius, S.L.	Madrid, C/Rufino González, 50	(2)	100%	-	100%	-
Rovi Contract Manufacturing, S.L.	Madrid, C/Julián Camarillo, 35	(1)	100%	-	100%	-
Bemipharma Manufacturing, S.L.	Madrid, C/Julián Camarillo, 35	(1)	100%	-	100%	-
Bertex Pharma GmbH	Inselstr.17. 14129 Berlin (Germany)	(3)	100%	-	100%	-
Frosst Ibérica, S.A.	Alcalá de Henares, Avenida Complutense, 140 (Madrid)	(1)	100%	-	100%	-
Rovi Biotech, Ltda.	La Paz (Bolivia)	(1)	99%	1%	99%	1%
Rovi Biotech Limited	10-18 Union Street, London (United Kingdom)	(1)	100%	-	100%	-
Rovi Biotech, S.R.L.	Via Monte Rosa 91, Milan (Italy)	(1)	100%	-	100%	-

(1) Production, marketing and sale of pharmaceutical, healthcare and medicine products.

(2) Import, export, purchase, sale, distribution and marketing of articles related to integral female healthcare.

(3) Development, distribution and marketing of pharmaceutical products related to micro-particle technologies.

Unless otherwise stated, the end of the reporting period for the latest annual accounts is 31 December, 2015.

At 31 December, 2015 and 2014, none of the group companies in which the Company held at interest was listed on the stock exchange.

The amounts of the capital, reserves, profit or loss for the period and other relevant information, as shown in the annual accounts of the individual companies at 31 December, 2015, were as follows:

	% Direct holding	Carrying amount of holding	Profit or loss			
			Capital	Reserves	for period	Total equity
Rovi Contract Manufacturing, S.L.	100%	1,772	36	14,124	6,747	20,907
Bemipharma Manufacturing, S.L.	100%	559	36	2,827	35	2,898
Pan Química Farmacéutica, S.A.	100%	1,771	601	1,132	264	1,997
Gineladius, S.L.	100%	293	30	570	(19)	581
Bertex Pharma GmbH (Nota 29.b)	100%	1,036	25	86	-	111
Frosst Ibérica, S.A.U.	100%	5,039	7,816	14,485	7,916	30,217
Rovi Biotech, Ltda.	99%	2	2	-	-	2
Rovi Biotech, Limited	100%	7	7	-	-	7
Rovi Biotech, S.R.L.	100%	10	10	-	-	10
		<b>10,489</b>				

Additionally, the Company holds 50% of the shares in Alentia Biotech, S.L., a joint venture held by ROVI and Grupo Ferrer Internacional, S.A. (Note 9). The carrying amount of the Company's interest at 31 December, 2015 and 2014 was 3 thousand euros.

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At 31 December, 2014, the figures were as follows:

	% Direct holding	Carrying amount of holding	Capital	Reserves	Profit or loss for period	Total equity
Rovi Contract Manufacturing, S.L.	100%	1,772	36	14,124	3,661	17,821
Bemipharma Manufacturing, S.L.	100%	559	36	2,827	44	2,907
Pan Química Farmacéutica, S.A.	100%	1,771	601	1,132	11	1,744
Gineladius, S.L.	100%	293	30	582	(12)	600
Bertex Pharma GmbH	100%	1,036	25	86	-	111
Frosst Ibérica, S.A.U.	100%	5,039	7,816	14,485	9,232	31,533
Rovi Biotech, Ltda.	99%	2	2	-	-	2
Rovi Biotech, Limited	100%	7	7	-	-	7
Rovi Biotech, S.R.L.	100%	10	10	-	-	10
		<b>10,489</b>				

There are no companies in which, with a holding of less than 20%, a significant influence is deemed to exist, or in which, with a holding of more than 20%, it is deemed that no significant influence exists.

There are no investments in group companies the value of which it has been necessary to adjust due to impairment.

### 9. Interests in joint ventures

In 2010, the company Alentia Biotech, S.L. (Alentia) was created, 100% held by ROVI. In February 2012, the effective sale of 50% of the shares in Alentia Biotech, S.L. by Laboratorios Farmacéuticos Rovi, S.A. to Grupo Ferrer Internacional, S.A. took place and Alentia became a joint venture held by these two companies at 50% each.

In 2013, Alentia Biotech marketed vaccines against seasonal flu under a co-marketing system with Novartis Vaccines & Diagnostics.

In 2013, ROVI and Grupo Ferrer decided to cancel the project of their joint-venture Alentia, consisting of the construction of a national production centre for flu vaccines. This decision was taken mainly due to (i) an important cumulative reduction in the market prices of flu vaccines during the last three campaigns, and (ii) the impossibility of obtaining the required public funding due to the adverse financial situation of the country (this project required an estimate investment of approximately 92 million euros).

In 2015, Alentia recorded losses of 3 thousand euros (173 thousand euros in 2014) and the value of its assets at 31 December, 2015 was 117 thousand euros (128 thousand euros at 31 December, 2014).

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(Thousands of euros)

### 10. Loans and receivables

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Non-current loans and receivables:</b>		
- Deposits (a)	1,326	1,160
- Bank receivables (b)	65	65
- Interest accrued	74	71
- Guarantee deposits	32	30
	<u>1,497</u>	<u>1,326</u>
<b>Current loans and receivables:</b>		
- Loans to associated companies (Note 31.f)	5	5
- Trade receivables (c)	31,220	38,681
- Receivables from related parties (Nota 31.f)	51,122	135,494
- Sundry debtors	92	57
- Employees	-	9
	<u>82,439</u>	<u>174,246</u>
	<b><u>83,936</u></b>	<b><u>175,572</u></b>

#### a) Deposits

At 31 December, 2015 and 2014, “Deposits” included deposits at an interest rate ranging from 2% to 3% pledged in favour of Banco Santander.

#### b) Non-current bank receivables

The amount included in “Non-current bank receivables” relates to the payments made to Banco Santander under a debt assumption agreement whereby this bank assumed the payment of a reimbursable advance granted to the Company by government entities (Note 18.b).

The amounts delivered under these debt assumption agreements are considered a non-current financial asset until said reimbursable advances, which are recorded under the financial debt caption in liabilities in the statement of financial position (see Note 18.b), are cancelled.

The interest rate accrued on these assets is 3.4%.

#### c) Trade receivables

Management estimates that the fair values of loans and receivables do not differ significantly from their current values, since they comprise principally balances receivable at less than one year and are subject to possible interest charges if they are not paid within said period.

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In December 2015, the Company signed two non-recourse factoring agreements with the companies Farmafactoring, S.A. and Banca Farmafactoring, S.p.A., respectively, whereby ROVI has received the amount of matured items due from Spanish and Portuguese public authorities for a total of 6.1 million euros (4.8 million euros in Spain and 1.3 million euros relating to Portugal). After this agreement, the balance receivable from public authorities at 31 December, 2015 was 1,156 thousand euros (12,338 thousand euros at 31 December, 2014), geographically distributed as follows:

	<b>Rating</b>	<b>Balance</b>	<b>Rating</b>	<b>Balance</b>
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Madrid	BBB+	465	BBB	3,227
Andalusia	BBB	397	BBB-	2,790
Catalonia	BB-	260	BB	859
Basque Country	A	145	A-	266
Valencia	BB	59	BB-	1,267
Castilla la Mancha	BBB-	52	BBB-	323
Aragón	BBB	49	BBB	841
Portugal	BB+	47	BB	1,695
Canary Islands	BBB+	15	BBB	304
Galicia	BBB+	3	BBB	154
Other	-	(336)	-	612
		<b>1,156</b>		<b>12,338</b>

At 31 December, 2015, there were matured receivables amounting to 7,603 thousand euros (16,221 thousand euros at 31 December, 2014), although they had suffered no impairment. Of the 2014 amount, almost the entire debt aged over six months related to Social Security authorities or government entities. The Company claims the late-payment interest accrued on these debts from the different government entities and Social Security services.

The ageing analysis of matured balances is as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Up to 3 months	6,770	11,081
3 to 6 months	900	2,351
6 months to one year	(12)	1,163
Over one year	(55)	1,626
	<b>7,603</b>	<b>16,221</b>

The signature of the non-recourse factoring agreement in December 2015 meant that, at the end of said reporting period, the total matured debt with government entities was 458 thousand euros, in comparison with the 8,036 thousand euros that existed at 31 December, 2014. This amount was geographically distributed as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Spain	458	6,723
Portugal	-	1,313
	<b>458</b>	<b>8,036</b>

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At 31 December, 2015, matured receivables that had been impaired were 1,130 thousand euros (1,815 thousand euros at 31 December, 2014). The ageing of these accounts is as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
6 to 9 months	54	53
Over 9 months	1,076	1,762
	<u>1,130</u>	<u>1,815</u>

Movement on the provision for impairment of trade receivables was as follows:

	<b>Thousands of euros</b>	
	<b>2014</b>	<b>2013</b>
Balance at beginning of year	1,815	1,297
Applications	(685)	-
Additions	-	518
Balance at end of year	<u>1,130</u>	<u>1,815</u>

Recognition and reversal of adjustments to the carrying amounts of trade receivables due to impairment are included in “Losses, impairment and change in trade provisions” in the income statement. Usually, the amounts charged to the impairment account are derecognized when further recovery of cash is not expected.

The maximum exposure to credit risk at the reporting date is the fair value of each of the previously mentioned accounts receivable categories. The Company does not hold any guarantee as insurance.

### 11. Available-for-sale financial assets

Available-for-sale financial assets include:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Listed securities:</b>		
- Investment funds and equity securities	3	5
<b>Non-listed securities</b>		
- Equity securities – Euro zone	59	59
	<u>62</u>	<u>64</u>

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Movement on available-for-sale financial assets is summarized below:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Balance at beginning of year</b>	<b>64</b>	<b>16,114</b>
Disposals	-	(16,201)
Net gains / (losses) transferred to equity	(2)	453
Net gains / (losses) on disposals of assets (Note 24.b)	-	(302)
<b>Balance at end of year</b>	<b>62</b>	<b>64</b>
Less: non-current portion	62	64
Current portion	-	-

In 2014, the totality of the participations in two monetary investment funds were sold for a total amount of 14,581 thousand euros, the Company incurring a loss of 4 thousand euros.

Additionally, in 2014, the totality of the participations that the Company held in a monetary investment fund denominated in dollars were sold for 1,620 thousand euros. The derecognition of these participations in 2014 mean that an expense of 298 thousand euros was recorded in profit and loss.

The maximum credit risk exposure at the reporting date was the fair value of the debt securities classified as available for sale.

### 12. Inventories

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Trade inventories	23,831	21,681
Raw materials and other consumables	3,164	1,596
Finished goods	8,317	11,880
Work in progress	947	2,937
Inventory write-down	(3,595)	(2,730)
	<b>32,664</b>	<b>35,364</b>

In 2015, inventory write-down increased by 865 thousand euros.

The inventories purchase/sale commitments at the end of the reporting period were as normal in the course of business and Management estimates that meeting these commitments will not generate losses for the Company.

The Company holds several insurance policies to cover the risks the inventories are exposed to. The insurance cover is considered sufficient.

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(Thousands of euros)

### 13. Cash and cash equivalents

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Cash at bank and on hand	27,142	15,860
Other equivalent liquid assets	-	6,499
	<u>27,142</u>	<u>22,359</u>

### 14. Share capital

At 31 December 2015 and 2014, the share capital consisted of 50,000,000 shares with a face value of 0.06 euros each. All the shares in issue are fully paid up. All the shares are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges.

Shareholders owning direct or indirect significant interests of more than 3% in the share capital of Laboratorios Farmacéuticos Rovi, S.A. of which the Company is aware, according to the information in the official records of the National Securities Market Commission at 31 December, 2015, were the following:

<u>Shareholder</u>	<u>% direct</u>	<u>% indirect</u>	<u>TOTAL</u>
Norbel Inversiones, S.L.	69.640	-	69.640
Indumenta Pueri, S.L.	5.000	-	5.000
NMás1 Asset Management SGIIC, S.A.	-	5.020	5.020
T. Rowe Price Associates, INC	-	3.005	3.005

In 2015, the common project for the total spin-off of Inversiones Clidia, S.A. (which, at 31 December, 2014, held 69.40% of the Company’s shares) in favour of Laboratorios Farmacéuticos Rovi, S.A. and Norbepa Inversiones, S.L. was carried out. This spin-off was approved by the General Meeting of Shareholders of ROVI on 18 November, 2015 and, in accordance therewith, ROVI received the totality of the shares in itself (ROVI) that had been held by Inversiones Clidia, S.L. –representing 69.64% of ROVI’s share capital-, which, at the same time, were assigned to the shareholders of Inversiones Clidia, S.A., -Mr. Juan López-Belmonte López, and Messrs. Juan, Iván and Javier López-Belmonte Encina- in the same proportion as each one of them had held shares in Inversiones Clidia, S.L.

Subsequently, Mr. Juan López-Belmonte López gifted some of the shares in ROVI that had been assigned to him as a result of the spin-off to Messrs Juan, Iván and Javier López-Belmonte Encina.

After these shares had been gifted, all the members of the López-Belmonte family contributed their respective shares in ROVI to the company Norbel Inversiones, S.L., which had been newly created and was held by Mr. Juan López-Belmonte (20.00%) and Messrs. Juan, Iván and Javier López-Belmonte Encina (26.67% each).

After this project, Mr. Juan López-Belmonte López’s shareholding in ROVI dropped to 13.93% of the share capital, while Messrs. Juan, Iván and Javier López-Belmonte Encina each became the owner of 18.57% of ROVI’s share capital.

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Notes to the annual accounts for 2015

(Thousands of euros)

### 15. Reserves and retained earnings

#### a) Reserves

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Legal reserves and reserves required by the By-Laws:</b>		
- Legal reserve	600	600
	<u>600</u>	<u>600</u>
<b>Other reserves</b>		
- Non-distributable special reserve	5,036	5,036
- Voluntary reserves	472	472
- Revaluation reserve Royal Decree-Law 7/96	851	851
	<u>6,359</u>	<u>6,359</u>
	<u>6,959</u>	<u>6,959</u>

#### Legal reserve

The legal reserve has been created in accordance with Article 274 of the Spanish Capital Companies Act (“Ley de Sociedades de Capital”), which states that 10% of the profit for the period must be allocated to the legal reserve until at least 20% of the share capital is covered.

The legal reserve is not available for distribution. Should the legal reserve be used to offset losses in the event of no other reserves being available for this purpose, it must be replenished with future profits.

#### Non-distributable special reserve

On 6 July, 1994, the universal Extraordinary General Meeting of Shareholders resolved to reduce the share capital by 5,036 thousand euros by the write-off of 837,853 shares. Shareholders’ contributions were not refunded in this reduction and, consequently, a special reserve for the same amount was created. This reserve, which will receive the same treatment as the legal reserve, may only be used to offset losses when no other reserves are available for this purpose.

#### Revaluation reserve Royal Decree-Law 7/1996, of 7 June

The balance of the “Revaluation reserve” comes from the balance sheet restatement regulated in article 5 of Royal Decree-Law 7/1996 of 7 June. The balance of this account is available and property, plant and equipment elements related to this reserve had been fully depreciated at 31 December, 2015.

#### b) Retained earnings

During 2015, retained earnings were increased and/or reduced as follows:

- On 9 June, 2015, the General Meeting of Shareholders of Laboratorios Rovi, S.A. resolved to approve the proposal for application of the profit for 2014 (24,344 thousand euros), allocating 8,450 thousand euros to dividends and the remainder to retained earnings. The dividend on the treasury shares held by ROVI at the time of the distribution was 104 thousand euros, which was recognized in the retained earnings account.



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- The sale of treasury shares in 2015 led to a profit of 151 thousand euros, which was recognized in the retained earnings account (Note 15.c).

During 2014, retained earnings were increased and/or reduced as follows:

- On 12 June, 2014, the General Meeting of Shareholders of Laboratorios Farmacéuticos Rovi, S.A. resolved to approve the proposal for application of the profit for the year 2013 (25,111 thousand euros), allocating 8,060 thousand euros to dividends and the remainder to retained earnings. The dividend on the shares held by ROVI as treasury shares at the time of the distribution was 18 thousand euros, which was recognized in the retained earnings account.
- The sale of treasury shares in 2014 led to a profit of 62 thousand euros, which was recognized in the retained earnings account (Note 15.c).
- In 2014, the derecognition of the grant for 2,200 thousand euros awarded by the Innovation, Science and Enterprise Department of the Andalusian Regional Government for the construction of the bemiparin plant in Granada (Note 6.d) meant the derecognition from the “Retained earnings” account of 416 thousand euros that had been allocated to the Company’s profit and loss until 31 December, 2013.

### **c) Treasury shares**

In the course of 2015, the Company acquired a total of 491,756 of its own shares (354,665 in 2014), paying the amount of 6,546 thousand euros for them (3,345 thousand euros in 2014). Likewise, it resold a total of 116,320 of its own shares (139,931 in 2014) for a sum of 1,398 thousand euros (1,376 thousand euros in 2014). These shares had been acquired at a weighted average cost of 1,247 thousand euros (1,314 thousand euros in 2014), giving rise to a profit of 151 thousand euros on the sale (62 thousand euros in 2014), which was taken to reserves. At 31 December, 2015, the Company held 676,136 treasury shares (300,700 at 31 December, 2014).

The Company is entitled to reissue these shares at a later date.

### **d) Dividends**

On 9 June, 2015, the General Meeting of Shareholders approved the distribution of the 2014 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 8,450 thousand euros (0.1690 euros gross per share). This dividend was paid out in July 2015.

On 12 June, 2014, the General Meeting of Shareholders approved the distribution of the 2013 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 8,060 thousand euros (0.1612 euros gross per share). This dividend was paid out in July 2014.

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

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(Thousands of euros)

### 16. Profit for the period

The proposed application of the profit and reserves that will be submitted to the General Meeting of Shareholders is as follows:

	<u>Thousands of euros</u>	
	<u>2015</u>	<u>2014</u>
<b><u>Basis of application</u></b>		
Profit for the year	17,509	24,344
	<hr/>	<hr/>
<b><u>Application</u></b>		
Retained earnings	10,559	15,894
Dividends	6,950	8,450
	<hr/>	<hr/>
	17,509	24,344

### 17. Grants, donations and legacies received

Movement on this caption was as follows:

	<u>Thousands of euros</u>	
	<u>2015</u>	<u>2014</u>
<b>Beginning of year (net of tax)</b>	<b>4,659</b>	<b>7,654</b>
Increases (net of tax)	116	1,432
Decreases (net of tax)	(138)	(3,786)
Change in tax rate, recognized in equity	333	-
Allocation to profit and loss (net of tax)	(562)	(641)
<b>End of year (net of tax)</b>	<b>4,408</b>	<b>4,659</b>

Details of non-reimbursable capital grants shown on the statement of financial position under the caption “Grants, donations and legacies received”, not including the tax effect, are as follows:

<u>Awarding entity</u>	<u>Thousand of euros</u>	<u>Purpose</u>	<u>Date awarded</u>
(1) Andalusian Regional Govt	3,514	Construction of Granada plant (Note 6.d)	2008
(2) Andalusian Regional Govt	1,515	Construction bemiparin lines in Granada	2012 y 2014
Andalusian Regional Govt	51	Interest subsidy (Granada plant)	2007
Miscellaneous govt entities	798	Miscellaneous projects	2001 onward
	<hr/>		
	5,878		

- (1) Non-reimbursable grant granted by the Andalusian Innovation and Development Agency (Innovation, Science and Enterprise Department) for 5,431 thousand euros. This grant was received in November 2008 and recognition in profit and loss commenced in 2009, when the assets for which it was granted began to be depreciated. The amount recognized for this grant under the caption “Grants, donations and legacies received” at 31 December, 2015 was 3,514 thousand euros (3,809 thousand euros at 31 December, 2014).

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

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(Thousands of euros)

- (2) Relates to two non-reimbursable grants granted by the Andalusian Innovation and Development Agency in the years 2012 and 2014 for construction of two new bemiparin lines at the Granada plant. The first of them, for 585 thousand euros, began to be recognized in profit and loss 2013 and the amount recognized under the “Grants, donations and legacies received” caption at 31 December, 2015 was 401 thousand euros (462 thousand euros at 31 December, 2014). The second of the grants, for a total amount of 1,171 thousand euros, began to be recognized in profit and loss in May 2015 and, at the end of the period, showed a balance of 1,114 thousand euros under the “Grants, donations and legacies received” caption. .

The decrease (net of taxes) in 2014 related principally to:

- Derecognition in the Company’s statement of financial position of the amounts related to the grant of 2,200 thousand euros granted by the Innovation, Science and Enterprise Department of the Andalusian Regional Government for construction of the bemiparin plant in Granada due to receipt, in 2014, of a final decision refusing Rovi the right to collect this grant. During the 2010 to 2013 annual periods, part of this grant was recognized in Rovi’s income statement and, as a result, the amount recognized for this grant under the caption “Grants, donations and legacies received” at 31 December, 2013 was 1,784 thousand euros (1,249 thousand euros net of taxes).
- In 2014, an amount of 3,587 thousand euros (2,511 thousand euros net of taxes) was derecognized from the “Grants, donations and legacies received” caption. This amount was associated to the loan for 11,900 thousand euros granted in 2009 by the Ministry of Health and Social Policy for development of the vaccine project, the outstanding balance of which, 10,373 thousand euros, was fully repaid in 2014 (Note 18.b).

### 18. Debits and payables

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Non-current debits and payables</b>		
- Bank borrowings (a)	20,932	19,020
- Debt with government entities (b)	10,848	11,766
	<u>31,780</u>	<u>30,786</u>
<b>Current debits and payables</b>		
- Bank borrowings (a)	7,247	1,540
- Debt with government entities (b)	2,750	2,610
- Current debt with group and associated companies (Note 31.f)	87	172
- Trade payables	25,705	32,106
- Trade payables, related parties (Note 31.f)	27,427	118,382
- Sundry creditors	15	1,068
- Employees	2,480	1,982
	<u>65,711</u>	<u>157,860</u>
	<u>97,491</u>	<u>188,646</u>

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(Thousands of euros)

### Delay in payments to suppliers

Details of payments for trading transactions performed during the reporting period and outstanding at the reporting date in relation to the maximum legal periods provided for in Law 15/2010, amended by Law 11/2013, are as follows:

	<u>2015</u>
	<u>Days</u>
Average payment period to suppliers	55
Ratio of transactions paid	54
Ratio of transactions outstanding	<u>58</u>
	<u>Thousands of euros</u>
Total payments made	47,366
Total payments outstanding	<u>11,596</u>

### Fair value of non-current debt

The carrying amounts and fair values of the non-current debt were as follows:

	<u>Thousands of euros</u>			
	<u>Carrying amount</u>		<u>Fair value</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Bank borrowings	20,932	19,020	20,932	19,020
Debt with government entities	10,848	11,766	11,861	13,028
	<u>31,780</u>	<u>30,786</u>	<u>32,793</u>	<u>32,048</u>

The carrying amount of current debt is similar to the fair value, since the effect of the discount is not significant. The fair values are based on the cash flows discounted at a rate based on the borrowing rate of 2% (2% in 2014).

The carrying value of the Company's debt is in euros.

#### a) Bank borrowings

Bank borrowings are entirely composed of the following bank loans:

Year	<u>a.1)</u>	<u>a.2)</u>	<u>a.3)</u>	<u>a.4)</u>	<u>a.5)</u>	<u>TOTAL</u>
2016	226	2,476	2,069	990	1,486	7,247
2017	-	2,498	4,996	999	1,500	9,993
2018	-	2,521	2,935	1,008	1,512	7,976
2019	-	1,481	-	592	890	2,963
	<u>226</u>	<u>8,976</u>	<u>10,000</u>	<u>3,589</u>	<u>5,388</u>	<u>28,179</u>
Non-current	-	6,500	7,931	2,599	3,902	20,932
Current	<u>226</u>	<u>2,476</u>	<u>2,069</u>	<u>990</u>	<u>1,486</u>	<u>7,247</u>

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(Thousands of euros)

a.1) Loan of 2,500 thousand euros granted by Banco Mare Nostrum (Caja Granada at the time the loan was granted) in 2006, maturing in 2016 (with a two-year grace period). The interest rate agreed was Euribor plus 0.5% p.a. from August 2007 onwards (a nominal rate of 4.361% p.a. until that date). In 2007, the Andalusian Regional Government subsidized part of the capital of this loan with an amount of 487 thousand euros, meaning that the debt was reduced to 2,013 thousand euros.

a.2) Loan obtained in July 2015 from BBVA for 10,000 thousand euros, at a fixed annual interest rate of 0.90%, and a 4-year repayment period. Part of this amount, 6,000 thousand euros, was used to repay the loan for said amount signed with BBVA in July 2014, repayment of which had not commenced at that time.

a.3) In July 2015, the Company signed a novation of the loan agreement for 8,000 thousand euros obtained from Bankinter in 2014. Under this new agreement, the capital of the loan rose to 10,000 thousand euros and the fixed annual interest rate dropped from 2.15% to 0.90%. The repayment period is 36 months, with a grace period of 12 months.

a.4) Loan obtained from Banco Santander in July 2014 for 6,000 thousand euros, which came from European Investment Bank (EIB) funds. A novation of this agreement was signed in 2015, meaning the spread applied to Euribor at 12 months, which was the rate taken as a reference, dropped from 1.50% to 0.70%. The repayment period is 48 months.

a.5) In 2015, a loan of 4,000 euros was obtained from Banco Santander, with a fixed annual interest rate of 0.90% and a 4-year reepayment period.

At the end of 2014 bank borrowings are entirely composed of the following banks loans:

Year	a.1)	a.2)	a.3)	a.4)	a.5)	a.6)	TOTAL
2015	22	44	268	603	-	603	1,540
2016	-	-	226	1,468	1,637	1,468	4,799
2017	-	-	-	1,497	3,991	1,497	6,985
2018	-	-	-	1,527	2,372	1,527	5,426
2019	-	-	-	905	-	905	1,810
	22	44	494	6,000	8,000	6,000	20,560
Non-current	-	-	226	5,397	8,000	5,397	19,020
Current	22	44	268	603	-	603	1,540

a.1) Loan for 1,900 thousand euros granted by Bankinter in 2009 with a six-year repayment period and no grace period. The interest rate agreed was Euribor at 12 months plus a spread of 1.10% p.a. The Andalusian Regional Government subsidized the interest for a total amount of 227 thousand euros, which was collected in full on 1 January, 2013. Therefore, at said date, the related decrease in the debt had likewise been recognized in the liabilities.

a.2) Loan of 800 thousand euros granted by Bankinter in 2009 with a six-year repayment period and no grace period. The fixed interest rate agreed was 4.47% p.a. The Andalusian Regional Government subsidized the interest for a total amount of 69 thousand euros, also collected in full on 1 January, 2013.

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a.3) Loan of 2,500 thousand euros granted by Banco Mare Nostrum (Caja Granada at the time the loan was granted) in 2006, maturing in 2016 (with a two-year grace period). The interest rate agreed was Euribor plus 0.5% p.a. from August 2007 onwards (a nominal rate of 4.361% p.a. until that date). In 2007, the Andalusian Regional Government subsidized part of the capital of this loan with an amount of 487 thousand euros, meaning that the debt was reduced to 2,013 thousand euros.

a.4) Loan obtained in July 2014 with the BBVA for 6,000 thousand euros from European Investment Bank (EIB) funds. The annual interest rate is Euribor at 3 months plus a spread of 1.75%, with a repayment period of 48 months and a 12-month grace period.

a.5) Loan obtained in July 2014 from Bankinter for 8,000 thousand euros. The fixed annual interest rate is 2.15%, with a 24-month repayment period and a 24-month grace period.

a.6) Loan obtained from Banco Santander in July 2014 for 6,000 thousand euros, which came from European Investment Bank (EIB) funds. The annual interest rate is Euribor at 12 months plus a 1.50% spread, with a 48-month repayment period and a 12-month grace period.

### b) Debt with government entities

Since 2001, the Company has been receiving reimbursable grants from different Ministries to finance a number of R&D projects. The amounts recorded as non-current financial debt for this item at 31 December, 2015 amounted to 10,848 thousand euros (11,766 thousand euros at 31 December, 2014). The transactions do not accrue interest and have been recognized at their initial fair values. The difference between the initial fair value and the face value accrues at market interest rates (Euribor and the interest rate on Spanish Treasury debt plus a spread in accordance with the Company's risk). This means that this debt accrues interest at effective interest rates ranging from 2.9% to 4.9%.

#### b.1) Advances received in 2015:

In 2015, the Company received various reimbursable advance from different entities, details of which are shown below:

Entity	Project	Thousands of euros		Years	
		Face value	Initial fair value	Repayment period	Grace period
Technical Corporation of Andalusia	(1)	636	422	10	4
Technical Corporation of Andalusia	(2)	7	5	10	4
Industrial Technological Development Centre	(1)	579	394	8	4
Technical Corporation of Andalusia	(2)	142	118	10	4
Technical Corporation of Andalusia	(2)	82	68	10	4
Ministry of the Economy and Competitiveness	(3)	55	52	3	3
		1,501	1,059		

- (1) Funds the project to develop drugs with ISM technology.
- (2) Funds the project to obtain new anticoagulants based on heparin derivatives.
- (3) Fund the hiring of qualified employees for R&D&I activity.

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(Thousands of euros)

b.1) Advances received in 2014:

In 2014, the Company received various reimbursable advance from different entities, details of which are shown below:

Entity	Project	Thousands of euros		Years	
		Face value	Initial fair value	Repayment period	Grace period
Technical Corporation of Andalusia	(1)	589	394	10	4
Technical Corporation of Andalusia	(2)	172	117	10	4
Industrial Technological Development Centre	(2)	816	528	8	3
Industrial Technological Development Centre	(3)	59	40	8	3
		1,636	1,079		

(1) Funds the project to develop drugs with ISM technology.

(2) Funds the project to obtain new anticoagulants based on heparin derivatives.

(3) Funds the project to study multi-layer technologies for application in the design of urethral catheters.

At 31 December, 2015 and 2014, debt with government entities matured as follows:

Year	Thousands of euros	
	2015	2014
2015	-	2,610
2016	2,750	2,240
2017	2,414	2,360
2018	2,367	2,301
2019	1,579	1,480
2020	1,516	1,394
2021 onward	2,972	1,991
	13,598	14,376
Non-current	10,848	11,766
Current	2,750	2,610

In 2014, the amount outstanding (10,373 thousand euros) on the loan for 11,900 thousand euros granted in 2009 by the Ministry of Health and Social Policy for development of the vaccine project was repaid.

### 19. Current and non-current accruals

	Thousands of euros	
	2015	2014
Non-current	646	732
Current	169	270
	815	1,002

The accruals caption, both non-current and current, records the amounts received for the assignment of the rights to market Hibor in a number of countries. The Company defers the revenue over the terms of the contracts, which have a duration of between 10 and 15 years. In 2015, new deferred revenues of 110 thousand euros (210 thousand euros in 2014) were recognized in relation to new distribution contracts.

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(Thousands of euros)

### 20. Other provisions

Movement on the current provisions recognized in the statement of financial position was as follows:

	<b>Returns</b>	<b>Farmaindustria</b>	<b>Other</b>	<b>Total</b>
<b>At 1 January, 2014</b>	<b>602</b>	<b>1,769</b>	-	<b>2,371</b>
Additions	599	1,428	-	2,027
Applications	(602)	(1,769)	-	(2,371)
<b>At 31 December, 2014</b>	<b>599</b>	<b>1,428</b>	-	<b>2,027</b>
Additions	526	1,852	119	2,497
Applications	(599)	(1,428)	-	(2,027)
<b>At 31 December, 2015</b>	<b>526</b>	<b>1,852</b>	<b>119</b>	<b>2,497</b>

#### *Returns*

The Company estimates a provision for product returns considering the average return rate of recent years (Note 2.b).

#### *Health tax*

As stated in note 3.17, the Company's policy has been to hold a provision for the amounts estimated to be paid as health tax, based on percentages fixed for each level of sales for the year.

### 21. Deferred income tax

Details of deferred income tax are as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Deferred income tax assets</b>		
- Temporary differences	1,062	1,160
- Other tax carryforwards	1,500	1,272
	<b>2,562</b>	<b>2,432</b>
<b>Deferred income tax liabilities:</b>		
- Temporary differences	(2,562)	(3,495)
	<b>(2,562)</b>	<b>(3,495)</b>
<b>Net deferred income tax</b>	<b>-</b>	<b>(1,063)</b>



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Deferred income tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets against current tax liabilities and intends to settle the net amounts or realize the asset and cancel the liability simultaneously. Deferred tax assets and liabilities were as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Deferred income tax assets</b>		
- Non-current	1,062	1,160
- Current	1,500	1,272
	<u>2,562</u>	<u>2,432</u>
<b>Deferred income tax liabilities</b>		
- Non-current	(1,640)	(2,391)
- Current	(922)	(1,104)
	<u>(2,562)</u>	<u>(3,495)</u>
<b>Net deferred income tax</b>	<u>-</u>	<u>(1,063)</u>

Movement on net deferred taxes was as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Balance at beginning of year</b>	<b>(1,063)</b>	<b>(3,251)</b>
(Charged)/credited to profit and loss	534	1,040
Charged directly to equity	529	1,148
<b>Balance at end of year</b>	<u>-</u>	<u>(1,063)</u>

Movement on deferred tax assets and liabilities during the year without taking the offsetting of balances into account was as follows:

<b>Deferred tax liabilities</b>	Grants, donations and legacies received	Freedom of amortization/ depreciation	Other	Total
<b>At 1 January, 2014</b>	<b>(3,280)</b>	<b>(1,569)</b>	<b>(359)</b>	<b>(5,208)</b>
(Charged)/credited to the income st.	-	483	(54)	429
Tax charged directly to equity	1,284	-	-	1,284
<b>At 31 December, 2014</b>	<b>(1,996)</b>	<b>(1,086)</b>	<b>(413)</b>	<b>(3,495)</b>
(Charged)/credited to the income st.	-	252	152	404
Tax charged directly to equity	529	-	-	529
<b>At 31 December, 2015</b>	<b>(1,467)</b>	<b>(834)</b>	<b>(261)</b>	<b>(2,562)</b>

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(Thousands of euros)

Deferred tax liabilities charged to profit and loss in 2015 for 404 thousand euros (429 thousand euros in 2014) in the column “Freedom of amortization/depreciation” relate principally to the application of the free amortization/depreciation system to the assets attached to R&D activity and to the maintenance of jobs.

Deferred tax assets	Tax credits pending application	Available-for-sale financial assets	Provisions	30% amortization 13 & 14	Total
<b>At 1 January, 2014</b>	<b>1,005</b>	<b>135</b>	<b>180</b>	<b>637</b>	<b>1,957</b>
(Charged)/credited to the income st.	267	-	(13)	357	611
Tax charged directly to equity	-	(136)	-	-	(136)
<b>At 31 December, 2014</b>	<b>1,272</b>	<b>(1)</b>	<b>167</b>	<b>994</b>	<b>2,432</b>
(Charged)/credited to the income st.	228	-	(20)	(78)	130
Tax charged directly to equity	-	-	-	-	-
<b>At 31 December, 2015</b>	<b>1,500</b>	<b>(1)</b>	<b>147</b>	<b>916</b>	<b>2,562</b>

The amounts for deferred tax assets shown in the “30% amortization/depreciation 13 & 14” column relate to the tax effect of the 30% of the amortization/depreciation charge for the period, which was not tax deductible in the years 2013 and 2014, as established in Royal Decree-Law 16/2012 of 27 December, whereby various measures intended to consolidate public finance and stimulate economic activity were adopted.

Deferred taxes charged to equity in the year were as follows:

	Thousands of euros	
	2015	2014
Fair value reserves in equity:		
- Available-for-sale financial assets	-	(136)
Grants, donations and legacies received	529	1,284
	<b>529</b>	<b>1,148</b>

## 22. Revenue and expenses

### a) Net sales

The net amount of the sales from the Company’s ordinary activities is geographically distributed as follows:

Market	%	
	2015	2014
Spain	85%	84%
Turkey	4%	3%
Italy	2%	2%
Greece	2%	2%
France	1%	2%
Jordan	1%	1%
Czech Republic	1%	1%
Portugal	1%	1%
Argelia	1%	-
Austria	-	1%
Other	2%	3%
	<b>100%</b>	<b>100%</b>

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The breakdown of sales by product group was as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Pharmaceutical products	150,486	140,546
Contrast agents and other hospital products	26,312	24,577
Non-prescription pharmaceutical products	6,147	6,343
Sale of bemiparin to other group companies (Note 31.a)	17,406	24,332
Other	196	507
	<u>200,547</u>	<u>196,305</u>

b) Goods, raw materials and other consumables used

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Purchases	112,158	120,438
Change in inventories	(3,718)	(3,425)
	<u>108,440</u>	<u>117,013</u>

c) Ancillary and other current management income

This caption includes principally revenue from administration services rendered and sales force transfers to other group companies (Note 31.a).

d) Operating grants recognized in profit and loss

In 2015, the Company obtained and recognized as income official grants of 232 thousand euros (1,909 thousand euros in 2014) to cover principally expenses for the period in certain R&D projects.

e) Employees

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Wages, salaries and similar	26,179	24,974
Employee benefits		
- Pension contributions and provisions (Note 30.a)	32	42
- Other welfare charges	5,018	4,790
	<u>31,229</u>	<u>29,806</u>

The line “Wages, salaries and similar” includes termination payments of 836 thousand euros (934 thousand euros in 2014).

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(Thousands of euros)

The average number of employees in the period was, by category, as follows:

	<b>2015</b>	<b>2014</b>
Executive directors	4	4
Management	14	12
Research	148	122
Marketing	233	265
Administration	38	40
	<u>437</u>	<u>443</u>

Likewise, the distribution of the Company's employees by gender at the end of the reporting period was as follows:

	<b>2015</b>			<b>2014</b>		
	<b>Men</b>	<b>Women</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
Executive directors	4	-	4	4	-	4
Management	10	4	14	8	4	12
Research	41	104	145	38	86	124
Marketing	111	100	211	143	109	252
Administration	12	30	42	8	30	38
	<u>178</u>	<u>238</u>	<u>416</u>	<u>201</u>	<u>229</u>	<u>430</u>

At 31 December, 2015 and 2014, the headcount included 7 employees with a disability equal to or higher than 33%.

### 23. Income tax and tax situation

As of 31 December 2015 and 2014, the balances with public authorities were as follows:

	<b>Thousands of euros</b>			
	<b>2015</b>		<b>2014</b>	
	<b>Debit</b>	<b>Credit</b>	<b>Debit</b>	<b>Credit</b>
Public Treasury, VAT	2,369	-	2,066	-
Public Treasury, personal income tax	-	266	-	403
Corporate income tax	3,945	-	4,117	-
Social Security	-	440	-	477
Other balances with public authorities	3,806	-	4,599	-
	<u>10,120</u>	<u>706</u>	<u>10,782</u>	<u>880</u>

The heading “Other balances with public authorities” includes accounts receivable from public entities for the following items:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Late payment interest receivable	806	749
Grants awarded but not received	3,000	3,850
	<u>3,806</u>	<u>4,599</u>

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(Thousands of euros)

On 1 August, 2007, the Company became the parent of tax group 362/07. Applying the consolidated tax regime provided for in the corporate income tax legislation, ROVI, the parent company of the tax group, included in its statement of financial position debt with Group companies with a tax effect (Note 31.f) of 87 thousand euros (172 thousand euros in 2014), together with credits with group companies with a tax effect of 3,495 thousand euros (9,099 thousand euros in 2014).

The reconciliation between the net income and expenses for the period and the tax profit is as follows:

Balance of income & expenses	Thousands of euros					
	Income Statement			Income and expenses credited/(charged) directly in equity		
	Increases	Decreases	Total	Increases	Decreases	Total
			<b>17,509</b>			<b>(251)</b>
Income tax			(1,870)			(529)
Permanent differences						
- Individual	946	(85)	861	-	-	-
- Due to tax consolidation	-	(12,947)	(12,947)	-	-	-
Temporary differences						
- Individual						
- Originating in the year	526	(70)	456	-	-	-
- Originating in previous years	973	(877)	96	-	-	-
- Due to tax consolidation						
- Originating in the year	-	(933)	(933)	-	-	-
- Originating in previous years	1,476	-	1,476	-	-	-
Taxable income			4,648			(780)

Individual permanent differences relate to non-tax deductible expenses and the transfer of intangible assets.

Permanent differences due to consolidation relate solely to eliminations resulting from the distribution of dividends among companies belonging to the tax group.

Individual temporary differences relate to application of freedom of amortization/depreciation associated to the assets attached to the R&D activity, expenses recognized in the accounts but temporarily non-deductible, and the free amortization/depreciation associated to maintaining jobs.

Temporary differences due to consolidation relate to eliminations and additions resulting from transactions between companies belonging to the tax group.

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(Thousands of euros)

Corporate income tax expense comprises:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Current tax	(1,299)	(4,652)
Tax credits	2,647	2,934
Deferred tax	534	1,040
Adjustment income tax previous years	(12)	-
	<u>1,870</u>	<u>(678)</u>

Current corporate income tax is the result of applying a tax rate of 28% to the taxable income.

The Company generated tax credits of 2,876 thousand euros in 2015 (2,380 thousand euros in 2014) and likewise was entitled to offset tax credits of 2,371 thousand euros from previous years (2,276 thousand euros in 2014). In 2015, tax credits of 2,647 thousand euros were applied (2,934 thousand euros in 2014) and there were further R&D tax credits of 2,600 thousand euros that had not been recognized and are pending application in future years (1,722 thousand euros at 31 December, 2014). Of the total tax credits not yet applied at 31 December, 2015, the Company recognized 1,500 thousand euros in its assets (Note 21) (1,272 thousand euros at 31 December, 2014).

The amount paid by the Company as payments on account of the corporate income tax of companies belonging to the tax group was 3,852 thousand euros in 2015 (5,423 thousand euros in 2014). The consolidated current tax for 2015, after deduction of the payments on accounts and withholdings for the period, generated a current tax receivable of 1,740 thousand euros (2,205 thousand euros at 31 December 2014), in addition to 2,205 thousand euros relating to 2014, which remained outstanding at 31 December, 2015. (1,912 thousand euros in 2014 belonging to year 2013).

As provided in article 42.10 of Royal Legislative Decree 4/2004 of 5 March whereby the Revised Text of the Corporate Income Tax Act was approved, the amounts subject to the reinvestment tax credit were as follows:

<u>Year</u>	<u>Income subject to reinvestments (thousands of euros)</u>	<u>Reinvestment date</u>
2009	2,860	2009
2010	2,250	2010
2011	5,600	2011
2012	-	-
2013	-	-
2014	-	-
2015	-	-

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At 31 December, 2015, the following taxes were open to inspection by the tax authorities for the periods stated:

	<u>Period</u>
Corporate income tax	2011-14
Value-added tax	2012-15
Transfer tax	2012-15
Personal income tax (withholdings)	2012-15

As a result of, among other things, possible different interpretations of current tax legislation, additional liabilities could arise as the result of an inspection. At any event, the Directors consider that any such liabilities would not have a significant effect on the annual accounts.

### 24. Finance income and costs

	<u>Thousands of euros</u>	
	<u>2015</u>	<u>2014</u>
<b>Finance income</b>		
Gains on equity instruments		
- In group and associated companies (Note 31.d)	(12,947)	(12,555)
Gains on marketable securities and other financial instruments		
- Of third parties	(844)	(523)
	<u>(13,791)</u>	<u>(13,078)</u>
<b>Finance costs:</b>		
Debt with third parties	1,724	2,404
	<u>1,724</u>	<u>2,404</u>
<b>Impairment and losses on financial instruments</b>		
Gains/losses on disposals and other	-	302
	<u>-</u>	<u>302</u>
<b>Finance income and costs</b>	<b><u>(12,067)</u></b>	<b><u>(10,372)</u></b>

#### a) Finance income and costs

	<u>Thousands of euros</u>	
	<u>2015</u>	<u>2014</u>
<b>Finance income:</b>		
- Dividends from holdings in group companies	(12,947)	(12,555)
- Other finance gains	(844)	(523)
	<u>(13,791)</u>	<u>(13,078)</u>
<b>Finance costs</b>		
- Loan interest	1,724	2,404
	<u>1,724</u>	<u>2,404</u>
	<b><u>(12,067)</u></b>	<b><u>(10,674)</u></b>

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In 2014, the interest expense item included, among other things, the interest related to repayment of the amount outstanding (10,373 thousand euros) on the loan for 11,900 thousand euros granted in 2009 by the Ministry of Health, Social Services and Equality for development of the vaccine project (Note 18.b.2).

### b) Impairment and losses on disposals of financial instruments

In 2014, the Company transferred 302 thousand euros from equity to profit and loss as a result of the losses incurred on the sale of participations it held in investment funds (Note 11).

## 25. Cash flows from operating activities

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Pre-tax profit for the year</b>	15,639	25,022
<b>Adjustments to the profit:</b>		
- Amortization of intangible assets and property, plant & equip. (Notes 5 & 6)	6,321	5,605
- Finance income (Note 24.a)	(844)	(523)
- Finance costs (Note 24.a)	1,724	2,706
- Net change in provisions	470	(344)
- Grant for non-financial assets and distribution licence revenue	(676)	(2,237)
- Other gains and losses	181	1,520
	<u>22,815</u>	<u>31,749</u>
<b>Changes in working capital:</b>		
- Inventories	1,835	(9,494)
- Debtors and other receivables	95,542	(43,405)
- Creditors and other payables	(98,402)	44,326
	<u>(1,025)</u>	<u>(8,573)</u>
<b>Other cash flows from operating activities</b>		
- Interest payments	(394)	(2,658)
- Income tax received (paid)	(1,981)	(3,932)
- Other amounts received (paid) (Note 19)	110	210
	<u>(2,265)</u>	<u>(6,380)</u>
<b>Cash flows from operating activities</b>	<b><u>19,525</u></b>	<b><u>16,796</u></b>



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(Thousands of euros)

### 26. Cash flows from investing activities

	Thousands of euros	
	2015	2014
<b>Payments for investments:</b>		
- Group and associated companies (Note 8)	-	(267)
- Intangible assets (Note 5)	(3,147)	(3,945)
- Property, plant and equipment (Note 6)	(5,064)	(16,044)
- Other financial assets (Notes 8 & 10)	(170)	-
	<u>(8,381)</u>	<u>(20,256)</u>
<b>Amounts received from disinvestments:</b>		
- Property, plant and equipment (Note 6)	12	4
- Other financial assets (Note 11)	-	16,201
- Other assets (Note 24.a)	787	345
	<u>799</u>	<u>16,550</u>
<b>Cash flows from investing activities</b>	<b><u>(7,582)</u></b>	<b><u>(3,706)</u></b>

### 27. Cash flows from financing activities

	Thousands of euros	
	2015	2014
<b>Amounts received from and paid for financial liability instruments:</b>		
- Other debt	6,334	7,000
	<u>6,334</u>	<u>7,000</u>
<b>Dividend payments and remuneration of other equity instruments:</b>		
- Dividends (Note 15 b & d)	(8,346)	(8,042)
- Transactions with treasury shares (Note 15 c)	(5,148)	(1,969)
	<u>(13,494)</u>	<u>(10,011)</u>
<b>Cash flows from financing activities</b>	<b><u>(7,160)</u></b>	<b><u>(3,011)</u></b>

### 28. Contingencies

At 31 December, 2015, the Company held bank guarantees amounting to 6,226 thousand euros (6,785 thousand euros in 2014). These guarantees were granted principally to enable group companies to participate in public tenders and to receive grants and reimbursable advances.

### 29. Commitments

#### a) Operating lease commitments

The minimum future payments under non-cancellable operating leases at 31 December, 2015 were 2,024 thousand euros (2,365 thousand euros at 31 December, 2014), 1,104 thousand euros of which related to payments due at less than one year (1,030 thousand euros at less than one year at 31 December, 2014).

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The operating lease expense recognized in profit and loss in 2015 was 2,051 thousand euros (2,082 thousand euros in, 2014).

### b) Acquisition of Bertex Pharma GmbH

Future payment commitments derive from the agreement for the purchase of the company Bertex Pharma GmbH in 2007. The purchase agreement fixes a variable component that will depend upon the successful completion of clinical tests for the development of products and the subsequent marketing. The commitments related to this transaction are:

b.1) If the development and commercialization is performed internally:

- 350 thousand euros after finishing successfully the development of clinical tests of phase 1. Part of this amount, 100 thousand euros, was settled in 2011 and 250 thousand euros were settled in 2014;
- A payment of 200 thousand euros after finishing successfully the development of clinical tests of phase 2;
- A payment of 300 thousand euros after finishing successfully the development of clinical tests of phase 3;
- A payment of 200 thousand euros at the beginning of the marketing of any pharmaceutical product;
- A payment of 200 thousand euros at the beginning of the marketing of any pharmaceutical product in any of the main markets (USA, Japan, Germany, France, Italy or UK).

b.2) If the development and marketing is performed by third parties:

- 5% of the revenues obtained by Rovi from the development and marketing of the products by third parties (net of direct or indirect production costs and administration expenses).

Payments for the internal development or marketing detailed in section a) exclude those performed under section b) and vice versa, but if Rovi completes clinical development phases 1 and 2 and entrusts the subsequent phases to a third party or performs them for a third party, this clause will apply, but the payments made for phases 1 and 2 under section a) will be deducted

The evolution of the clinical tests performed by Bertex GmbH is progressing as planned.

### **30. Compensation of the Board of Directors and Senior Management**

At 31 December, 2015, the members of the Board of Directors were as follows:

Mr Juan López-Belmonte López	President
Mr Iván López-Belmonte Encina	First Deputy Chairman
Mr Javier López-Belmonte Encina	Second Deputy Chairman
Mr Juan López-Belmonte Encina	Chief Executive Officer
Mr Enrique Castellón Leal	Director
Mr Miguel Corsini Freese	Director
Mr Fernando de Almansa Moreno-Barreda	Director

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The non-director Secretary is Mr Gabriel Núñez Fernández.

a) In accordance with the provisions of Article 28 of the Board of Directors Regulations of Laboratorios Farmacéuticos Rovi, S.A., the following information is provided with respect to the members of the Board of Directors at 31 December 2015:

1. An individual breakdown of the compensation of each director, including, where applicable:

a. Per diem expenses or other fixed remuneration received as director and additional compensation received as chairman or member of any Board committee. The amounts for 2015 and 2014 were as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Mr. Juan López-Belmonte López	68	60
Mr. Juan López-Belmonte Encina	60	60
Mr. Enrique Castellón Leal	60	60
Mr. Javier López-Belmonte Encina	60	60
Mr. Iván López-Belmonte Encina	60	60
Mr. Miguel Corsini Freese	60	80
Mr. Fernando de Almansa Moreno-Barreda	34	-
	402	380

b. Any compensation corresponding to shares in profits or bonuses and the reason why such amounts were awarded: not applicable.

c. Contributions made to defined contribution pension plans in the director's favour (Note 3.10.a); or increases in the vested rights of the director in the case of contributions to defined benefit plans (no defined benefit plans exist):

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Mr. Juan López-Belmonte López	8	12
Mr. Juan López-Belmonte Encina	8	10
Mr. Javier López-Belmonte Encina	8	10
Mr. Iván López-Belmonte Encina	8	10
	32	42

d. Any severance payments agreed or paid in the event of termination of mandate: not applicable

e. Compensation received as director of other group companies: not applicable.

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- f. Remuneration for the performance of senior management functions received by executive directors. The remuneration of this kind for 2015 and 2014 was as follows:

	<b>Thousands of euros</b>			
	<b>2015</b>		<b>2014</b>	
	<b>Fixed</b>	<b>Variable</b>	<b>Fixed</b>	<b>Variable</b>
Mr. Juan López-Belmonte López	170	-	182	69
Mr. Juan López-Belmonte Encina	294	124	302	123
Mr. Javier López-Belmonte Encina	215	96	215	96
Mr. Iván López-Belmonte Encina	216	96	216	96
	<b>895</b>	<b>316</b>	<b>915</b>	<b>384</b>

In 2015, Mr Juan López-Belmonte López resigned from his position as Chief Executive Officer and from the executive duties he had been performing. He became the non-executive Chairman of the Board of Directors.

- g. Any item of compensation other than the above, irrespective of its nature or the group company that paid it, especially when classified as a related transaction or when its omission would distort the true and fair view of the total compensation received by the director: not applicable.
2. Individual breakdown of any awards made to directors of shares, share options or any other instrument linked to share price, stating:
- The number of shares or options awarded in the year and the conditions applicable for exercising them;
  - The number of options exercised during the year, indicating the number of shares involved and the exercise price.
  - The number of options pending exercise at the year end, indicating price, date, and other exercise requirements;
  - Any amendment during the year of the conditions for exercising of options already awarded.

In 2015 and 2014, no shares, options or other instruments linked to the share value were given to directors.

3. Information on the relationship, in the last year, between compensation received by executive directors and results or other measurements of the Company's performance:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Compensation of executive directors	1,211	1,299
Profit attributable to the Company	17,509	24,344
Compensation of executive directors/Profit attributable to the Company	6,92%	0,01%

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### b) Compensation and loans to senior management

The total compensation paid to members of senior management in 2015, excluding the compensation received by the executive directors described in points a)1.c) and a)1.f) above, was 1,382 thousand euros (1,102 thousand euros in 2014).

No loans were granted to members of senior management in the last two years.

### c) Conflicts of interest on the part of the directors

Meeting their duty to avoid situations where conflict with the Company’s interests exists, the directors who held office on the Board of Directors during the year met the obligations set forth in article 228 of the Revised Text of the Capital Companies Act. Likewise, both they and the persons related to them refrained from entering into the situations of conflict of interests provided for in article 229 of said Act, except in cases where the relevant authorization had been obtained.

## **31. Other related-party transactions**

Transactions with group and other related companies are conducted under normal market terms and conditions, in accordance with the agreements put in place between the parties.

### a) Sales of goods and rendering of services

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Sales of goods:</b>		
- Subsidiaries (Note 22.a)	17,406	24,332
	<b>17,406</b>	<b>24,332</b>
<b>Rendering of services</b>		
- Subsidiaries (Note 22.c)	1,933	1,238
	1,933	1,238
	<b>19,339</b>	<b>25,570</b>

The services that ROVI provides to its subsidiaries and the joint ventures are principally administration and management services.

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### b) Goods and services purchased

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Goods purchases:</b>		
- Subsidiaries	52,572	51,932
	<u>52,572</u>	<u>51,932</u>
<b>Purchases of services</b>		
- Subsidiaries	1,482	1,825
- Directors	24	24
- Entities in which Mr. Juan López-Belmonte López holds an ownership interest	759	757
	<u>2,265</u>	<u>2,606</u>
	<b>54,837</b>	<b>54,538</b>

Purchases of services from companies in which Mr Juan López-Belmonte López holds an interest related to operating lease payments to the companies Inversiones Borbollón, S.L. and Norba Inversiones, S.L.

### c) Dividends paid

The dividends paid to the company Inversiones Clidia, S.L. in 2015 were 5,885 thousand euros (5,387 thousand euros in 2014).

### d) Dividends received

In 2015 and 2014, the Company received the following dividends from Group companies (Note 24):

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
- Rovi Contract Manufacturing, S.L.	3,661	5,434
- Bemipharma Manufacturing, S.L.	44	-
- Pan Química Farmacéutica, S.A.	11	-
- Frosst Ibérica, S.A.	9,231	7,121
	<u>12,947</u>	<u>12,555</u>

### e) Other transactions

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Interest received</b>		
- Joint ventures	22	22
<b>Interest paid</b>		
- Subsidiaries	223	238

In 2013, Laboratorios Farmacéuticos Rovi, S.A. granted a loan of 1,050 thousand euros to Alentia Biotech, S.L. (Note 10). The interest rate agreed is 2.00% p.a. and it will be repaid in a single payment two years after it was granted.

Free translation of the annual accounts originally issued in Spanish and prepared in accordance with “Plan General de Contabilidad” approved by Royal Decree 1514/2007 of 16th November. In the event of discrepancy, the Spanish version prevails.

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Notes to the annual accounts for 2015

(Thousands of euros)

### f) Balances at the end of the reporting period derived from sales and purchases of goods and services

	2015		2014	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
Purchases/sales of goods or services				
- Subsidiaries	33,909	26,493	81,776	117,461
- Entities in which Mr. J. López-Belmonte López holds an interest	33	134	33	133
- Directors	-	1	-	-
	33,942	26,628	81,809	117,594
Income tax charge				
- Subsidiaries (Note 23)	3,495	7	9,099	92
- Joint ventures	-	80	-	80
	3,495	87	9,099	172
Loans granted at fair value				
- Associates	5	-	5	-
- Joint ventures	100	-	100	-
	105	-	105	-
Dividends				
- Subsidiaries	12,947	-	43,890	-
	12,947	-	43,890	-
Other items				
- Directors	482	526	440	564
- Key management	-	273	-	224
- Close relatives of directors or shareholders	156	-	156	-
	638	799	596	788
<b>TOTAL</b>	<b>51,127</b>	<b>27,514</b>	<b>135,499</b>	<b>118,554</b>

In 2015, debit and credit balances with Group companies were offset against each other, affecting balances due to the Company for dividends, credit and debit balances originating from trade and Corporate Income Tax credit and debit balances from years prior to 2015.

### 32. Environmental information

Any operation the main purpose of which is to minimize the environmental impact and protect and improve the environment is considered an environmental activity.

The Company has not made any investments in systems, equipment or facilities for environmental activities in the last two reporting periods.

In 2015, in order to contribute to the protection and improvement of the environment, the Company incurred expenses of 113 thousand euros for waste elimination (153 thousand euros in 2014).

At the end of the reporting period, the Company was not aware of any possible environmental contingencies that might be significant.

Free translation of the annual accounts originally issued in Spanish and prepared in accordance with “Plan General de Contabilidad” approved by Royal Decree 1514/2007 of 16th November. In the event of discrepancy, the Spanish version prevails.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the annual accounts for 2015

(Thousands of euros)

### **33. Events after the end of the reporting period**

There have been no significant events since the end of the reporting period.

### **34. Fees of account auditors**

The fees accrued by PricewaterhouseCoopers Auditores, S.L. for account auditing and other accounting reviews and verification in the year 2015 were 162 thousand euros and 52 thousand euros, respectively (110 thousand and 52 thousand euros, respectively, in 2014). For services concerning the review of grants, fees were 8 thousand euros (6 thousand euros in 2014). Additionally, in 2015, PricewaterhouseCoopers Auditores, S.L. provided advisory services in relation to the fulfillment of the Code of Ethics of Farmaindustria and obligations resulting from the recent changes in criminal and corporate legislation for an amount of 148 thousand euros (93 thousand euros in 2014).

The audit fees of the consolidated group of which the company is the parent were 233 thousand euros (181 thousand euros at 31 December, 2014), including the 162 thousand euros relating to the Company, mentioned in the preceding paragraph (110 thousand euros in 2014).

In addition, fees of 267 thousand euros (274 thousand euros in 2014) were accrued in 2014 for services provided by Landwell PricewaterhouseCoopers Tax and Legal Services, S.L., including tax and legal advice, while PricewaterhouseCoopers Asesores de Negocios, S.L. incurred fees of 25 thousand euros in 2014.



## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

### 2015 Management Report

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The Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. (ROVI) issues the following management report in accordance with Article 262, 148 d) and 526 of the Spanish Capital Company Act ("Ley de Sociedades de Capital"), 61 bis of the Securities Market Law.

#### 1. Corporate profile

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.

Additional information about ROVI is available on the company's website: [www.rovi.es](http://www.rovi.es)

#### 2. Business performance

**Net sales** increased by 2% to 200.5 million euros in 2015, driven by the strength of the specialty pharmaceutical business, where sales rose 7% to 183.5 million euros.

Sales of **prescription-based pharmaceutical** products rose 7% to 150.5 million euros in 2015.

ROVI's low molecular weight heparin (LMWH), **Bemiparin**, performed well in Spain in 2015, with sales up 5% to 50.4 million euros. International sales remained stable at 24.7 million euros supported by the launch of the product in China and Brasil in the fourth quarter, where sales reached 0.9 million euros, thus making up for the sales deceleration in the first nine months of 2015. Bemiparin total sales increased by 3% to 75.1 million euros in 2015.

Sales of **Vytorin®**, **Orvatez®** and **Absorcol®**, the first of the five licenses of MSD, indicated as adjunctive therapy to diet in patients with hypercholesterolemia, increased by 14% to 24.3 million euros in 2015.

Sales of **Hirobriz® Breezhaler®** and **Ulunar® Breezhaler®**, both inhaled bronchodilators from Novartis for patients with respiratory difficulties due to a pulmonary disease known as Chronic Obstructive Pulmonary Disease (COPD), launched in Spain in the fourth quarter of 2014, increased by 3.6 times to 7.5 million euros in 2015.

Sales of **Volutsa®**, a specialty product from Astellas Pharma indicated for the treatment of moderate to severe storage symptoms and voiding symptoms associated with benign prostatic hyperplasia, launched in Spain in February 2015, reached 3.2 million euros in 2015.

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

### 2015 Management Report

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Sales of **Medicebran®** and **Medikinet®**, specialty products from Medice indicated for the treatment of ADHD (Attention Deficit and Hyperactivity Disorder) in children and teenagers, launched in December 2013 and marketed on exclusivity basis by ROVI in Spain, decreased by 1% to 7.4 million euros in 2015.

Sales of **Corlontor®**, a specialty product for stable angina and chronic heart failure from Laboratoires Servier, decreased by 3% to 13.4 million euros in 2015.

Sales of **Exxiv®**, a selective COX-2 inhibitor from Merck Sharp & Dohme (MSD), decreased by 14% to 5.9 million euros in 2015, mainly due to a continued deceleration of the COX-2 market.

Sales of **Thymanax®**, an innovative antidepressant from Laboratoires Servier and for which ROVI has a co-marketing agreement covering Spain, decreased by 28% to 7.4 million euros in 2015.

According to IMS, Spanish innovative product market decreased by 0.9% in 2015 compared to the previous year. Nevertheless, ROVI prescription-based pharmaceutical product sales rose 7% in the same period, beating the market by 7.9 percentage points.

In addition, a slight 0.6% annual increase of the Spanish pharmaceutical expenditure is expected for 2016, according to Farmaindustria<sup>1</sup> and stable annual growth between 1.3% and 1.6% in the pharmaceutical market for the period 2016-2019 is forecast by IMS Health<sup>2</sup> Despite the difficult situation the pharmaceutical industry continues to go through, ROVI forecasts to grow above the growth estimates of the pharmaceutical expenditure.

Sales of **contrast imaging agents** and other hospital products increased by 7% to 26.3 million euros in 2015.

Sales of **over-the-counter pharmaceutical products** (“OTC”) and **other** decreased by 5% to 6.7 million euros in 2015 compared to 2014.

**Net income** reached 17.5 million euros in 2015.

### 3. Liquidity and capital resources

#### 3.1 Liquidity

As of 31 December 2015, ROVI had gross cash position of 28.7 million euros, compared to 23.7 million euros as of 31 December 2014, and net debt (available-for-sale financial assets plus deposits plus cash and cash equivalents minus short term and long term financial debt) of 13.1 million euros, compared to 11.2 million euros as of 31 December 2014.

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<sup>1</sup> <http://www.farmaindustria.es/web/documento/indicadores-basicos-del-sector-la-industria-farmaceutica-espanola-y-su-mercado-en-cifras/>

<sup>2</sup> IMS Health, Market Prognosis September 2015

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

### 2015 Management Report

#### 3.2 Capital resources

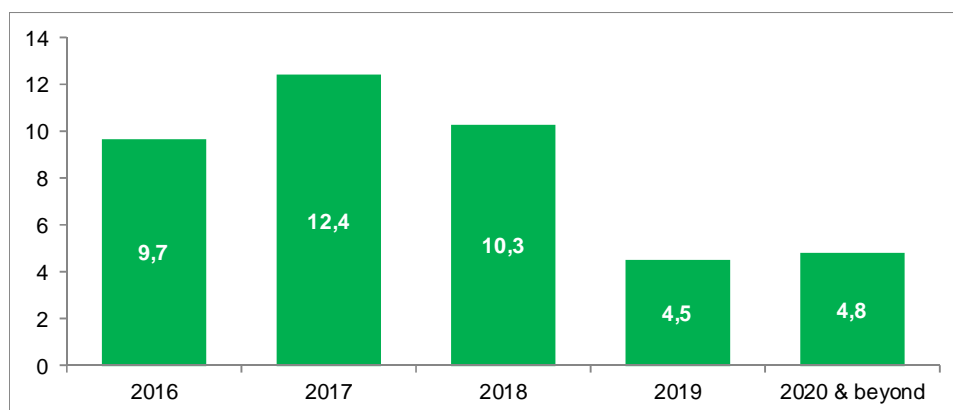
As of 31 December 2015, ROVI had total debt of 41.7 million euros, compared to 34.9 million euros as of 31 December 2014. Debt with public administration, which is 0% interest rate debt, represented 32% of total debt as of 31 December 2015.

<i>In thousand euros</i>	<b>31 December 2015</b>	<b>31 December 2014</b>
Bank borrowings	28,179	20,560
Debt with public administration	13,597	14,376
<b>Total</b>	<b>41,777</b>	<b>34,936</b>

As of 31 December 2015, bank borrowings increased by 7.6 million euros. In 2015, ROVI refinanced its banking debt with more advantageous financing conditions; banking debt was increased by 10 million euros with interest rates for the outstanding debt ranging from 0.70% to 1%.

In 2014 debt with public administration was reduced mainly due to the return of the outstanding amount (10.4 million euros) of a 11.9 million euros loan granted by the Ministry of Health, Social Services and Equality for the development of the vaccine project in 2009.

Debt maturities at 31 December, 2015 are shown in the following graph (millions of euros):



The Group does not expect any material structural change between equity and debt or in the relative cost of capital resources in 2016 in comparison with 2015.

#### 3.3 Analysis of contractual obligations and items off the statement of financial position

In the ordinary course of activities, in order to manage its own transactions and financing, the Group has carried out certain transactions that are not included on the statement of financial position, such as operating leases. The Group's objective is to optimize the financing costs that are involved in determined financial transactions and, therefore, on certain occasions, has chosen operating leases rather than the acquisition of assets. The minimum future payments to be made for non-cancellable operating leases at 31 December, 2015 were 2,024 thousand euros (2,365 thousand euros at 31 December, 2014). Of this amount, 1,104 thousand euros related to maturities at less than one year (1,030 thousand euros at less than one year at 31 December, 2014).

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2015 Management Report**

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#### **4. Key operating and financial events**

##### **4.1 ROVI announces that the clinical trial of Risperidone ISM® “PRISMA-2” has successfully finished**

As part of the clinical development of the novel long-acting injectable Risperidone ISM®, the company has successfully concluded the PRISMA-2 study.

The PRISMA-2 is an open-label, parallel phase II clinical trial that has been carried out in four USA centres. The main objective of this trial was to evaluate the safety and pharmacokinetics, as well as to explore the efficacy, of multiple intramuscular doses of Risperidone ISM® in patients with stable schizophrenia<sup>1</sup>. Sixty-seven schizophrenic subjects randomly received four monthly doses of Risperidone ISM® 75mg, injected either in the gluteus or the deltoid muscle, without any supplementation of oral risperidone.

The final positive results will be announced before ending the year. The PRISMA-2 results along with data from previous studies will be used in the scientific advice that the company plans to request to European Medicines Agency (EMA) and US Food and Drug Administration (FDA) to discuss the design of phase III clinical study which is planned to start by first half 2016.

##### **4.2 ROVI signs an agreement with Merus Labs to manufacture Sintrom®**

Laboratorios Farmacéuticos Rovi, S.A. (“ROVI” or the “Company”) announces that it has signed an agreement with the company Merus Labs Netherland B.V. (“Merus”), pharmaceutical company specialized in acquisition and licensing to third parties of pharmaceutical products, through which ROVI will manufacture for Merus the pharmaceutical product Sintrom® (acenocoumarol), indicated for the treatment and prophylaxis of thromboembolic disorders.

Under the terms of the contract signed, ROVI will provide Merus manufacturing and packaging services, on an exclusive basis, of the product Sintrom® to supply Spain and Portugal, during a period of five years. In this sense, it is expected that annual production of this product will lead to an increase of, approximately, 25% of the production of the plant of Frosst Ibérica, S.A.

Within the same agreement, it is established that ROVI provides logistics and distribution services of Sintrom® in Spain, on exclusivity basis, for a period of a year, renewable yearly.

ROVI started providing logistics and distribution services of Sintrom® in the third quarter of 2015, once authorization was obtained from the Spanish Agency of Medicines and Health Products (AEMPS). Likewise, ROVI expects to obtain authorization from the mentioned agency to manufacture this product in the second half of 2016.

##### **4.3 ROVI announces the upcoming marketing of Orvatez® in Spain**

ROVI has signed an agreement with Merck Sharp & Dohme S.A. (MSD) to market in Spain Orvatez®, a drug that combines two active principle ingredients, ezetimibe and atorvastatin, which act by inhibiting the two sources of origin of cholesterol. It is indicated for adults patients with primary hypercholesterolemia (increased levels of cholesterol in blood) or mixed (high levels in blood of cholesterol and triglycerides) when the use of product combination is considered adequate. Orvatez® can be used in patients not controlled adequately with a single statine or in patients already treated with statine and ezetimibe. Orvatez® is marketed in Spain, under a co-marketing regimen with Atozet® which is being marketed by MSD.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2015 Management Report**

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Orvatez® is part of the first of the five marketing agreements that MSD granted ROVI on their products, under the strategic pharmaceutical agreement to market and to manufacture reached on the 23rd of July, 2009.

With Orvatez®, ROVI expands its product's portfolio and strengthen its commitment to the area of hypercholesterolemia in which is currently offering two products of MSD, Absorcol® and Vytorin®, as alternative therapies for cholesterol problems.

#### 4.4 ROVI announces the agreement to market Volutsa® in Spain

ROVI has signed an agreement with Astellas Pharma, S.A. (Astellas) to market Volutsa® (solifenacin succinate and tamsulosin hydrochloride) in Spain, which corresponds to Astellas' Vesomni® product.

Under the terms of this marketing agreement, ROVI undertakes the promotion and distribution in Spain of Volutsa®, a modified release tablet containing two active substances, solifenacin and tamsulosin. Solifenacin is an anticholinergic drug and tamsulosin belongs to a drugs group called alpha-antagonists. Volutsa® is indicated for the treatment of moderate to severe storage symptoms (urgency, increased micturition frequency) and voiding symptoms associated with benign prostatic hyperplasia (BPH) in men who are not adequately responding to treatment with monotherapy.

ROVI started to market Volutsa® in the first quarter of 2015, at the same time Astellas started commercialising Vesomni®.

## **5. Research and development**

### ISM®

ROVI informs that the clinical trial of Risperidone ISM® "PRISMA-2" has successfully finished and final positive results will be announced before ending the year.

Besides, as previously communicated, ROVI is currently constructing a new plant that will allow manufacturing new ISM products for high potency active principles, e.g. letrozole. After completing the regulatory non-clinical studies for Letrozole ISM® this new product will be progressing into clinical development. The new manufacturing facility will produce the medication for the first study in humans with Letrozole ISM®, planned to be started by first half 2016.

### Biosimilar of enoxaparin

Regarding Glycomics, on last February 9<sup>th</sup>, after the end of the validation phase, the assessment process started in order for ROVI to be granted the Marketing Authorisation in Europe of a low-molecular-weight heparin, a biosimilar of enoxaparin. This assessment process is ongoing within the pre-established timelines.

## **6. Dividends**

ROVI will pay a dividend of 0.1390 euros per share on 2015 earnings if the Shareholders General Meeting approves the application of the 2015 profit, under proposal of ROVI's Board of Directors. This proposed dividend represents a 35% pay-out.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2015 Management Report**

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The ROVI General Shareholders Meeting, on 9 June 2015, approved the payment of a gross dividend of 0.1690 euros per share on 2014 earnings. This dividend was paid on 2 July 2015 and it meant an increase of 5% compared to the dividend on 2013 earnings.

#### **7. Capital expenditure**

ROVI invested 8.2 million euros in 2015, compared to 20.0 million euros in 2014. Of this amount:

- The additions in "Property, plant and equipment" are mainly due to the acquisition of assets related to the preparation of the plant for the development of the ISM<sup>®</sup> project.
- In 2015, additions and transfers for a total net amount of 3,083 thousand euros were recognized, relating to the expenses incurred in the development of a low-molecular-weight heparin, biosimilar to enoxaparin, the evaluation process in Europe of which commenced after completion of the validation phase. The useful life of these assets is 20 years.

#### **8. Treasury shares transactions**

In the course of 2015, the Group acquired a total of 491,756 of its own shares (354,665 in 2014), paying the amount of 6,546 thousand euros for them (3,345 thousand euros in 2014). Likewise, it resold a total of 116,320 of its own shares (139,931 in 2014) for an amount of 1,398 thousand euros (1,376 thousand euros in 2014). These shares had been acquired at a weighted average cost of 1,247 thousand euros (1,314 thousand euros in 2014), giving rise to a profit of 151 thousand euros on the sale (62 thousand euros in 2014), which was taken to reserves. At 31 December, 2015, the Company held 676,136 treasury shares (300,700 at 31 December, 2014).

#### **9. Headcount evolution**

The average number of employees during 2015 has been 437 (443 in 2014).

#### **10. Outlook for 2016**

ROVI expects operating revenue to grow from high single digit to low double digit for the full year 2016, despite (i) a 0.6% slight rise in the Spanish pharmaceutical market according to Farmaindustria<sup>2</sup>, and (ii) stable annual growth between 1.3% and 1.6% in the Spanish pharmaceutical market for the period 2016-2019 forecast by IMS Health<sup>2</sup>.

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<sup>1</sup><http://www.farmaindustria.es/web/documento/indicadores-basicos-del-sector-la-industria-farmaceutica-espanola-y-su-mercado-en-cifras/>

<sup>2</sup>IMS Health, Market Prognosis September 2015

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

### 2015 Management Report

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ROVI expects its growth drivers to be Bemiparin, the new license agreements (Volutsa<sup>®</sup>, Orvatez<sup>®</sup>, Ulunar<sup>®</sup> and Hirobriz<sup>®</sup>), contribution from Vytorin<sup>®</sup> and Absorcol<sup>®</sup>, its existing portfolio of specialty pharmaceuticals and new product distribution licenses.

#### 11. Risk management

##### 11.1 Operational risks

The main risk factors to which the Group considers itself to be exposed in respect of meeting its business objectives are the following:

- Changes in the legislation regulating the market aimed to contain pharmaceutical expense (price control, reference prices, support for generic products, co-payment, purchase platforms, ...);
- Finalization of contractual relationships with customers representing a significant part of its sales or renewal in less favourable conditions than the current ones;
- Changes in the conditions under which raw materials and other packaging materials needed for manufacturing its products are supplied;
- Late payment on the part of the public authorities in the short term; and
- Tax risk inherent to the activity of companies of the size and complexity of the Company.

ROVI is permanently on the alert and is keeping any risks that may have an adverse effect on its business activities under constant surveillance, applying the appropriate policies and mechanisms to manage them and constantly developing contingency plans that can be used to mitigate or offset their impact. Among them, we highlight the fact that the Group (i) continues, every year, to apply an internal saving policy that is principally based on improving the efficiency of its internal and external operating processes; (ii) is working intensively to maintain a broad and diversified portfolio of products and customers; (iii) is continuing with its target of constantly opening up new markets as a result of its international expansion plan; and (iv) the Group exercises strict credit control and manages its cash effectively, which ensures that sufficient working capital is generated and maintained to allow its day-to-day operations to be carried out; and (v) The Company has an exhaustive tax risk control system, with external tax advisors who review the preparation and filing of the different taxes as well as the Group's decision-making on tax issues

##### 11.2 Financial risks

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The main detected and managed risks of the Group are detailed below:

- *Market risk*

Market risk is divided in:

- a) Foreign exchange risk: is very low as virtually all assets and liabilities of the Group are in euros, with no subsidiary out of the Euro zone. Additionally the majority of the foreign transactions are carried out in euros.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2015 Management Report**

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b) Price risk: the Group is exposed to price risk by its short-term and long-term financial investments. To manage the price risk arising from the investments, the Group diversifies its portfolio.

c) Interest rate risk: The Group is subject to an interest rate risk in respect of cash flows on long-term borrowing transactions at variable rates. The risk, however, is slight since most of the Group's debt consists of refundable advances from official organisations on which there is no interest rate risk.

d) Raw material price risk: the Group is exposed to changes in the conditions under which raw materials and other packaging materials needed to manufacture its products are supplied.

- *Credit risk*

Credit risk is managed by groups. The credit risk arises from cash and cash equivalents, long-term financial investments, deposits held at call in banks and financial institutions and other receivables available for sale, as well as from wholesalers and retailers, including accounts receivables and committed transactions. The Group monitors the solvency of these assets by reviewing external credit ratings and qualifying internally assets which are not externally rated.

It should be mentioned here that despite this management work, the Regional Government continue to be extremely slow in making payments for pharmaceutical supplies, to the detriment of companies operating in this sector. Despite this, the Group's financial position is sound and its liquidity unaffected.

- *Liquidity risk*

Management monitors the liquidity estimates of the Group according to the expected cash flows; therefore, the Group always has sufficient cash and trade securities to confront its liquidity requirements.

#### **12. Stock market capitalization**

On the December 5th 2007, ROVI carried out an Initial Public Offering (IPO) of shares initially intended for qualified investors in Spain and to qualified institutional investors abroad. The face value of the operation, without including the shares corresponding to the green shoe purchase option, was 17,389,350 shares already issued and in circulation with a nominal value of 0.06 euros per share, giving a total nominal amount of 1,043,361 euros. The offering price for the operation was 9.60 euros per share.

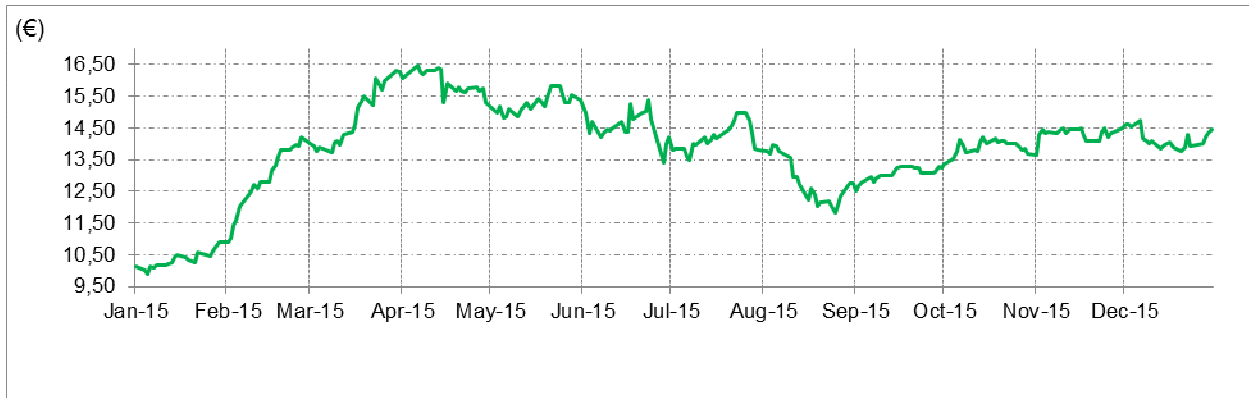


## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

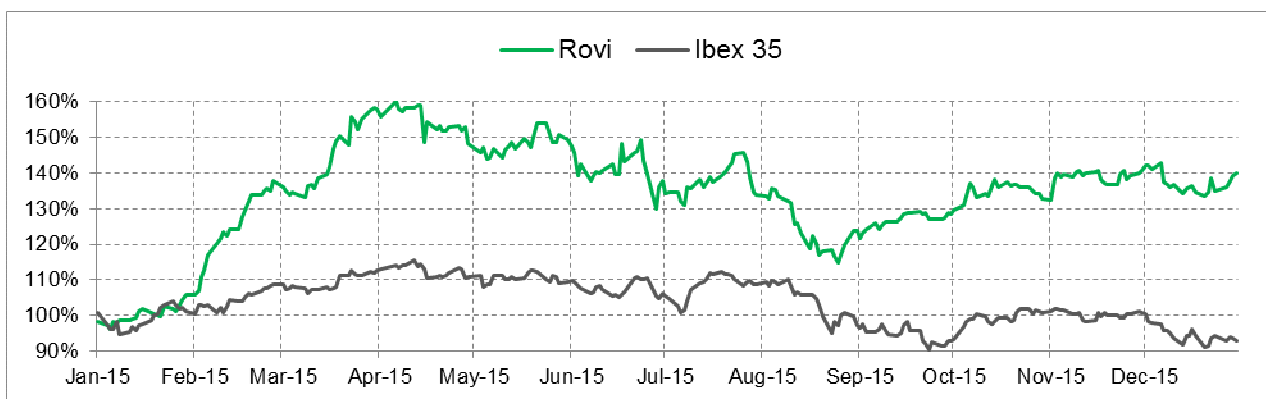
### 2015 Management Report

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The following graph shows the fluctuations of the share price in the stock market in 2015:



The following chart shows the performance of the share price of ROVI compared with the IBEX 35 index in 2015:



#### 13. Corporate Government Annual Report

Appendix 1 includes the Corporate Government Annual Report prepared by the Company for 2015.

#### 14. Corporate Social Responsibility Annual Report

Appendix 2 includes the Corporate Social Responsibility Annual Report prepared by the Group for 2015.

#### 15. Events after balance sheet date

There have been no significant events since the end of the reporting period.

Free translation of the 2015 Management Report originally issued in Spanish. In the event of discrepancy, the Spanish version prevails.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2015 Management Report**

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## **APPENDIX 1**

### **CORPORATE GOVERNMENT ANNUAL REPORT 2015**

(see <http://www.cnmv.es/Portal/consultas/EE/InformacionGobCorp.aspx?nif=A-28041283>)

Free translation of the 2015 Management Report originally issued in Spanish. In the event of discrepancy, the Spanish version prevails.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

**2015 Management Report**

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**APPENDIX 2**

**CORPORATE SOCIAL RESPONSIBILITY ANNUAL REPORT 2015**



**CORPORATE SOCIAL  
RESPONSIBILITY REPORT**

**2015**

**ROVI GROUP**



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## 1. INTRODUCTION.-

The present report describes the main activities performed by ROVI in terms of Corporate Social Responsibility (CSR). Following the annual basis proposed by the company, ROVI would like to let know the advances and challenges associated to the CSR, as well as the actions that contribute to the sustainability of our company in this area for 2015.

This report has been prepared following the recommendations of the Guidelines for the preparation of Sustainability Reports, Global Reporting Initiative (GRI Guidelines), version G4. In the section 6 of this document is included a table with the number indicating the reference to the present document, in which is included the corresponding information.

In the business strategy of ROVI, CSR is crucial to ensure company's sustainability in the long term and to strengthen confidence of the groups of interest.

ROVI considers that CSR is a commitment to society, given the importance of its work and product to improve health and quality of life of people. Therefore, in recent years, has developed an intense activity to support research and promote prevention and knowledge of certain diseases.

The company incorporates CSR in its governance, management and daily activity. CSR strategy decisions are responsibility of the Management Committee, and ultimately, on the Board of Directors.

ROVI's commitment with ethical management and transparency is evident in the development of its internal codes. Additionally, ROVI has applied for SA-8000 "Social Accountability" standard for the scale and impact of its activities, products and services on the workplace, contributing to reinforce its acting principles.

### 1.1. Report profile.-

- ⊕ Period included in the report: the data included in the present report cover the calendar year 2015.
- ⊕ Date of the last report: the last report was prepared in 2015, including the data of the calendar year 2014. This way we follow the annual presentation cycles of the report.

The information provided in this document refers to the total perimeter of ROVI group, except in those cases in which a different perimeter is indicated.

In case of requiring additional information about any of the data included in this Report, the company has enabled a direct communication channel via the e-mail [ir@rovi.es](mailto:ir@rovi.es)



## 2. PROFILE AND ESTRICTURE.-

### 2.1. Basic data.

Corporate data	
Name Laboratorios Farmacéuticos Rovi, S.A.	Nominal 0.06€ share
Address Julián Camarillo, 35 28037 MADRID. Spain	Activity Manufacturing and marketing pharmaceutical products and contract manufacturing services.
Telephone 34 91 372 62 30	Markets ROVI group is directly present in Spain and Portugal and its shares are listed in stock markets of Barcelona, Bilbao, Valencia and Madrid.
Web page www.rovi.es	
Share capital 3,000,000 euros	
Number of shares 50,000,000	

History	
1946	● Foundation of the company.
1981	● Beginning of research in low molecular weight heparins.
1998	● Introduction of Bemiparin in the Spanish market and start of activities in Portugal.
2002	● Internationalization of ROVI following approval of Bemiparin abroad.
2003	● Increased international coverage to 59 countries.
2006	● Construction of R&D&I centre and manufacturing plant in Granada.
2007	● Marketing agreement with Laboratoires Servier for Corlontor.
2009	● Strategic agreement with Merck Sharp & Dohme ("MSD").
2012	● FDA approval for injectables plant.
2013	● Agreements to market products from Novartis and Medice.
2014	● Registration of a bio-similar of enoxaparin in EMA and FDA.
2015	● Acquisition of a new injectables plant, in San Sebastián de los Reyes, which strengthens its contract manufacturing capacity, laying the foundation for the expansion of Bemiparin and the development of its potential biosimilar of enoxaparin.

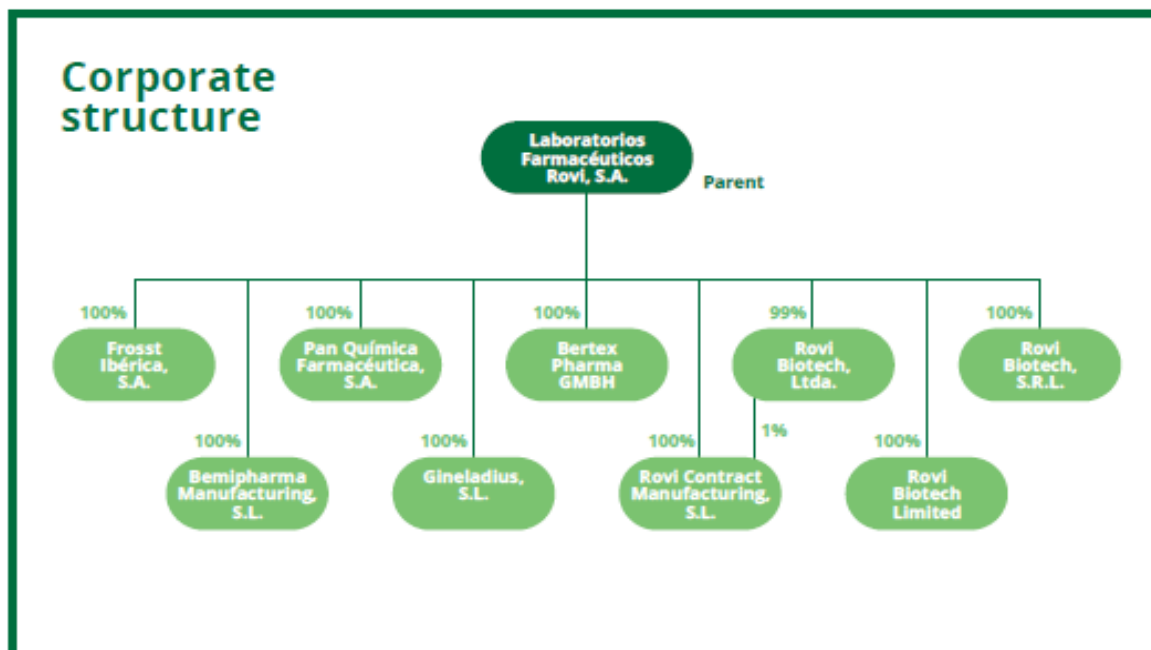
ROVI is member, among others, of the following associations:

- FARMAINDUSTRIA
- FUNDACIÓN TRANSFORMA ESPAÑA
- AIMFA
- SIGRE

Additionally, ROVI participates in specialized events of the industry, such as AEFI, PMFARMA or Asinfarma, with the objective of reinforcing the relationship with health professionals, answer their doubts and recruit talent.



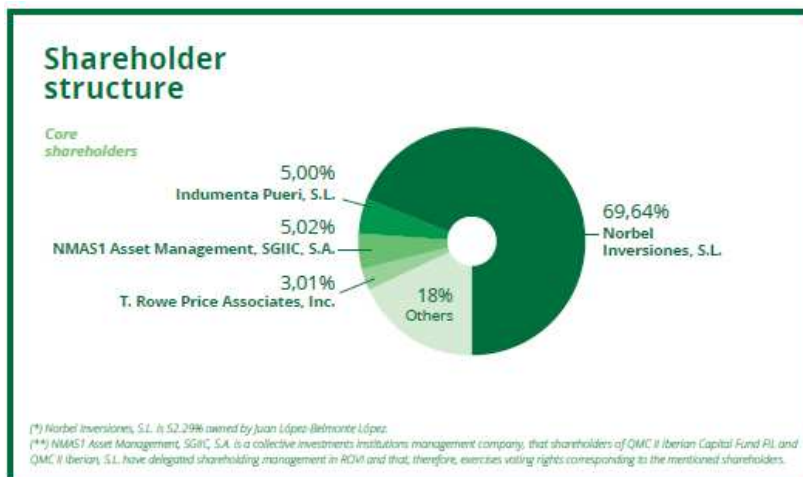
## 2.2. Group profile.



We present then the data of the group companies:

Name	Address	Activity
Pan Química Farmacéutica, S.A.	Madrid, C/Rufino González, 50	(1)
Gineladius, S.L.	Madrid, C/Rufino González, 50	(2)
Roví Contract Manufacturing, S.L.	Madrid, C/Julián Camarillo, 35	(1)
Bemipharma Manufacturing, S.L.	Madrid, C/Julián Camarillo, 35	(1)
Bertex Pharma GmbH	Inselstr.17. 14129 Berlin (Germany)	(3)
Frosst Ibérica, S.A.	Alcalá de Henares, Avenida Complutense, 140	(1)
Roví Biotech, Ltda.	La Paz (Bolivia)	(1)
Roví Biotech Limited	10-18 Union Street, Londres (United Kingdom)	(1)
Roví Biotech, S.R.L.	Via Monte Rosa 91, Milán (Italy)	(1)

- (1) Processing, marketing and sales of pharmaceutical, health and medicine products..
- (2) Import, export, purchase, sale, distribution and marketing of comprehensive women's Healthcare articles
- (3) Development, distribution and marketing of pharmaceutical products based on micro-particles technology.







## 2.3. Most important trademarks, products and services.-

### i. Pharmaceutical products

ROVI has a diversified portfolio including around thirty products of its own and marketed under licence. This portfolio has a defensive profile, as is not affected by reference prices in Spain and there will not be any significant patent expiration until 2019.

Below are the most important products in terms of its contribution to the EBITDA of the group.

#### **Hibor®**

Hibor (Bemiparin) is a low molecular weight heparin (rapid anticoagulant effect) indicated for the prevention and treatment of Venous Thromboembolism (VTE) both in surgical patients and the treatment of acute long term patients that have undergone a VTE process. Venous Thromboembolic Disease is a serious and potentially fatal process characterized by the formation of a fibrin clot, thrombosis, inside the veins of the deep vein system, with the consequences of thromboembolism evolution, including grow, progression and fragmentation. In the latter case, some fragments may break loose and reach lung, causing pulmonary embolism. Just in Spain, it is estimated that there are almost 65.000 cases of Deep Venous Thrombosis every year and 25.000 cases of Pulmonary Embolism (data from Thromb Haemost 2000, 2001 and 2005).

In the last years, Bemiparin has positioned as one of the main answers internationally to fight against this disease, after expanding its presence to 54 countries through a network of strategic alliances. Currently, Bemiparin is the main product of ROVI and represents 31% of the operating revenue of the group.

#### **Hirobriz® Breezhaler® y Ulunar® Breezhaler®**

In the last quarter of 2014, ROVI started to market Hirobriz Breehaler (indacaterol maleate) and Ulunar Breezhaler (indacaterol maleate and glycopyrronium bromide) in Spain. Both active ingredients are long acting bronchodilators, indicated in the maintenance treatment of Chronic Obstructive Pulmonary Disease (COPD), in adult patients, and are administered by inhalation through the Breezhaler device. ROVI markets both products under a licence from Novartis.

#### **Absorcol®, Vytorin® and Orvatez®**

Absorcol (ezetimibe) and Vytorin (ezetimibe and simvastatine) are products indicated as adjunctive therapy to diet in patients with hypercholesterolemia. ROVI distributes, in Spain, Absorcol and Vytorin under a co-marketing agreement since January 2011 and Orvatez since the second quarter of 2015. The three products are part of the first out of the five licences that MSD granted ROVI on their products.

#### **Corlontor®**

Corlontor (ivabradine) is a prescription product for chronic stable angina pectoris and chronic heart failure that ROVI markets under a licence of Laboratorios Servier since 2007.



### **Volutsa®**

In the first quarter of 2015, ROVI started to market Volutsa (solifenacin succinate and tamsulosin hydrochloride), a product of Astellas Pharma indicated for the treatment of moderate to severe storage symptoms (urgency, increased micturition frequency) and voiding symptoms associated with benign prostatic hyperplasia (BPH) in men who are not adequately responding to treatment with monotherapy.

### **Medikinet® y Medicebran®**

Medikinet (methylphenidate hydrochloride with modified release) and Medicebran (methylphenidate hydrochloride for immediate release) are prescription products indicated for the treatment of the ADHD (Attention Deficit Hyperactivity Disorder) in children and teenagers. Both products are from the company Medice that ROVI distributes, on exclusivity basis, in Spain since December 2013.

### **Corlontor®**

Corlontor (ivabradine) is a prescription product for chronic stable angina pectoris and chronic heart failure that ROVI markets under a licence of Laboratorios Servier since 2007.

### **Exxiv®**

Exxiv (etoricoxib) is a selective COX-2 inhibitor, an anti-inflammatory indicated for the symptomatic relief of arthritis, rheumatoid arthritis, ankylosing spondylitis, and the pain and signs of inflammation associated with acute gouty arthritis and for the short-term treatment of moderate pain associated with dental surgery. It is a research product of Merck Sharp & Dohme marketed in Spain by ROVI since 2008.

### **Thymanax®**

Thymanax (agomelatine) is an antidepressant indicated for adults with major depressive episodes. It is a research product of Laboratorios Servier distributed by ROVI in Spain under a co-marketing agreement since March 2010. Imaging contrast media agents and other hospital products

### **Imaging contrast media agents and other hospital products**

ROVI is one of the leading companies of the market in the commercialization of contrast media agents, hospital use products for imaging diagnosis (computerized tomography, magnetic resonance imaging, ultrasound scan etc.). This area, that represents more than 10% of company's revenue, includes a wide range of product's portfolio, like the ones commercialized under licence of Bracco: Iomeron® and Iopamiro® (for computerized tomography and intervention), Multihance® and Prohance® (for Magnetic Resonance Imaging), Sonovue® (for ultrasounds) and Bracco Injeenering: EmpowerCTA+®, EmpowerMR® and CT Exprès (contrast injection systems and compatible disposable material).

Hospital division product's portfolio is completed with health products for care and maintenance of intravenous catheters (Fibrilin® and Fibrilin Salino®)

## **ii. Contract Manufacturing**

ROVI has managed to be well-placed to take advantage of the growing demand of pharmaceutical companies to outsource their manufacturing processes. This way, the company makes the most of the high manufacturing capacities available at its facilities providing a full range of manufacturing services of injectables, suppositories and oral solid forms.



The company, through its three manufacturing plants: two dedicated to injectables (Rovi Contract Manufacturing and San Sebastián de los Reyes) and other specialized in solid oral forms (Frosst Ibérica), offer contracts manufacturing services to third parties in a wide range of pharmaceutical forms, including pre-filled syringes, vials, suppositories, tablets, coated tablets, hard capsules and sachets.

ROVI offers the unification of all services by the same company, from the development of the project until to the final release of a product, including preliminary clinical trials, stability studies, and chronological physical-chemical and microbiological analysis, with the corresponding savings in time and money for the customers. This way, a customized service is offered to customers, depending on their needs.

The contracts signed with the customer for whom ROVI manufactures usually last between 3 and 5 years average, what contributes to a remarkable incomes steadiness. Additionally, the long regulatory process that a pharmaceutical company has to go through to carry out a change of manufacturer, turns contract manufacturing business in a "lifetime customer value" business model, as long as the service offered optimally fulfil customer requirements.

Contract Manufacturing activities are:

#### **- Injectables**

ROVI is currently one of the leading manufacturers of pre-filled syringes in Europe in terms of number of units manufactured (filled) yearly, with an annual production capacity of 150 million units. There are not many contract manufacturing competitors of pre-filled syringes worldwide as the entry barriers in this business are high, due to the biological nature of the drugs that are manufactured and the aseptic conditions required (filling of product in sterile rooms controlled microbiology) for the filling of pre-filled syringes.

The company has a plant specialized in filling and packaging of parenteral solutions in prefilled SCF syringes from 0,5ml to 20ml (filled from 0,2ml to 20ml) and vials from 2ml to 10ml. These syringes and vials are filled in aseptic conditions in sterile areas. If needed terminal sterilization can be performed, and it is offered the possibility of adding safety devices to syringes.

The total annual capacity of vials is 40 millions, while suppositories capacity rises to 150 millions.

The plant is approved by European and USA authorities. Also has the approval from authorities from Corea, Brasil, Countries of Gulf, as well as ISO9001, ISO14001 and OSHAS certifications.

On June 2015, ROVI reached an agreement with Crucell Spain, S.A. (Crucell) by which has acquired assets of the manufacturing plant of injectables at San Sebastián de los Reyes, owned by Crucell, with the main objective of expanding in the future the production lines of injectables of ROVI's Group (others than ones being manufactured by Crucell). Trough this operation, ROVI intends to strengthen its contract manufacturing business, and ensure the production capacity required to carry out its future strategic plans of international expansion of Bemiparin and, predictably marketing and development of its potential new molecular weight heparin, biosimilar of enoxaparin.



The assets acquired by ROVI have an annual capacity of 120 million syringes and 40 million vials. Until these assets start being exploited and after ROVI obtains the required regulatory authorizations, ROVI will performed the appropriate technical analysis so that these assets are adapted to the ROVI's methodology and procedures.

#### **- Solid forms plants**

ROVI also has a solid forms plant with a long tradition in the manufacture of pharmaceutical products and that uses state of the art technology to manufacture oral formulations (tablets, coated tablets, hard capsules and sachets).

The plant, with 83.000 square metres, counts with a global annual capacity of 3 billion tablets, 300 million hard capsule and 30 million sachets in different manufacturing lines. Additionally, it has a large size warehouse, with a storage capacity of 9.000 pallets.

In order to provide to all the markets this plant is approved by European and USA authorities. It also holds approval from Japanese, Mexican, Brazilian, Kenyan, Belarusian and Gulf countries authorities. - **Ensayos clínicos**

#### **- Clinical trials**

Complying with both American and European quality standards, ROVI CM offers competitive technical support from the standpoints of cost, flexibility and reliability.

The company offers a wide range of services for the performance of clinical trials, product preparation and filling, labelling, packaging and logistics, always with the most rigorous quality standards. The machinery used is the same as for an industrial-scale batch, so it complies with the latest European regulations on clinical trials.

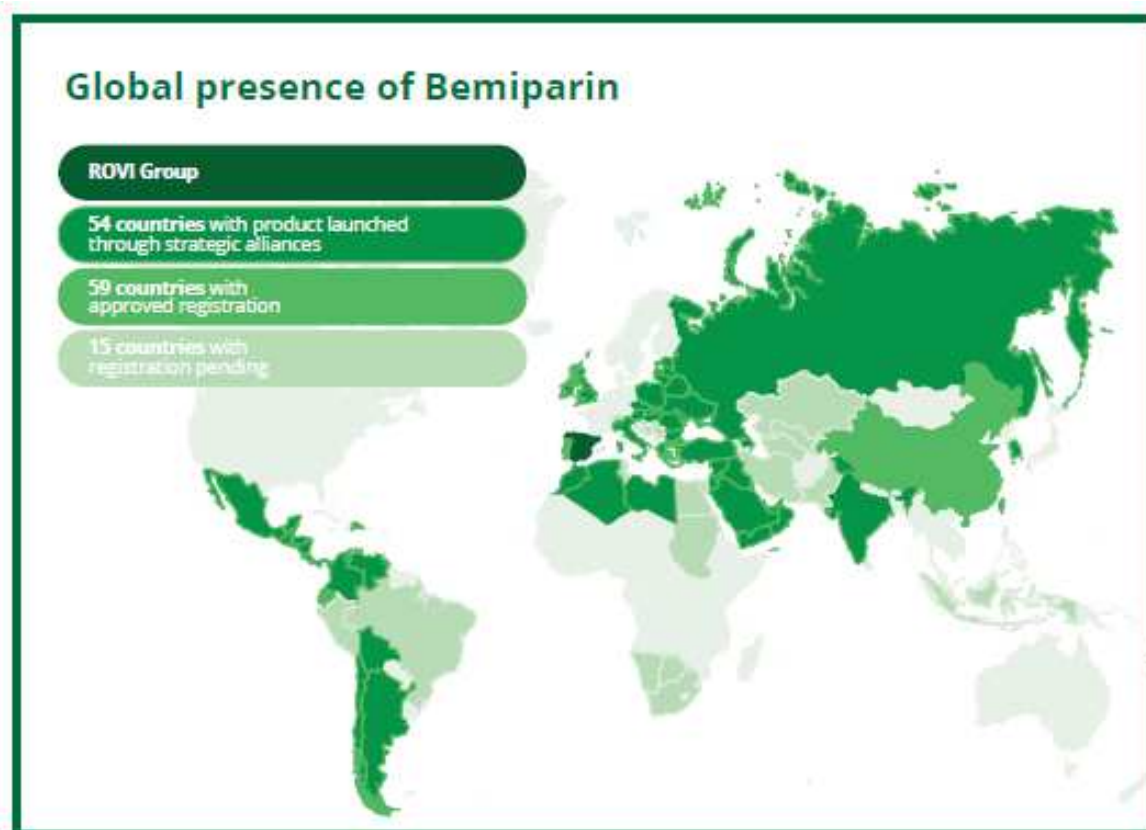
#### **- Development**

ROVI offers advice on the best strategy to follow from the introduction of a new product, pre-clinical technical development to a commercial batch. In other words, we are involved in the project management and feasibility studies, launch and preproduction strategies, technological transfer and registration issues.

All of this ensures that the new product complies with all legal requirements and can be launched appropriately in the right place at the right time, with sufficient quantity of products.



## 2.4. World presence.-



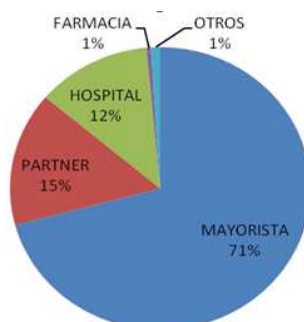
## 2.5. Markets served.-

ROVI focuses its activity mainly on seven therapeutic areas:

- ⊕ Cardiovascular
- ⊕ Osteoarticular/ Women's health
- ⊕ Anaesthesia/ Pain relief
- ⊕ Imaging Diagnostic Media Products
- ⊕ Central Nervous System
- ⊕ Respiratory
- ⊕ Primary Health Care
- ⊕ OTC Products line – Consumer Healthcare



Analysing sales data, it is noticed that 25% of the sales corresponds to the contract manufacturing business. In relation to the sales of marketed product our main customers are:



## 2.6. Basic financial and non-financial magnitudes.-

### 2.6.1. Financial magnitudes.-

FINANCIAL PERFORMANCE				
(millon euro)	2015	2014	2013	2012
Revenue	247.0	240.9	218.9	203.2
EBITDA	31.8	36.6	32.4	27.0
EBIT	21.8	27.7	25.5	21.7
Net profit	19.8	24.1	23.0	19.5
Investments	19.9	25.1	24.7	13.7
Financial debt	42.8	36.3	31.0	38.4
Net financial debt	13.0	8.3	-5.8	-7.5

SOLID FINANCIAL ESTRUCTURE				
	2015	2014	2013	2012
Net debt/EBITDA	0.41	0.23	-0.18	-0.28
Net debt/equity	0.08	0.05	-0.04	-0.06

STOCK MARKET INFORMATION	
	2015
Number of shares	50,000,000
Listing Price at closing (euros)	14.44
Capitalization at 31/12/15 (euros)	722,000,000
Total dividend (euros)	6,950,000
Dividend per share paid in 2014 on 2013 earnings	0.1690€
Dividend per share proposed on 2015 earnings	0.1390€
<i>Pay out (as % of consolidated net profit)</i>	35%
Earnings per share	0.40€
PER	36.1



## 2.6.2. Non-financial magnitudes.-

HUMAN RESOURCES		
	2015	2014
Number of employees	1,102	1,082
Net job creation	20	128
Hours of training	9,000	85,330
Rotation	2.89%	2.49%
Accident rate	2.9%	1.6%
Abseneism rate	3.42%	2.00%

## 2.6.3. Community.-

ECONÓMIC VALUE GENERATED AND DISTRIBUTED		
(millon euro)	2015	2014
Economic value generated	247.0	240.9
Economic value distributed		
Shareholders	7.0	8.5
Suppliers	137.0	134.3
Society	1.1	1.5
R+D	16.5	12.0
Employees	61.8	58.1
Capital providers	0.9	2.1
Amortizations and depreciations	10.0	8.9
Reserves	12.8	15.6



### 3. ETHIC AND INTEGRITY.-

#### 3.1. Mission, vision, values.

##### MISSION:

To work for the wellbeing of society promoting human health through the production of medicines and other health products. We research for better health.

##### VISION:

ROVI aims to be recognized as a reference for research and production of products aimed at improving the health.

#### Values

- |  |   |
|--|---|
| <b>1</b> All of us are the main asset of the company.                | <b>6</b> We make our customers concerns our own and share their successes.              |
| <b>2</b> We feel changes as real opportunities for development.      | <b>7</b> Our diversity in training, experience and points of view make us to be better. |
| <b>3</b> Is important to feel that every day we learn something new. | <b>8</b> We are committed to innovative drugs as engine of growth of ROVI.              |
| <b>4</b> We like to assume responsibilities from start to finish.    | <b>9</b> We establish strict ethical standards for ourselves and contributors.          |
| <b>5</b> We know that we must win the trust of patients every day.   | <b>10</b> Our ultimate success depends on effort of all.                                |

#### 3.2. Ethical framework.

In order to reassure the values and principles that are the foundation of ROVI's activities, the group counts with Code of Ethics, approved by the Board of Directors, whose objective is that all interactions with the shareholders and with society in general are ruled by ethic and good practices. This Code of Ethic is mandatory for all employees and serves as guideline in the performance of their duties and in case of conflict of interest.

According to the terms of the code, the Company undertakes to apply the highest ethic standards of transparency in its communications, records of information and reports, both financial and related to its products and activities. This entails the obligation that the preparation of accounts, financial statements, books, registers, and individual or group accounts will comply with all legal requirements and with the correct application of the accounting principles prevailing, with the objective to offer a clear view of the business activities and financial situation of the company.





The Code of Ethics rules establish a channel of complaints that can be used by any employee of the Company in case of detecting violations of the Code. In addition, the Company has a specific confidential channel of complaints for financial and accounting irregularities.

The regulation establishes that the Code of Ethics Monitoring Committee is the responsible body to study breaches of the code and propose corrective actions and sanctions, and will issue an annual report for the Chief Executive Officer including all actions developed during the year. The Audit Committee, on its side, ensures the independence of Auditors, in order to guarantee the accuracy of the public information submitted by the company.

The group also strives to monitor and control the recommendations of Unified Code of Good Governance of Listed Companies (and, since February of 2015, The Code of Good Governance has replaced the previous Unified Code). This way, the company has mechanisms to avoid conducts that compromise its shareholders and groups of interest, like concentration of power, lack of transparency or lack of independence of auditors.

Likewise, the company has an Anti-bribery and Anti-corruption Policy, applicable to all employees and agents of ROVI, which defines and details the acting guidelines in cases of: bribery, political contributions, charitable contributions and sponsorships, facilitation payments, presents, hospitality and expenses, and control of accounts.

ROVI is committed to actively support the Universal Declaration of Human Rights and requires the compliance of such principles by the employees in the daily activity of the group. The company fights against practices contrary to human dignity and against discrimination at work.

It was not detected any breach in 2015.



#### 4. GROUPS OF INTEREST.-

In the business strategy of ROVI, Corporate Social Responsibility (CSR) is crucial to ensure company's sustainability in the long term and to strengthen confidence of the groups of interest.

ROVI considers that CSR is a commitment to society, given the importance of its work and product to improve health and quality of life of people.

Therefore, in recent years, has developed an intense activity to support research and promote prevention and knowledge of certain diseases.

The company incorporates CSR in its governance, management and daily activity. CSR strategy decisions are responsibility of the Management Committee, and ultimately, on the Board of Directors.

ROVI's commitment with ethical management and transparency is reflected in the new General Policy of CSR approved by the Board of Directors during this year 2015.

##### **Objectives of corporate social responsibility policy and supporting tools**

All the companies comprising ROVI Group, aware of the improvement on health that their products provide, want to meet certain demands in relation to the impacts of our activities in society and environment.

Thus the economic development of ROVI must be compatible with ethical, social, work and environmental commitments and respect to the human rights.

The knowledge, dissemination and implementation of the values that express the commitment of the GROUP in terms of business ethics and corporate social responsibility, act as guidance for the actions of the Board of Directors and other bodies of ROVI Group in their relationships with the groups of interest.

The supporting tools developed by ROVI Group are, as well as the Corporate Social Responsibility Policy, the Integrated Management Policy (Environment and Health and Safety at Work), the Ethical Code and the Corporate Social Responsibility Report. The implementation of these tools must:

- ⊕ Contribute to achieve the strategic objectives of group.
- ⊕ Improve group competitiveness making use of new management practices based on innovation, equal opportunities, productivity, profitability and sustainability.
- ⊕ Manage with responsibility risks and opportunities arising from the changing environment, as well as maximizing the positive impact of its activity in the different places in which operates, and minimize, as far as possible, negative impacts.



- ④ Promoting a culture of ethical behaviour and increasing corporate transparency to generate credibility and confidence of the groups of interest, among this group is the society as whole.
- ④ Promote trust partnerships and values creation for the groups of interest, providing a balanced and integrated response to all of them.

As a result and in order to develop adequately these objectives, the following principles of actions have been established:

- ④ Compliance with legal regulations in the places where are based our companies.
- ④ Support the integration of the principles of the United Nations Global Compact, by the adoption and dissemination of them, as well as other international instruments, especially in the areas of human rights, working practices, environment and fight against corruption.
- ④ Follow the guidelines of the Ethical Code, which includes the commitment of the Company with the principles of business ethic and transparency in fields of action and regulates responsible behaviours of all the professionals of the group in the development of their activities.
- ④ Promote free market practices, rejecting any kind of illegal or fraudulent practice, implementing effective mechanisms of prevention, surveillance and sanction of irregularities.
- ④ Commitment with transparency as a mean to transmit confidence and credibility to the groups of interest. This will involve:
  - a. Disseminate relevant and accurate information the groups of interest, by the compliance with legal requirements of public information if required.
  - b. Prepare and public financial and non financial information, using, in the latter case, internationally accepted methods, and subjecting them to the opportune internal and external verification processes that guarantee reliability and promote continuous improvement.
- ④ Improve communication channels and dialogue, and promote the relationships of the group with shareholders, investors, employees, customers, suppliers and in general with all the groups of interest. This contributes to reach a synergy between corporate values and social expectations, adapting, as far as possible, group's policies and strategies to their interests, concerns and needs, using all the communication tools available, such as direct contact and the corporate web site of the group.
- ④ Conservation and promotion of the environment. ROVI develops its activity under the firm commitment of contributing to sustainability from an environmental perspective, materializing this commitment through the integration of environment on its different business areas, biodiversity conservation, prevention of pollution, an efficient management of resources and mitigation of climate change, according to the established by the Group's Environmental Policy.
- ④ Fiscal responsibility. The taxes that ROVI pays in the places in which develops its activity constitute the main contribution of the group companies to sustain public funds, and therefore, one of its contributions to society.



## 4.1. Identification of the groups of interest

Knowing the expectations of the groups of interest is part of the CSR strategy of ROVI, therefore, the company maintains a fluid and constant dialogue to detect and give answers to their interests, ensuring long term business viability. The company has identified five groups that contribute directly or indirectly to the good progress of its activities:



### CUSTOMERS, PATIENTS AND PROFESSIONALS.-

ROVI aims at the satisfaction of the needs and expectations of its customers, whether through the offering of “on-demand” services in its contract manufacturing area, as through a portfolio of products whose ultimate goal is improving the quality of people’s lives.

The company has placed customers, patients, and professional as the main focus of its daily activity, with the conviction that by reaching a high degree of satisfaction and creating long term solid trust relationships, the growth objectives set by the group can be reached. ROVI is committed to guarantee the confidentiality of customers’ data and not to disclose information to third parties.

The group considers essential to establish long lasting relationships based on proximity, a constant service based attitude and in trust.

### QUALITY IN MANAGEMENT AND PRODUCTION.-

Ensure the quality, safety and effectiveness of the products that the company places in the market, is the main objective of ROVI and of all the people that form part of the company. To do this, all the companies of the group have established procedures describing the controls performed in all the phases of the process, from research and development of products, reception of raw materials, packaging materials, production, storage and distribution to our customers.

The standards set meet completely with the internal demands of the company, but also with the external demands established by regulating bodies on the different products that form our portfolio.



In order to assess compliance with these procedures, internal audits are performed periodically in all the facilities of the group. There are yearly reviews in which the main points of improvement in our organization are analysed by the Management.

On the other side the quality audits by external organizations evidence the commitment to continuous improvement and the maintenance of high quality standards.

In addition, and according to the frequency established in the legislation applicable to the products, all the companies of the group are inspected by the Health Authorities, both Spanish and of the countries where our products are exported.

### **TREATMENT OF QUERIES.-**

Each Group's company has professional people trained for paying attention to the main queries from direct customers, patients and health professionals.

### **TREATMENT OF COMPLAINTS.-**

In all those cases in which a complaint is issued, an investigation is conducted to identify the root cause of the same. This investigation could involve several departments, or even our suppliers and our subcontractors. The analysis of these causes has as main purpose the adoption of measures to avoid recurrence of the same.

The efficacy of these actions is analyzed yearly, in the system review by the Management.

### **TREATMENT OF ADVERSE REACTIONS.-**

An adverse reaction is any response to a drug which is noxious and unintended, and which occurs at doses normally used in humans for prophylaxis, diagnosis or treatment of disease or for the restoration, correction or modification of physiological functions.

Laboratorios Rovi S.A., as manufacturer and distributor of drugs, is committed to the safety of patients who are given our medicines. To do this, Rovi has established appropriate controls for drugs remain the best benefit / risk and has also implemented a pharmacovigilance system to detect potential adverse reactions occurring with our medicines and medical devices.

ROVI has the e-mail [farmacovigilance@rovi.es](mailto:farmacovigilance@rovi.es) to report adverse reactions.



## SUPPORT TO PATIENTS.-

Through the web site [www.rovi.es](http://www.rovi.es) has launched PHYSICAL EXERCISE AND OSTEOPOROSIS.-

Physical exercise helps to maintain and build up bone mass, an important factor in the prevention of osteoporosis, at the same time as it increases muscle strength, co-ordination and balance.

- 1.- Standing beside a wall with your knees slightly bent, press with your hands while keeping your back straight.
- 2.- With your back against the wall and your feet slightly separated from it, push your body back against the wall stretch up as high as possible, raising first one arm while keeping your back straight and your knees slightly bent. Repeat with the other arm.
- 3.- Using the back of a chair for support, bend your knees a little, keeping your back straight. Move up and down slowly.
- 4.- With your arms stretched out sideways at shoulder height, jerk them backwards three times in a row. Repeat the exercise with your arms at 45° and straight up and down.
- 5.- With your hands on the back of your neck, breathe in deeply while gently pushing your elbows backwards. Breathe out while they come forward again to the starting position.
- 6.- With one arm stretched out in front of you and other behind, swing them backwards and forwards simultaneously in opposite directions, without twisting your back.
- 7.- Stretching a rearward arm and press on the ground plane. Do it with the other alternately.
- 8.- Stretch one arm out backwards and press down on the floor. Do the same with the other arm, alternately.



Moreover, ROVI has joined the active promotion that the Ministry of Health, Social Services and Equality through several campaigns along the year.

- ⊗ AIDS prevention.
- ⊗ There is a way out for the gender based violence.
- ⊗ Early detection of cancer.
- ⊗ European antibiotic awareness day.



## SUPPORT TO PROFESSIONALS.-

Through the web [www.rovi.es](http://www.rovi.es) the health professionals can access a complete service of medical and pharmaceutical information.

**HIBOR®**



**Hibor®** (Bemiparin) is a low molecular weight heparin indicated for:

### **HIBOR® 2500 UI- HIBOR® 3.500 UI**

- Prevention of thromboembolic disease in patients undergoing general and orthopedic surgery;
- Prevention of thromboembolic disease in non-surgical patients with high or mild risk;
- Secondary prevention of venous thromboembolic recurrences in patients with deep vein thrombosis and transient risk factors; and
- Prevention of clotting in the extracorporeal circuit during hemodialysis.

### **HIBOR® 5000 UI- HIBOR® 7500 UI- HIBOR® 10000 UI- HIBOR® 12500 UI**

- Treatment of established deep venous thrombosis, with or without pulmonary embolism.

**Hibor®** is supplied in prefilled syringes:

- 2,500 IU/0.2 ml -in packages containing 2, 10, 50 (CP) prefilled syringes
- 3,500 IU/0.2 ml -in packages containing 2, 10, 30, 50 (CP) prefilled syringes
- 5,000 IU/0.2 ml -in packages containing 2, 10, 30, 50 (CP) prefilled syringes
- 7,500 IU/0.3 ml -in packages containing 2, 10, 30, 50 (CP) prefilled syringes
- 10,000 IU/0.4 ml -in packages containing 2, 10, 30, 50 (CP) prefilled syringes
- 12,500 IU/0.4 ml -in packages containing 2, 10, 50 (CP) prefilled syringes





Also for some of our products we have prepared specific webs through which professionals can gather more information on our products:



🇪🇸 Español

Home

Nitview

Lice and nits

International Distribution

FAQs



Nitview®Ledcomb is the new revolutionary system for the location and extraction of lice and nits.





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## EMPLOYEES.-

Employees are for ROVI a basic pillar in the development of the Company. Thus, offers possibilities of professional development and training in the company, social benefits, reconciliation measures, and and a working environment in which health and safety are key aspects in the the Human Resources management.

A good example of this is the commitment of the company with job creation. This commitment can be evidenced by the fact that, at the end of 2015, ROVI almost reached 1.100 employees, being a staff of highly qualified, young and dynamic professionals, based on equal opportunities. Personnel are one of the main pillars of its structure.

	2015			2014		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Lab. Fcos. Rovi	385	52	437	389	54	443
Panquímica	77	2	79	31	2	33
Rovi Contract	261	107	368	229	150	379
Frosst Ibérica	180	33	213	192	27	219
Bemipharma	5	0	5	8	0	8
<b>Total</b>	<b>908</b>	<b>194</b>	<b>1,102</b>	<b>849</b>	<b>233</b>	<b>1,082</b>

As can be seen, last year the staff increased again.

## EQUAL OPPORTUNITIES.-

The company selects the personnel for his human and professional merits. The result of this non-discrimination policy can be seen in the composition of the workforce: more than half is integrated by women both at group level and in most divisions and in Portugal office.

Average staff in 2015			Average staff in 2014		
Men	Women	Total	Men	Women	Total
504	598	1,102	503	579	1,082

## EQUALITY PLAN.-

Since 2014 ROVI has a Plan for Equality between Men and Women. The Equality Plan aims to integrate equal treatment and opportunities for women and men, in order to achieve progressively a balanced presence of women within the various groups and professional levels.

In order to ensure compliance with the guidelines in the Plan it has been established the Commission for Equality.



## SOCIAL BENEFITS.-

All employees, regardless of their type of contract or employment, enjoy the same social benefits. Although there are no new benefits along 2015, the existing ones have been maintained.

### Reconciling working and family life.-

ROVI's commitment to employees is a key to the success of the company. The reconciliation of working and family life is also part of this concern. Wellbeing and health of workers have a direct effect in the creation of value for the company. Since 2012, has been implemented the flexible shifts to facilitate and contribute to improve quality of life in our employees.

	Men	Women	Total
People with reduced shift or making use of any option to reconcile working and family life	4	28	32

### Professional training

Talent and innovation are essential to achieve the strategic objectives of ROVI. The company through its Human Resources departments of its subsidiaries promotes training of employees with courses that provide the required abilities to perform their work position.

Continuous training is one of the pillars underpinning ROVI's growth in the long term. Therefore, promote professional and personal development in different specialties, in an open working environment, that guarantees equal opportunities, is a main part of the commitment with employees. For this reason, most training imparted is related to our products and quality.

	2015	2014
Hours of training	9.000	85.300

The origin of the different between the hours of training, 2014 versus 2015, is the incorporation of a huge number of employees to the sales force. That is evidence of our commitment with the training of our personnel.

### Fluid communication

The company has employee suggestion boxes in all the premises. In the same line, we are starting to arrange workshops in some plants for the staff of human resources to study and analyze each proposal, so that we can improve working environment. During the year 2015, y in line with the philosophy of continuous improvement, several improvements opportunities have been implemented, affecting areas such as production, maintenance, laboratories, etc. This culture for identification of improvements is performed in workshops with the employees in all plants.



## SAFETY

ROVI considers a priority the health of its employees, with the conviction that any accident could be avoided. Therefore, as well as working to make safer facilities, the company wants to raise awareness between the staff towards safety as a basic issue.

To achieve the knowledge and the involvement of its employees, ROVI has its own Prevention Service, responsible for performing actions like the promotion of a healthy life style, prevention of accidents and diseases or the communication through education and training campaigns.

### “Healthy company” project

During 2015 have been implemented several guidelines to make ROVI a “Healthy Company”. This project was presented on the World Day for Safety and Health at Work under the slogan:

## ALL HEALTHY AT WORK

In this area the following actions have been performed:

### Healthy breakfast

Since April, it has been implemented the “fruit day”: two days a month the employees can enjoy seasonal fruit in the different canteens of ROVI’s companies.

### Healthy vending

In the canteens have been installed healthy vending machines (salads, fruit, yogurt....) and machines dispensing natural orange juice.

### Sports practices

The Safety and Environment department has reached agreements with different sports centres (i.e. Gyms, riding centres), near the facilities of ROVI, to get competitive prices, that encourage our staff to practice sport.

### Companies race

Last December was held in Madrid the Companies Race. Several groups of employees took part on it in representation of ROVI.





## Accidents prevention.-

Different procedures have been developed to follow up and improve the safety performance, to monitor the following aspects:

- Safety inspections of equipments and facilities, as well as working sites.
- Investigation of accidents.

	2015	2014
% of workers represented in H&S Committees	100%	100%
Accident rate = (accidents n° /workers n°)*100	2.9%	1.6%
Health & Safety investment (million euro)	0.9	1.9

Likewise, in the plants and subsidiaries of the group have been implemented measures as awareness-raising actions in terms of health and safety, investments in machinery and infrastructure (I.e. change of lighting in the HOPPMANN room or changes in cooling system in the plant at Alcalá, or safety upgrades in the chemical laboratory, installation of floors or reforms in the outside lighting of Madrid plant).

## SHAREHOLDERS.-

Since its Initial Public Offering, ROVI has maintained a commitment for transparency with the shareholders, informing them regularly of its activities.

In this sense, the Company has available for shareholders, institutional investors and markets in general, a direct communication channel through the e-mail [ir@rovi.es](mailto:ir@rovi.es) and helpline number 91 244 44 22 which aims to be a main open communication channel, permanent and transparent, for all shareholders and investors of the Company.

Furthermore, shareholders, investors and markets in general can request information via the corporate web Page <http://www.rovi.es/inversores/solicitudInformacion.php>. Additionally, the Company has enabled for them an e-mail alert system <http://www.rovi.es/inversores/alertasEmail.php> that allows to receive automatically the financial information of the Company. The Company considers a priority giving answers to the questions and request made by registered shareholders and investors to ensure that they are updated about the progress of the Group.

In the year 2015, ROVI made public its "Communication policy for shareholders, institutional investors and voting advisors" via its web site (<http://www.rovi.es/inversores/politicasCorporativas.php>).

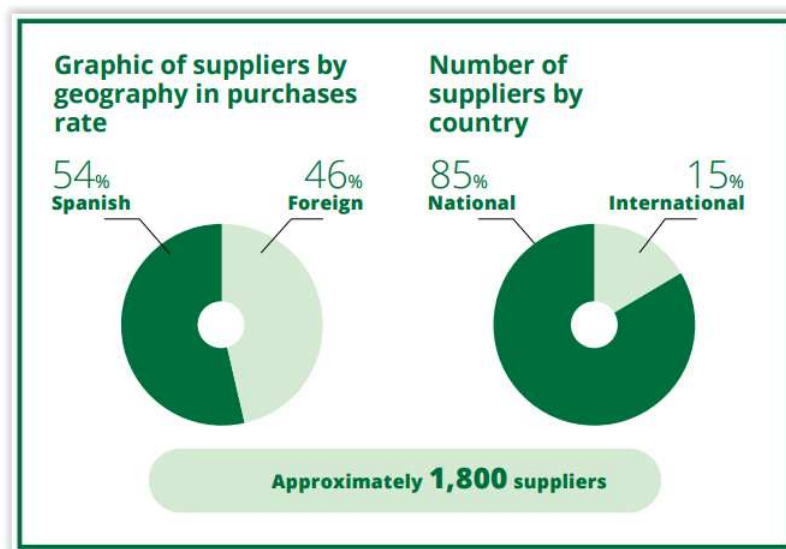
Moreover, during 2015 the Company performed 10 roadshows, participated in 10 events with invertors and received 16 visits of invertors at its facilities, what meant a total of 150 investors informed.

Equally, all the relevant information of the group, the presentations and legal economic-financial documents and of corporate governance are available to the public in the corporate web site [www.rovi.es](http://www.rovi.es).



## SUPPLIERS.-

ROVI considers Suppliers as a group of strategic interest for our activities, and with this in mind has established some specific acting principles for its field of activity, according, in any case, with the company's principles and values. With this it is intended to reinforce sustainability and competitive advantages of our value chain, encouraging our suppliers to follow equal opportunities policies and to express its commitment with basic principles of ethic and professional conduct.



In order to maintain the commitments undertaken by ROVI, we have established several procedures for the selection and evaluation of suppliers. These procedures vary depending on the activities involved, to guarantee the quality of our products and the protection of the environment.

Once the supplier has been approved by ROVI, it is submitted to them a document entitled "CSR commitment", in which is requested a commitment with the CSR policy. This document has been submitted to all suppliers and subcontractors of the group.

In this sense, additionally, they are requested a copy of certifications and issuing companies and to guarantee compliance with standards such as SA-8000, S.G.E-21, etc.

Currently, more than 55 % of these companies have signed this CSR commitment, although the objective is that all suppliers adhere to this commitment.

### Average period of payment.-

The average period of payment to suppliers in 2015 has been 55 days.



## ENVIRONMENT.-

ROVI's commitment to the protection of the environment is strong and constant and is integrated in the daily activity. The environmental policy of the company is based in continuous improvement commitments, in compliance with legal requirements and additional voluntary requirements. The implementation of power efficiency solutions, the rational management of natural resources and recycling generated waste are the main focus of the environmental strategy of the company.

One of the key issues to ensure proper management of environmental aspects is the implementation of an environmental management system based on the criteria established by the international standard ISO 14001:2004 and the Eco Management and Audit Scheme (EMAS) scheme.

These certifications acknowledge the quality of environmental management system of ROVI and support its commitment with the environment beyond the current national legislation. For this reason, in all production facilities of ROVI is promoted a production management respectful to the environment, in a constant effort to reduce power consumption and perform a more efficient waste management.

## OBJECTIVES.-

During the year 2015 the following objectives were set in ROVI in order to improve:

- ☉ Energy saving.
- ☉ Improvements in waste management, to allow recycling better, if possible.

## WASTE.-

The activities that are performed by the companies of the Group, make waste management a key issue. For this reason and as part of the commitment with pollution prevention, the processes related to the waste are orientated mainly to minimize them in the production processes and to a correct management, after being produced, favouring its recovery and valuation whenever possible.

	2015	2014	Variation
Tonnes of hazardous waste generated	519.06	838.22	-38%
Tonnes of non hazardous waste generated	852.58	817.52	4%
<b>TOTAL</b>	<b>1,371.64</b>	<b>1,655.74</b>	<b>-17%</b>

## EXPENSES AND INVESTMENTS IN ENVIRONMENT.-

The Environment department counts with specific resources assigned as per the objectives set every year. During the year 2015 the expenses in the environment area total more than 340.884 €. Expenses derive, almost completely, from the management of the waste produced (237.720 €) and in the treatment of emissions to the atmosphere (7.560 €).



Also the Environment department has made investments, in the facilities, for an overall amount of 95.603,64€. See below some of the improvements that have been performed:

- ⊕ In Alcalá plant:
  - Flash recovery system,
  - Energy efficiency improvement cooling towers
- ⊕ In Granada plant:
  - Study of a VOC abatement system
  - Study of corrective measures for noise
- ⊕ In Madrid plant:
  - PHASE 1 separating system OCS-INVES (line F4)
  - Volume control G1 and G2

### POWER CONSUMPTION.-

During the year 2015 the consumption of energy has been reduced in all the sources we use in our activities, evidencing the efficacy of awareness, raised among employees, and of the reduction measures implemented. The variation, per type, is as follows:

- ⊕ Electric power consumption, in the GROUP, has undergone a reduction of 6.8% compared to the values of year 2014, demonstrating that reduction schemes have been effective.
- ⊕ Natural gas consumption, in those facilities that have this alternative available, has suffered decrease of 0.29%
- ⊕ Fuel consumption has suffered a reduction of 5.37%.

	2015	2014
kWh of electric power consumed	16,659,472.90	170,668,424.00
kWh of natural gas consumed	20,778,025.30	4,221,476.00
Litres of fuel vehicles	394,677.19	417,055.14
Variation of electric power per unit manufactured	33.78%	-
Variation of natural gas consumption per unit manufactured	8.58%	-

### NATURAL RESOURCES CONSUMPTION.-

During the year 2015 water consumption in our facilities has been 115,932 m3 what means a 23% more than in the previous year. This increase, although is significant, has its origin in the increase of production.

	2015
m3 of water / million units manufactured	1,72

Note: Natural gas and diesel consumption have been analyzed in the section “Energy Consumption” of this document.





## ATMOSPHERIC EMISSIONS.-

In ROVI, and as contribution to the fight against climate change, we not only take into account the electric power consumption, but also we measure the emissions of CO<sub>2</sub> from the consumption of natural gas and diesel, derived from electricity and vehicles, as well as other substances that act destroying the ozone layer.

	2015	2014
Tonnes of CO <sub>2</sub> emitted	8,219.76	5,123.88
Reduction of tonnes of CO <sub>2</sub> emitted	+ 64% (*)	-

(\*) During this year 2015 we haven't reduced the tonnes of CO<sub>2</sub> calculated as those have been considered in the consumption of natural gas.

In order to reduce the effect of the emissions to the atmosphere of our centres, we have made an investment of more than 7.500 € in active carbon. Furthermore, among the investments made, we have conducted a study of a new VOC abatement system in the Granada plant.

## RELATIONSHIPS WITH PARTIES CONCERNED TO THE ENVIRONMENT.-

### Enquiries.-

ROVI has established a procedure that describes the methodology followed for the treatment of queries related to the company's environmental behaviour. In this sense, during the year 2015 we have answered a total of 13 environmental consultations, mainly related to the system followed by ROVI for hazardous waste management.

### Other organizations.-

The companies that are part of ROVI group participate in several environmental protection organizations, the main ones are:

- SIGRE
- ECOEMBRES
- Fundación ECOLEC

### World Environment Day.-

On the occasion of the World Environment Day, celebrated on the 5<sup>th</sup> of June, the Safety and Environment Department prepared an awareness campaign under the slogan:

## THE VALUE OF EACH DROP

In this campaign, besides giving a small commemorative gift, all personnel received an information pack aiming to raise awareness about the need of reducing resources.



### **Suppliers and subcontractors.-**

During the year 2015 we have performed 3 audits to suppliers in which have been evaluated compliance with environmental regulations.

Also it has been checked that, at GROUP level, 61% of the suppliers and subcontractors have certification ISO 14001 or EMAS.

## **SOCIETY.-**

ROVI devotes part of its resources to promote medical research. During the last years has developed an intense activity to support investigation and promote knowledge and prevention of certain diseases. The amount destined to donations will be communicated in the Annual Report of 2015 that will be published in June.

### **Commitment with Research.-**

In this context, it has launched an International Grants Award for Biomedical Research on Bemiparin, a low molecular weight heparin, indicated in the prophylaxis and treatment of the venous thromboembolic disease. This grants award promotes original and independent research to increase scientific knowledge of Bemiparin, an anti-thrombotic with a unique pharmacologic profile that is currently used in 53 countries.

On the other side, ROVI maintains collaboration agreements with universities in order to join efforts to increase scientific, technological, learning activities and for knowledge dissemination.

The University of Granada and ROVI co-operate in research activities and training of scientific personnel. In particular, we have two open projects: Integra SNS\_Integra and ADELIS (both framed in the FEDER Interconnecta program).

The group also has an agreement with the Biomedical Research Centre of CSIC and with the University of La Rioja (UNIR).

### **Commitment with Training.-**

Aiming those highly qualified students can access work market, to improve their abilities, knowledge and experience, the company has an ongoing students training program in the company. For this, there are about twenty collaboration agreements with Universities and Schools. These practices help students to start their career in a professional working environment.



## **Commitment with social projects.-**

### ✓ **Spanish Paralympic team**

During this year 2015 ROVI has become the sponsor of the Spanish Paralympic Team I.

### ✓ **Foundations “También” and “Deporte y Desafío“**

As part of the support of ROVI to promote healthy practices in society, in 2015 the Management Team has approved the sponsor of training activities and support for social health activities for professionals (trainers, physiotherapists...) that collaborate with foundations TAMBIÉN and DEPORTE Y DESAFÍO. These are two non-profit private institutions, whose main purpose is the social integration of people with disabilities through sport. The collaboration of ROVI is aimed to the performance of skiing activities.

The first example was the “X Trofeo Santiveri”, of alpine skiing adapted, where 6 volunteers from ROVI helped in the previous races and in the completion that took place on 11 and 12 of April, 2015 in the slopes of Sierra Nevada.

During the year 2016 the company will continue this collaboration.

### ✓ **Spanish Red Cross**

ROVI continues collaborating with RED CROSS – Granada –, in particular this year with the sponsorship of the Flag Day, where all the funds raised during the day were destined to the Program of Attention to Asylum Seekers and Refugees.

### ✓ **The “Proyecto Hombre”**

One more year ROVI has collaborated with “PROYECTO HOMBRE”- Granada, in the development of programmes for the treatment of aditions and social reinsertion of drug addicts.



## 5. TRACEABILITY OF GRI4 INDICATORS.

Id.	INDICATOR	Report page
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G4-4	Marks, products and most important services	6
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G4-6	Countries where the company operates	10
G4-8	Markets served	10
G4-9	Company size: number of employees, number of operations, net sales or net revenues; capitalization and amount of products or services offered	11
G4-10	Total number of employees by type	23
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G4-13	Changes in the company during the period analysed	4
G4-15	List of letters, principles and other external initiatives of social or environmental nature that the company has joined	32
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<b>Section: PARTICIPATION OF THE GROUPS OF INTEREST</b>		
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G4-26	Focus of the company on the involvement of the groups of interest (frequency and type)	17
<b>Section: REPORT PROFILE</b>		
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Id.	INDICATOR	Report page
<b>Section: GOVERNMENT</b>		
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<b>Section: ETHIC AND INTEGRITY</b>		
G4-56	Ethical code	13
<b>Section: Environment</b>		
G4-EN3	kWh of electric power consumed	29
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G4-EN3	Litres of diesel for vehicles	29
G4-EN3	Reduction of electric power consumption	29
G4-EN3	Reduction of natural gas consumption	29
G4-EN3	Reduction of diesel consumption	29
G4-EN3	Reduction of electric power consumed per unit manufactured	29
G4-EN3	Reduction of natural gas consumption per unit manufactured	29
G4-EN10	m <sup>3</sup> water consumption	29
G4-EN10	m <sup>3</sup> water consumption per million units manufactured	29
G4-EN10	Reduction water consumption	29
G4-EN11	Facilities close to protected areas	29
G4-EN15	Tonnes of CO <sub>2</sub> emitted	30
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<b>Id.</b>	<b>SPECIFIC INDICATORS</b>	
<b>Section: Environment</b>		
G4-EN25	Tonnes of hazardous waste generated	28
G4-EN25	Tonnes of non-hazardous waste generated	28
G4-EN25	Reduction of the amount of waste generated	28
G4-EN25	Costs of waste treatment	28
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G4-EN31	Investments in environmental improvements	29
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G4-EN32	% of suppliers certificates ISO 14001/EMAS	31
<b>Section: SSL</b>		
G4-LA5	% of employees represented in SSL Committees	26
G4-LA6	Accident rate = (accidents n <sup>o</sup> / workers n <sup>o</sup> )*100	26
---	Objectives related to SSL	26
---	Investments in S.S.L. (million euro)	26
<b>Section: HHRR</b>		
G4-LA2	Employee benefits	24
G4-LA3	Working life reconciliation	24
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**LABORATORIOS FARMACÉUTICOS ROVI, S.A.  
AND SUBSIDIARIES**

Audit Report, consolidated annual accounts  
for the year ended 31 December 2015 and  
consolidated management report for 2015



***This version of our report is a free translation from the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation***

## **INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED ANNUAL ACCOUNTS**

To the shareholders of Laboratorios Farmacéuticos Rovi, S.A.:

### **Report on the Consolidated Annual Accounts**

We have audited the accompanying consolidated annual accounts of Laboratorios Farmacéuticos Rovi, S.A. and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated income statement, statement of other comprehensive ~~income~~, statement of changes in equity, cash flow statement and related notes for the year then ended.  
*Directors' Responsibility for the Consolidated Annual Accounts*

The parent company's directors are responsible for the preparation of these consolidated annual accounts, so that they present fairly the consolidated equity, financial position and financial performance of Laboratorios Farmaceuticos Rovi, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions of the financial reporting framework applicable to the Group in Spain and for such internal control as directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated annual accounts based on our audit. We conducted our audit in accordance with legislation governing the audit practice in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the parent company's directors' preparation of the consolidated annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the consolidated annual accounts taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### *Opinion*

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the consolidated equity and financial position of Laboratorios Farmacéuticos Rovi, S.A. and its subsidiaries as at December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions of the financial reporting framework applicable in Spain.

### **Report on Other Legal and Regulatory Requirements**

The accompanying consolidated directors' Report for 2015 contains the explanations which the parent company's directors consider appropriate regarding Laboratorios Farmacéuticos Rovi, S.A. and its subsidiaries' situation, the development of their business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the directors' Report is in agreement with that of the consolidated annual accounts for 2015. Our work as auditors is limited to checking the directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Laboratorios Farmaceuticos Rovi, S.A. and its subsidiaries' accounting records.

PricewaterhouseCoopers Auditores, S.L.

Originally signed by Rafael García Anguita

23 February 2016



**LABORATORIOS FARMACÉUTICOS ROVI, S.A.  
AND SUBSIDIARIES**

Consolidated Annual Accounts and  
Consolidated Management Report  
at 31 December, 2015

Free translation of the consolidated annual accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER, 2015

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Thousands of euros)

	Note	31 December,	
		2015	2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	81,803	73,593
Intangible assets	7	18,881	17,206
Deferred tax assets	19	8,871	8,280
Available-for-sale financial assets	9 y 11	70	71
Financial receivables	9 y 13	139	137
		<b>109,764</b>	<b>99,287</b>
<b>Current assets</b>			
Inventories	12	63,859	67,567
Trade and other receivables	9 y 13	57,028	63,678
Current income tax assets	27	3,945	4,117
Cash and cash equivalents	9 y 14	29,251	26,671
		<b>154,083</b>	<b>162,033</b>
<b>Total assets</b>		<b>263,847</b>	<b>261,320</b>

Notes 1 to 34 and Appendix 1 are an integral part of these Consolidated Annual Accounts.

Free translation of the consolidated annual accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER, 2015

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Thousands of euros)

	Note	31 December,	
		2015	2014
<b>EQUITY</b>			
<b>Capital and reserves attributable to shareholders of the company</b>			
Share capital	15	3,000	3,000
Legal reserve	16	600	600
Treasury shares	16	(8,112)	(2,813)
Retained earnings and voluntary reserve	16	149,490	133,569
Profit for the year	16	19,809	24,116
Reserve for available-for-sale assets	16	(2)	(2)
<b>Total equity</b>		<b>164,785</b>	<b>158,470</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial debt	18	32,631	32,032
Deferred income tax liabilities	19	1,344	1,818
Non-current deferred revenues	20	5,861	6,883
		<b>39,836</b>	<b>40,733</b>
<b>Current liabilities</b>			
Trade and other payables	17	45,742	55,018
Financial debt	18	10,147	4,274
Current deferred revenues	20	840	798
Provision for other liabilities and charges	21	2,497	2,027
		<b>59,226</b>	<b>62,117</b>
<b>Total liabilities</b>		<b>99,062</b>	<b>102,850</b>
<b>Total equity and liabilities</b>		<b>263,847</b>	<b>261,320</b>

Notes 1 to 34 and Appendix 1 are an integral part of these Consolidated Annual Accounts.

Free translation of the consolidated annual accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER, 2015

### CONSOLIDATED INCOME STATEMENT (Thousands of euros)

	Note	31 December,	
		2015	2014
Revenue	5 y 22	246,009	238,047
Cost of sales		(97,075)	(94,578)
Employee benefit expenses	23	(61,769)	(58,085)
Other operating expenses	24	(56,361)	(51,663)
Depreciation, amortization and impairment charges	6 y 7	(9,975)	(8,884)
Recognition of government grants on non-financial non-current assets and other		1,013	2,855
<b>OPERATING PROFIT</b>		<b>21,842</b>	<b>27,692</b>
Finance income		837	545
Finance costs		(1,781)	(2,603)
<b>FINANCE COSTS - NET</b>	26	<b>(944)</b>	<b>(2,058)</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>20,898</b>	<b>25,634</b>
Income tax	27	(1,089)	(1,518)
<b>PROFIT FOR THE YEAR</b>		<b>19,809</b>	<b>24,116</b>
<b>Earnings per share (basic and diluted) attributable to the shareholders of the Company (euros)</b>			
- Basic and diluted	28	0.40	0.48

Notes 1 to 34 and Appendix 1 are an integral part of these Consolidated Annual Accounts.

Free translation of the consolidated annual accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## CUENTAS ANUALES CONSOLIDADAS DE LABORATORIOS FARMACÉUTICOS ROVI, S.A. Y SOCIEDADES DEPENDIENTES AL 31 DE DICIEMBRE DE 2015

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Thousands of euros)

	Note	31 December,	
		2015	2014
<b>Profit for the year</b>		<b>19,809</b>	<b>24,116</b>
<b>Items that may subsequently be reclassified to profit and loss</b>		-	<b>317</b>
+ Changes in value of available-for-sale financial assets	11	-	453
+ Corporate income tax on items that may be reclassified	19	-	(136)
<b>Other comprehensive income</b>		-	<b>317</b>
<b>Total comprehensive income for the year</b>		<b>19,809</b>	<b>24,433</b>

Notes 1 to 34 and Appendix 1 are an integral part of these Consolidated Annual Accounts.

Free translation of the consolidated annual accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## CUENTAS ANUALES CONSOLIDADAS DE LABORATORIOS FARMACÉUTICOS ROVI, S.A. Y SOCIEDADES DEPENDIENTES AL 31 DE DICIEMBRE DE 2015

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Thousands of euros)

	Share capital (Note 15)	Legal reserve (Note 16)	Treasury shares (Note 16)	Retained earnings and voluntary reserves (Note 16)	Profit for the year (Note 16)	Reserve for available-for- sale assets (Note 16)	TOTAL EQUITY
<b>Balance at 1 January, 2014</b>	<b>3,000</b>	<b>600</b>	<b>(782)</b>	<b>118,943</b>	<b>23,022</b>	<b>(319)</b>	<b>144,464</b>
Total comprehensive income	-	-	-	-	24,116	317	<b>24,433</b>
Transfer of 2013 profit	-	-	-	23,022	(23,022)	-	-
Dividends 2013 (Note 16 e)	-	-	-	(8,060)	-	-	<b>(8,060)</b>
Acquisition of treasury shares (Note 16 d)	-	-	(3,345)	-	-	-	<b>(3,345)</b>
Reissue of treasury shares (Note 16 d)	-	-	1,314	62	-	-	<b>1,376</b>
Dividends treasury shares (Note 16 c)	-	-	-	18	-	-	<b>18</b>
Other movements (Note 16 c)	-	-	-	(416)	-	-	<b>(416)</b>
<b>Balance at 31 December, 2014</b>	<b>3,000</b>	<b>600</b>	<b>(2,813)</b>	<b>133,569</b>	<b>24,116</b>	<b>(2)</b>	<b>158,470</b>
Total comprehensive income	-	-	-	-	19,809	-	<b>19,809</b>
Transfer of 2014 profit	-	-	-	24,116	(24,116)	-	-
Dividends 2014 (Note 16 e)	-	-	-	(8,450)	-	-	<b>(8,450)</b>
Acquisition of treasury shares (Note 16 d)	-	-	(6,546)	-	-	-	<b>(6,546)</b>
Reissue of treasury shares (Note 16 d)	-	-	1,247	151	-	-	<b>1,398</b>
Dividends treasury shares (Note 16 c)	-	-	-	104	-	-	<b>104</b>
<b>Balance at 31 December, 2015</b>	<b>3,000</b>	<b>600</b>	<b>(8,112)</b>	<b>149,490</b>	<b>19,809</b>	<b>(2)</b>	<b>164,785</b>

Notes 1 to 34 and Appendix 1 are an integral part of these Consolidated Annual Accounts.

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## CUENTAS ANUALES CONSOLIDADAS DE LABORATORIOS FARMACÉUTICOS ROVI, S.A. Y SOCIEDADES DEPENDIENTES AL 31 DE DICIEMBRE DE 2015

### CONSOLIDATED STATEMENT OF CASH FLOWS (Thousands of euros)

	Note	A 31 de diciembre de	
		2015	2014
<b>Cash flows from operating activities</b>			
Profit before tax income		20,898	25,634
<b>Adjustments for non-monetary transactions:</b>			
Amortization, depreciation and impairment	6 y 7	9,975	8,884
Interest income	26	(837)	(545)
Impairment losses		(2,013)	2,865
Interest expense	26	1,781	2,603
Net changes in provisions		470	(344)
Grant on non-financial assets and income from distribution licences		(638)	(2,268)
<b>Changes in working capital:</b>			
Trade and other receivables		6,508	(7,746)
Inventories		5,041	(11,229)
Trade and other payables		(9,276)	11,533
<b>Other collections and payments:</b>			
Proceeds from distribution licences	20	110	210
Interest paid		(645)	(2,658)
Income tax cash flow		(1,982)	(3,937)
<b>Net cash generated (used) in operating activities</b>		<b>29,392</b>	<b>23,002</b>
<b>Cash flows from investing activities</b>			
Purchases of intangible assets	7	(3,657)	(4,201)
Purchases of property, plant and equipment	6	(16,244)	(20,853)
Proceeds from sales of property, plant and equipment	6	41	38
Proceeds from sales of available-for-sales assets	11	-	16,201
Contracting current bank deposits	9	(170)	-
Interest received	26	776	365
<b>Net cash generated (used) in investing activities</b>		<b>(19,254)</b>	<b>(8,450)</b>
<b>Cash flows from financing activities</b>			
Repayments of financial debt		(5,671)	(18,907)
Proceeds from financial debt	18	11,607	21,636
Purchase of treasury shares	16 d)	(6,546)	(3,345)
Reissue of treasury shares	16 d)	1,398	1,376
Dividends paid	16	(8,346)	(8,042)
<b>Net cash generated (used) in financing activities</b>		<b>(7,558)</b>	<b>(7,282)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>2,580</b>	<b>7,270</b>
<b>Cash and cash equivalents at beginning of the year</b>	9 y 14	<b>26,671</b>	<b>19,401</b>
<b>Cash and cash equivalents an end of the year</b>	9 y 14	<b>29,251</b>	<b>26,671</b>

Notes 1 to 34 and Appendix 1 are an integral part of these Consolidated Annual Accounts.

Free translation of the consolidated annual accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**

Notes to the consolidated annual accounts

(Thousands of euros)

### **1. General information**

Laboratorios Farmacéuticos Rovi, S.A. (the "parent company" or "the Company"), the parent company of the Group, was incorporated as a public limited company ("*sociedad anónima*") in Madrid on 21 December, 1946. It is entered in the Companies Register of Madrid, sheet 1,179, folio 197 of volume 713 of Companies Book 283. The registered office and the tax address of Laboratorios Farmacéuticos Rovi, S.A. are located at Julián Camarillo, 35, Madrid. Its head office is at the same address in Madrid.

The Company's principal activity is the sale of its own pharmaceutical products and the distribution of other products for which it holds licences granted by other laboratories for specific periods, in accordance with the terms and conditions contained in the agreements entered into with said laboratories.

Laboratorios Farmacéuticos Rovi, S.A. is the parent of a pharmaceutical business group (hereinafter, "ROVI" or "Rovi Group" or "Group") engaged in the production and sale of pharmaceutical products. The Group's main product is Bemiparin, a low molecular weight heparin, which is marketed in various countries.

In December, 2015, the company Norbel Inversiones, S.A. came to own 69.64% of the shares of Laboratorios Farmacéuticos Rovi, S.A. as a consequence of the total spin-off of Inversiones Clidia, S.L., which, at 31 December, 2014, held 69.64% of the Company's shares (Note 15). Norbel Inversiones, S.L., which has its registered office at Calle Julián Camarillo, 35, Madrid, files consolidated annual accounts with the Madrid Companies Registry.

The Company's shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and included in the Spanish Stock Exchange Interconnection System (Continuous Market).

These consolidated annual accounts were approved by the Board of Directors on 23 February, 2016 and are pending approval by the General Meeting of Shareholders. Nevertheless the Directors of the Company expect the annual accounts to be approved without any changes.

#### Changes in the consolidated group

The most recent changes in the consolidated group took place in 2014, when two new companies were incorporated, both 100% held by Laboratorios Rovi, S.A. Neither of them had any activity at the end of said year:

- On 3 December, 2014, the company Rovi Biotech Limited, the registered office of which is in London, was incorporated.
- On 19 December, 2014, the company Rovi Biotech, S.R.L., the registered office of which is in Milan, was incorporated.

The assets of these companies were not significant at the end of either of the reporting periods.



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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**

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(Thousands of euros)

### **2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these consolidated annual accounts are set out below. These policies have been consistently applied to all the reporting periods presented in these consolidated annual accounts.

#### **2.1. Bases of presentation**

These consolidated annual accounts for 2015 (and those for 2014 presented for comparative purposes) have been prepared under the International Financial Reporting Standards (IFRS) and IFRIC interpretations adopted by the European Union pursuant to the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and by the Council on 19 July 2002, according to which all companies governed by the Law of a Member State of the European Union whose shares are listed on a regulated market of any of the Member States must present their consolidated annual accounts for the reporting periods starting on or after 1 January, 2005 in accordance with the IFRS adopted by the European Union.

The consolidated annual accounts have been prepared, in general, under the historical cost convention, except for available-for-sale financial assets.

The preparation of consolidated annual accounts in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated annual accounts are disclosed in Note 4.

#### **2.2 New standards and amendments and interpretations of existing ones**

a) Standards, amendments and interpretations mandatory for all annual periods beginning on or after 1 January, 2015

In 2015, the following standards and amendments to existing standards were endorsed by the European Union and came into force on 1 January, 2015. They have either been applied by ROVI or may affect the Group in the future:

- IFRIC 21 "Levies". This interpretation addresses the accounting treatment of levies imposed by public authorities, other than income tax and fines and penalties imposed for infringing the legislation. The main question that arises is when the entity should recognize a liability for the obligation to pay a levy recognized in accordance with IAS 37. It also addresses the accounting treatment of a liability to pay a levy the timing and amount of which are known for certain. This interpretation has no significant impact on the Group's financial statements.
- IFRS - Annual Improvements, Cycle 2011-2013. In December 2013, the IASB published the IFRS - Annual Improvements, Cycle 2011-2013. The amendments included in these Annual Improvements apply, in general, to annual periods commencing on or after 1 January, 2015, although early adoption is permitted. The main amendments included that have an impact on ROVI refer to:
  - IFRS 3 "Business Combinations". Scope exceptions for joint ventures were taken into account when recognizing them in the Group.
  - IFRS 13 "Fair Value Measurement". Scope of the "portfolio exception" available under IFRS 13, with no impact for ROVI.

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**

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b) Standards, amendments and interpretations that have not yet come into force but which may be adopted early for annual periods commencing on or after 1 January, 2015

At the signature date of these consolidated annual accounts, the IASB and the IFRS Interpretations Committee had published the following standards, amendments and interpretations application of which is mandatory for annual periods commencing on or after 1 January, 2016. ROVI considers that the following could be applicable to the Group, although they have not been adopted early:

- IFRS - Annual Improvements Cycle 2010-2012. In December 2013, the IASB published the IFRS - Annual Improvements Cycle 2010-2012. The amendments included in these Annual Improvements apply, in general, to annual periods commencing on or after 1 February, 2015, although early adoption is permitted. The main amendments included refer to:
  - IFRS 2 "Share-based Payments". Definition of vesting condition". No current impact for ROVI.
  - IFRS 3 "Business Combinations". Accounting for contingent consideration in a business combination. No current impact for ROVI.
  - IFRS 8 "Operating Segments". Disclosure requirements for the aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets. This Improvement was taken into account when disclosing segment information in these annual accounts.
  - IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets": Proportionate restatement of the accumulated depreciation or amortization when the revaluation model is used. No current impact for ROVI.
  - IAS 24 "Related Party Disclosures". Entities that provide key management personnel services are related parties. This Improvement was taken into account when disclosing the information on related parties in these annual accounts.
- IAS 19 (Amendment) "Defined Benefit Plans: Employee Contributions". No impact for ROVI since it does not have any defined benefit plans.
- IFRS 11 (Amendment) "Accounting for Acquisitions of Interests in Joint Operations". It requires the principles of business combination accounting be applied to an investor who acquires an interest in a joint operation that constitutes a business. Specifically, the investor will have to measure the identifiable assets and liabilities at fair value, recognize any acquisition-related costs as an expense, recognize deferred taxes and recognize any remaining amount as goodwill. All the other principles of business combination accounting apply, unless they conflict with IFRS 1. This amendment will apply prospectively for annual periods commencing on or after 1 January, 2016, although early adoption is permitted. This new amendment is not expected to have a significant effect on the Group's consolidated annual accounts.
- IAS 16 (Amendment) and IAS 38 (Amendment) "Clarification of Acceptable Methods of Depreciation and Amortization". This amendment clarifies that it is not appropriate to use revenue-based methods to calculate the depreciation or amortization of an asset because the revenue generated by an activity that includes the use of the asset usually reflects factors other than consumption of the economic benefits embedded in the asset. This amendment has no impact on the Group's consolidated annual accounts.
- IFRS - Annual Improvements Cycle 2012-2014. The amendments affect IFRS 5, IFRS 7, IAS 19 and IAS 34 and will apply to annual periods commencing on or after 1 January, 2016. The main amendments refer to:

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- IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations". Changes in the disposal methods, which will be taken into account by ROVI if any of these situations arises.
  - IFRS 7, "Financial Instruments: Disclosures". Continuing involvement in servicing contracts.
  - IAS 19, "Employee Benefits". Determines the discount rate for post-employment benefits. No impact for ROVI.
  - IAS 34, "Interim Financial Reporting". The interim financial reporting published by the Group will break down the information in accordance with this Improvement.
- IAS 1 (Amendment) "Presentation of Financial Statements". The amendments to IAS 1 encourage companies to use their professional judgement when deciding what information to disclose in the financial statements. The amendments clarify that the materiality considerations apply to all parts of the financial statements and that the inclusion of immaterial information may obscure useful information. Furthermore, the amendments clarify that entities must use professional judgement when deciding where and in what order the information in the financial statements should be presented.

The amendments to IAS 1 are mandatory for annual periods commencing on or after 1 January, 2016.

c) Standards, amendments and interpretations of existing standards that cannot be adopted early or that have not been endorsed by the European Union.

At the date of signature of these consolidated annual accounts, the IASB and the IFRS Interpretations Committee had published the standards, amendments and interpretations described below which have not yet been endorsed by the European Union. ROVI considers that the following could be applicable to the Group:

- IFRS 15 "Revenue from Contracts with Customers". In May 2014, the IASB and the FASB jointly issued a converged Standard on recognition of revenue from contracts with customers. According to this Standard, revenue is recognized when the customer obtains control of the good or service sold, i.e. when the customer is able to both direct the use of and obtain the benefits from the good or service. This IFRS included new guidance to determine whether revenue should be recognized over time or at a specific point in time. IFRS 15 requires extensive information on both revenue recognized and revenue it is expected to recognize in the future in relation to existing contracts. Likewise, it requires quantitative and qualitative information on significant judgements made by management when deciding the revenue to be recognized and on changes in these judgements. IFRS 15 will apply for annual periods commencing on or after 1 January, 2018, although early adoption is permitted. The Rovi Group will, if appropriate, evaluate early application of this IFRS, which is not expected to have a significant impact on the Group's consolidated annual accounts.
- IFRS 9 "Financial Instruments". It addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was published in July 2014 and replaces the guidance of IAS 39 on classification and measurement of financial instruments. IFRS 9 maintains but simplifies the mixed measurement model and establishes three main measurement categories for financial assets: amortized cost, fair value through changes in profit and loss and fair value with changes in other comprehensive income. The classification basis depends on the entity's business model and the financial asset's contractual cash flow characteristics. Investments in equity instruments are required to be measured at fair value through changes in profit and loss, with the irrevocable election on initial recognition to present changes in fair value in other comprehensive income, provided that the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit and loss. With regard to financial liabilities, there have

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**

### Notes to the consolidated annual accounts

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been no changes in classification or measurement, except for the recognition of own credit risk changes in other comprehensive income for liabilities designated at fair value through changes in profit and loss. Under IFRS 9, there is a new model for impairment losses, the expected credit losses model, which replaces the “incurred loss” model of IAS 39 and will give rise to recognition of the losses earlier than had been the case with IAS 39. IFRS 9 relaxes requirements for hedge effectiveness. Under IAS 39, a hedge must be highly effective, both prospectively and retrospectively. IFRS 9 replaces this by the need for an economic relationship between the hedged item and the hedging instrument and that the hedge ratio is the same as the entity actually uses for risk management. Updated documentation is still necessary but differs from the documentation prepared under IAS 39. Lastly, extensive information is required, including a reconciliation between the initial and final amounts of the provision for expected credit losses, assumption and figures, as well as a reconciliation of the transition between the categories of the original classification under IAS 39 and the new classification categories under IFRS 9.

IFRS 9 is effective for annual periods commencing on or after 1 January, 2018, although early adoption is permitted. IFRS 9 will be applied retroactively, but comparative figures will not be required to be restated. If an entity elects to apply IFRS 9 early, it must apply all the requirements at the same time. Entities applying the Standard before 1 February, 2015 may still elect to apply it in phases. ROVI has not adopted this IFRS early and the effect of its application is not expected to be significant.

- IFRS 10 (Amendment) and IAS 28 (Amendment) “Sales or contributions of assets between an investor and its associate/joint venture”. These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associate/joint venture, which will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a “business”. The investor will recognize the full gain or loss when the non-monetary assets constitute a “business”. If the assets do not meet the definition of “business”, the investor will recognize the gain or loss to the extent of the interests of other investors. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture.

Originally, these amendments to IFRS 10 and IAS 28 were prospective and would be effective for annual periods commencing on or after 1 January, 2016. Notwithstanding, at the end of 2015, the IASB decided to postpone the date on which they would come into force (without fixing a specific new date), since it is planning a wider revision than merely the simplification of accounting for these transactions and other aspects of accounting for associates and joint ventures. ROVI will take these amendments into account in the event of a sale or contribution of assets between the Company and its associates or joint ventures.

- IFRS 16 “Leases”. In January 2016, the IASB published a new Standard on leases, which replaces IAS 17 “Leases”, as the result of a joint project with the FASB. The IASB and the FASB have reached the same conclusions in many areas related to accounting for leases on the balance sheet and measuring lease liabilities, including the definition of a lease, the requirement, as a general rule, to include leases on the balance sheet and the measurement of lease liabilities. The IASB and the FASB also agreed not to include substantial changes to accounting by the lessor, maintain requirements similar to those under the rules previously in force. There continue to be differences between the IASB and the FASB regarding the recognition and presentation of lease expenses in the income statement and statement of cash flows. The Group is analyzing the impact that the Standard might have on the Group’s consolidated annual accounts in the event it is endorsed by the European Union.

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- IAS 7 (Amendment) “Statement of Cash Flows”. This narrow-scope amendment includes a requirement for additional disclosures in financial statements to allow users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is effective for annual periods commencing on or after 1 January, 2017, although early adoption is permitted. When an entity applies this amendment for the first time, it will not be obliged to provide comparative information for previous periods. The Group will analyze the impact that this Amendment might have on its consolidated annual accounts.

### **2.3. Consolidation principles**

#### **(a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group holds control. The Group controls an entity when it is exposed to or entitled to obtain variable yields from its involvement in the entity and is able to use its power over said entity to influence these yields. Subsidiaries are consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

The Group uses the purchase method is used to account for business combinations. The consideration transferred for acquisition of a subsidiary corresponds to the fair value of the assets transferred, liabilities incurred with the previous owners of the acquiree and equity instruments issued by the Group. The consideration transferred includes the fair value of any asset or liability coming from a contingent consideration agreement. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are measured initially at their fair value at the acquisition date. For each business combination, the Group may elect to recognize any non-controlling interest in the acquired entity at fair value or for the non-controlling entity’s proportional part in the amounts recognized for the acquiree’s identifiable net assets.

Acquisition-related costs are recognized as expenses in the period in which they are incurred.

If the business combination takes place in stages, the acquisition-date carrying amount of the acquirer’s previously-held interest in the equity of the acquiree is remeasured at acquisition-date fair value. Any loss or gain arising from this remeasurement is recognized in profit and loss.

Any contingent consideration to be transferred by the Group is recognized at acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration that are considered an asset or liability are recognized in accordance with IAS 39 in profit and loss or as a change in other comprehensive income. Contingent considerations classified as equity are not remeasured and their subsequent settlement is recognized in equity.

Inter-company transactions, balances and income and expenses in transactions between Group entities are eliminated. Unrealized gains are also eliminated. When necessary, the amounts shown for subsidiaries have been adjusted to adapt them to Group accounting policies.

Appendix I to these Notes lists the identification data of the fully-consolidated subsidiaries. All subsidiaries and associates have the same annual period as the parent company.

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**

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### ***(b) Joint arrangements***

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11, joint arrangements are classified into either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and has determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method, interests in joint ventures are initially recognized at cost and are then adjusted to recognize the Group's share in post-acquisition profits and losses and other movements in other comprehensive income. When the Group's share in the losses of a joint venture equals or exceeds its interests in joint ventures (including any long-term interest that, substantially, forms part of the Group's net investment in joint ventures), the Group does not recognize additional losses unless it has acquired obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence that the assets transferred have suffered an impairment loss. The accounting policies of joint ventures have been modified where necessary to ensure consistency with the policies adopted by the Group.

### **2.4. Segment reporting**

Segment reporting is presented consistently with the internal information presented to the chief decision-making authority. The chief decision-making authority, which is responsible for allocating resources to the operating segments and assessing the performance of said segments, has been identified as the Management Committee, which makes the strategic decisions.

### **2.5. Foreign currency transactions**

#### ***(a) Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated annual accounts are presented in euros, which is the Group's functional and presentation currency.

#### ***(b) Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates in force at the transaction dates or, if the items have been remeasured, the measurement dates. Foreign currency losses and gains that result from the settlement of these transactions and the translation of the monetary assets and liabilities at the rates in force at the end of the reporting period are recognized in profit and loss, except if deferred in other comprehensive income, as is the case with eligible cash flow hedges and eligible net investment hedges. Foreign currency losses and gains relating to loans and cash and cash equivalents are presented as "Finance income or expenses" in the income statement. Other foreign currency losses and gains are presented as "Other net gains / (losses)".

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Changes in the fair value of monetary securities denominated in foreign currency and classified as available for sale are analyzed considering the translation differences resulting from changes in the amortized cost of the security and other changes in its carrying amount. Translation differences relating to variations in the amortized cost are recognized in profit and loss and the other changes in the carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit and loss, are recognized in profit and loss as part of the fair value gain or loss. Translation differences on non-monetary items measured at fair value, such as equity instruments classified as available-for-sale financial assets, are included in other comprehensive income.

### **2.6. Property, plant and equipment**

Items included in property plant and equipment are recognized at cost less depreciation and, when appropriate, less accumulated impairment losses, except in the case of land, which is presented net of impairment losses, if these exist.

Historical cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to gradually reduce their acquisition costs to their residual values over their estimated useful lives:

Buildings - 40 years

Technical facilities and machinery – between 4 and 14 years

Other facilities, fittings and equipment and furniture – between 5 and 10 years

Other property, plant and equipment – between 4 and 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Property, plant and equipment in progress includes elements under adaptation, construction or assembly. Property, plant and equipment in progress is recognized at its acquisition cost and is not depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are measured by comparing proceeds with carrying amount and are recognized in profit and loss.

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### **2.7. Intangible assets**

#### ***(a) Patents and industrial property. Trademarks and licences***

Patents and industrial property and trademarks and licences bought from third parties are shown at historical cost. Patents and industrial property have a finite useful life and are carried at cost less accumulated amortization. The amortization of those with finite useful lives is calculated using the straight-line method to allocate the cost of these assets over their useful lives, which are estimated at between 10 and 15 years. Amortizable assets are tested for impairment whenever any event or change in circumstances indicates that their carrying amount may not be recoverable.

There are trademarks and licences with indefinite useful lives, which are tested for impairment annually. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable value. The recoverable value is the higher of the asset's fair value less costs to sell and its value in use. In order to assess impairment losses, assets are grouped at the lowest level for which there are separately identifiable cash inflows that are, to a large extent, independent (cash-generating units). Previous impairment losses on non-financial assets (other than goodwill) are reviewed at each reporting date to see whether they can be reversed.

Intangible assets in progress are shown at cost less impairment provision, if applicable.

#### ***(b) Computer software***

Computer software maintenance costs are recognized as expenses when incurred. Development expenses directly attributable to designing and testing computer programmes that are identifiable and unique and that may be controlled by the Group are recognized as intangible assets when the following conditions are met:

- It is technically possible to complete the production of the intangible asset so it can be available for use or sale;
- Management intends to complete the intangible asset to be used or sold;
- The entity has the capacity to use or sell the intangible asset;
- It is possible to show evidence of how the intangible asset will generate probable economic benefits in the future;
- There are the proper technical, financial or other resources available to complete the development and to use or sell the intangible asset; and
- It is possible to measure reliably the expenditure attributable to the intangible asset during development.

Directly attributable costs that are capitalized as part of the computer software include the costs of the employees developing said programmes and an appropriate percentage of overheads.

Expenses that do not meet these criteria are recognized as expenses when incurred. Expenditure on an intangible asset initially recognized in profit and loss will not subsequently be recognized as intangible assets.

Computer software has a useful life from 4 to 10 years.



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### ***(c) Research and development expenses***

Research expenditure is recognized as an expense when incurred. Costs incurred in development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when the following requirements are met:

- It is technically possible to complete the production of the intangible asset so it can be available for use or sale;
- Management intends to complete the intangible asset to be used or sold;
- There is the capacity to use or sell the intangible asset;
- It is possible to show evidence of how the intangible asset will generate probable economic benefits in the future;
- There are the proper technical, financial or other resources available to complete the development and to use or sell the intangible asset; and
- It is possible to measure reliably the expenditure attributable to the intangible asset during development.

The Group considers that its development project for a low-molecular-weight heparin, a biosimilar of enoxaparin, meets all the aforementioned requirements since last quarter of 2014, when the Group filed an application with the European health authorities to obtain authorisation for the marketing of this biosimilar. Therefore, the expenses incurred in this project have been being capitalized. These assets have a useful life of 20 years.

### **2.8. Borrowing costs**

General and specific interest costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are those that necessarily require a substantial time period before they are ready for their planned use or to be sold, are added to the cost of these assets until the time when said assets are substantially ready for their intended use or to be sold.

Finance income obtained from the temporary investment of specific loans while they are waiting to be used on the qualifying assets are deducted from capitalizable interest costs.

The rest of the interest costs are expensed in the year in which they are incurred.

### **2.9. Impairment of non-financial assets**

Intangible assets that have an indefinite useful life and those that are not in a usable condition are not amortized and are tested annually for impairment. Amortizable assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent (cash-generating units). Previous impairment losses on non-financial assets (other than goodwill) are reviewed at each reporting date to see whether they can be reversed.

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### **2.10. Financial assets**

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### ***(a) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities longer than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivables are classified as “trade and other receivables” and “financial receivables”.

Deposits in financial institutions maturing at more than 90 days and less than 12 months are included in this category as current assets.

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, the probability that the debtor will become insolvent or require financial reorganization and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced when the amount of the provision is used and the amount of the loss is recognized in the income statement within “other operating expenses”. When a trade receivable is unrecoverable, it is written off against the provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against “other operating expenses”.

On some occasions, the Group assigns its obligation to repay reimbursable advances received from government entities to financial institutions, which assume them in return for cash.. The amount paid is recognized as a financial asset, accruing interest at the effective interest rate calculated at the date of the contract with the financial institution until the government entity recognizes that the financial institution has assumed the debt, releasing the Group therefrom. At that time, the Group derecognizes the liability for the reimbursable advance and the aforementioned financial asset, recognizing any difference that arises in profit and loss.

#### ***(b) Available-for-sale financial assets***

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other possible categories. They are included in non-current assets unless Management intends to dispose of the investment within 12 months of the end of the reporting period.

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Purchases and sales of investments are recognized on the trade date, i.e. the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has substantially transferred all risks and rewards of ownership.

Dividends from available-for-sale equity instruments are recognized in the income statement as “Finance costs-net” when the Group’s right to receive payment is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value on the basis of an analysis of discounted cash flows.

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss –measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss– is removed from equity and recognized in profit and loss. Impairment losses on equity instruments recognized in profit are not reversed through profit and loss.

### **2.11. Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### **2.12. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

### **2.13. Share capital**

The subscribed share capital is represented by ordinary shares.

Incremental costs directly attributable to the issue of new shares, face value reductions or the write-off of existing shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases shares in the Company (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s shareholders until the shares are cancelled, reissued or resold. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effect, is included in equity attributable to the Company’s shareholders.

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### **2.14. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants related to reimbursable advances are recognized when these advances are granted to the Group.

Government grants relating to costs are deferred and recognized in profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to profit and loss on a straight-line basis over the expected lives of the related assets.

Reimbursable advances at zero interest rate or those with a subsidized interest rate are recognized at fair value at the time of collection, subsequently being recognized at amortized cost. The difference between the fair value and the face value is registered as "Recognition of government grants on non-financial assets and others" if the loans are financing incurred expenses or are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the useful life of the assets which have been funded with said loans.

### **2.15. Trade payables**

Trade payables are payment obligations for goods or services acquired from suppliers in the ordinary course of business. The payables are classified as current liabilities if they mature at one year or less (or if they mature within a normal operating cycle, if longer). Otherwise, they are shown as non-current liabilities.

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

### **2.16. Financial debt**

Financial debt is recognized initially at fair value less transaction costs incurred. Subsequently, financial debt is measured at amortized cost, any difference between the funds obtained (less the costs necessary to obtain them) and the repayment value being recognized in profit and loss over the period of the borrowings in accordance with the effective interest rate method.

Financial debt is classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Commissions paid for obtaining a credit line are recognized as debt transaction costs, provided that it is likely that part or all of the line will be drawn down. In this case, the commissions are deferred until the line is drawn down. To the extent that it is unlikely that all or part of the credit line will be drawn down, the commission will be capitalized as an advance payment for liquidity services and amortized over the period for which the credit is available.

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### **2.17. Current and deferred taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax expense is calculated on the basis of the laws enacted or substantively enacted at the end of the reporting period in the countries in which the Group operates and in which taxable income is generated. Management regularly assesses the positions adopted in the tax returns in relation to situations where the applicable tax regulations are subject to interpretation and, if necessary, sets up provisions in accordance with the amounts it is expected to pay to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual accounts. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and deferred tax liabilities are offset when, and only when, there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same entity or taxpayer or on different entities or taxpayers which intend to settle current tax assets and liabilities for their net amount.

### **2.18. Employee benefits**

#### ***(a) Pension obligations***

The Group holds a defined-contribution plan exclusively on behalf of certain Group employees. A defined-contribution plan is a pension plan under which the Group pays fixed contributions into an external fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For the defined-contribution plans, the Group pays contributions into pension insurance plans managed publicly or privately on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group holds no further payment obligations. The contributions are recognized as employee benefits when accrued. Benefits paid in advance are recognized as an asset to the extent that cash is refunded or future payments are reduced.

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### ***(b) Termination payments***

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes these benefits on the earlier of the following dates: (a) when the Group can no longer withdraw the offer of said benefits; or (b) when the entity recognizes restructuring costs within the scope of IAS 37 and this means termination benefits must be paid. When an offer is made in order to encourage voluntary redundancies on the part of the employees, the termination benefits are measured in accordance with the number of employees who are expected to accept the offer. The benefits that will not be paid within the twelve months following the end of the reporting period are discounted back to their present value.

### ***(c) Bonus plans***

The Group recognizes a liability and an expense for bonuses based on the estimates of fulfilment of certain corporate targets established for employees.

## **2.19. Provisions**

The Group recognizes provision liabilities when:

- The Group has a legal or constructive obligation, as a result of past events;
- It is more likely than not that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

## **2.20 Revenue recognition**

Ordinary revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Ordinary revenue is shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognizes revenue when the amount thereof can be measured reliably, it is probable that future economic benefits will flow to the Group and the specific requirements for each one of the Group's activities are fulfilled, as described below.

### ***(a) Sales of goods***

The Group manufactures and sells pharmaceutical products for which it holds a manufacturing and sales licence in the wholesale market and also to retailers. It likewise acquires and sells pharmaceutical products from other entities.

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Sales of goods are recognized when a Group entity has delivered products to the customer and there is no unfulfilled obligation which could affect the acceptance of the products by the customer. The sale does not take place until the products and the obsolescence and loss risks have been transferred to the customer and the customer has accepted the products in accordance with the sale contract, the acceptance period has finished, or there is objective evidence for the Group that the necessary criteria have been met for customer acceptance.

The products are sold with volume discounts and customers are entitled to return damaged products. Sales are recognized at the price fixed in the sale contract, net of volume discounts and returns estimated at the date of sale. Volume discounts are measured based on forecast annual purchases. Returns are not significant and they are measured based on the Group's historical experience. Sales are carried out with short-term collection periods. The Group's practice is generally to claim late-payment interest, calculated based on the actual collection period, from government entities from which receivables are not collected in the short term.

### ***(b) Sales of services***

The Group has service contracts consisting of the completion of the production process of pharmaceutical products of other entities. The raw materials and products used are received without costs from the entities receiving the services. The revenues are recognized on the date on which the services are provided, which is the same date as the products are consigned to the aforementioned entities.

### ***(c) Interest income***

Interest income is recognized in accordance with the effective interest method.

### ***(d) Dividend income***

Dividend income is recognized when the right to receive payment is established.

### ***(e) Other revenue: granting of exclusive distribution licences***

The revenue received from the granting of exclusive distribution licences for Group products to other companies is recognized on an accruals basis in accordance with the substance of the pertinent contracts.

To date the Group has granted several exclusive licences to third parties to sell the Group's products in a specific territory. Under these agreements, the Group has received a single amount for transfer of licence, with no refund obligation or the possibility of refund under very restrictive terms, when the product has been authorized for distribution in a given territory.

In addition, the Group undertakes, for the term of the contract, to sell the products under contract to the distributor at the prices agreed in the contract. The amount received on the transfer of the licence is recorded as "revenues" on a straight-line basis over the term of the contract. The non-accrued portion is recorded as a non-current liability if it is recognized in revenues for a period longer than a year.

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### **2.21. Leases**

#### ***When a Group company is the lessee – Operating lease***

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss on a straight-line basis over the period of the lease.

### **2.22. Dividend distribution**

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's consolidated annual accounts in the period in which the dividends are approved by the Company's shareholders.

### **2.23. Health Tax**

As the result of the 2005 General State Budget Act (Law 2/2004 of 27 December), Additional Provision 48, a health tax, levied by the Ministry of Health, came into force on 1 January, 2005. This tax applies to individuals and legal entities in Spain engaging in the manufacture and importation of medicines that are officially prescribed in Spanish territory on official National Health Service prescriptions. The amounts payable to the Ministry of Health and Consumer Affairs are calculated on a scale fixed by the aforementioned Additional Provision 48 and subsequently modified by Additional Provision 6 of Law 29/2006 of 29 July, on Guarantees and Rational Use of Drugs and Healthcare Products. The Group records the accrued health tax as a sales discount when the sale is made. There is a provision for the estimated amount accrued but unpaid and the possible adjustment of the tax to the actual sales for the period.

During 2010, the Spanish government approved a reduction of the pharmaceutical expenditure of 2,800 million euros through the introduction of two packages of pricing legislation. The first one was approved in March 2010 and was focused on generic products. With regard to these products, which are those out of patent, the reduction was 25% on average applied to the selling price to laboratories. The second package, which was approved in May 2010 and applied from June 2010, was addressed to pharmaceutical products under patent. A discount of 7.5% is applied to the selling price to the public for these products. The impact of the measures approved in March has been minimal for Rovi because the majority of its products are under patent. However, the impact of the May measure has been significant, principally affecting the pharmaceutical product area. The group has recognized the amounts relating to these measures as a decrease in sales.

## **3. Financial risk management**

### **3.1. Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of the financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the group Treasury Department following policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Audit Committee analyzes written principles for global risk management, as well as written policies covering specific areas, such as, interest rate risk, liquidity risk and the investment of excess liquidity.



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### **(a) Market risk**

#### (i) Foreign exchange risk

Foreign exchange risk is very low because (i) virtually all the Group's assets and liabilities are in euros; (ii) a majority of the transactions with foreign parties are carried out in euros; and (iii) sometimes, transactions for significant amounts in currencies other than the euro are hedged by exchange rate insurance contracts.

At 31 December, 2015 and 2014, there were no financial assets or liabilities in any currency other than the euro.

#### (ii) Price risk

The Group is exposed to price risk for equity securities because of investments held by the Group and classified as available for sale on the consolidated statement of financial position. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. The portfolio is diversified in accordance with the limits set by the Group. The Group does not use derivatives to hedge price risk.

At 31 December, 2015 and 2014, a change in the listed price of equity securities would have had no significant effect of the Group's statement of financial position.

#### (iii) Cash-flow interest-rate risk

The Group is subject to interest rate risk in respect of cash flows on non-current financial debt transactions at variable rates. Group policy is to try to keep most of its financial debt in the form of debt with government entities by obtaining reimbursable advances on which there is no interest rate risk and, in the case of bank debt, to obtain cash flows not only at variable rates, but also at fixed rates, thus keeping the impact of interest-rate risk to a minimum.

Had interest rates on financial debt at variable rates been 1% higher or lower at 31 December 2015, with all other variables remaining constant, the gain/loss after taxes for the year would have decreased or increased by 107 thousand euros, respectively, owing to the difference in interest expense on loans at variable rates (65 thousand euros at 31 December, 2014).

### **(b) Credit risk**

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, receivables classified as available for sale and trade receivables.

The banks and financial institutions with which the Group works generally have independent ratings. If customers have been independently rated, such ratings are used. If this is not the case, then the Group assesses the risk on the basis of the customer's financial position, historical experience and a series of other factors. In those cases in which there is no doubt as to the customer's financial solvency, the Group elects not to set credit limits.

At 31 December, 2015, the greatest investment in financial assets, apart from trade receivables, is related to Banco Santander, 17,418 thousand euros (12,923 thousand euros at 31 December, 2014). A significant proportion of trade and other receivables relates to accounts receivable from government entities, on which, in view of their nature, with the information currently available, Management considers that there is no credit risk (Note 13).

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### (c) Liquidity risk

Management periodically monitors the liquidity estimates of the Group in accordance with the expected cash flows. The Group maintains sufficient cash and marketable securities to meet its liquidity requirements. At 31 December, 2015, the Group held a single credit policy with BBVA for 10,000 thousand euros at an interest rate of Euribor at 3 months plus 0.75%. At the end of 2015, ROVI had not drawn down any amounts on this credit line.

The following table analyses the Group's financial liabilities grouped by maturity dates based on the periods outstanding at the end of the reporting period through to the maturity date stipulated in the contract, including the corresponding interest. The amounts shown in the table relate to cash flows stipulated in the contract, which have not been discounted. Given that these amounts have not been discounted and that they include future interest accruals, they cannot be matched with figures on the statement of financial position for financial debt and trade and other payables.

	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
<b>At 31 December, 2015</b>				
Bank borrowing (Note 18)	7,470	18,171	2,970	-
Debt with government entities (Note 18)	2,900	6,030	5,109	2,745
Trade suppliers (Note 17)	36,982	-	-	-
Other payables (Note 17)	8,760	-	-	-
	<u>56,112</u>	<u>24,201</u>	<u>8,079</u>	<u>2,745</u>
<b>At 31 December, 2014</b>				
Bank borrowing (Note 18)	1,954	12,369	7,334	-
Debt with government entities (Note 18)	2,734	5,974	6,505	3,384
Trade suppliers (Note 17)	46,601	-	-	-
Other payables (Note 17)	8,417	-	-	-
	<u>59,706</u>	<u>18,343</u>	<u>13,839</u>	<u>3,384</u>

### 3.2. Capital risk management

The Group's objective in relation to the management of capital is to maintain a low level of gearing that will make it easier for the Group to obtain additional financial debt if required in order to make new investments. A large part of the Group's financial debt takes the form of reimbursable advances from official entities. There is no interest expense on these operations since they are subsidized.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by net equity. Net debt is calculated as total financial debt less cash and cash equivalents. Equity is shown as such in the statement of financial position in the consolidated annual accounts.

The leverage index or gearing ratio at 31 December, 2015 and 2014 was as follows:

	<b>2015</b>	<b>2014</b>
Financial Debt (Note 18)	42,778	36,306
Less: Cash and cash equivalents (Note 14)	(29,251)	(26,671)
Net debt	13,527	9,635
Equity	164,785	158,470
<b>Leverage index/gearing ratio</b>	<b>8,21%</b>	<b>6,08%</b>

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In addition, the Group's net cash at 31 December, 2015 and 2014 was as follows:

	<u>2015</u>	<u>2014</u>
Financial Debt (Note 18)	42,778	36,306
Less: Cash and cash equivalents (Note 14)	(29,251)	(26,671)
Less: Available-for-sale financial assets (Note 11)	(70)	(71)
Less: Deposits (Notes 9 & 13)	(1,389)	(1,223)
<b>Net cash</b>	<u><b>12,068</b></u>	<u><b>8,341</b></u>

### 3.3. Fair value estimate

Measurement of financial instruments at market price is classified into:

- Level 1. Quoted prices in active markets for identical instruments.
- Level 2. Observable inputs for the instrument, either directly observable (prices) or indirectly observable (price-based).
- Level 3. Inputs not based on observable market data.

Measurements at market prices of the Group's financial instruments recorded at fair value, the totality of which are classified as available for sale (Note 11), are classified at Level 1.

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of the reimbursable advances without a rate of interest or with a subsidized interest rate is determined by applying the interest rate curve in force at the date of receipt of the advance to the reimbursements to be made and adding the spread normally applied in loans to the Group. For financial reporting purposes, fair value is calculated at the end of each reporting period by applying the interest rate curve in force at each year reporting period to the payments outstanding and adding the corresponding spread. For loans at variable rates of interest, fair value has been regarded as coinciding with the amount for which they are recognized (Note 18). Measurements at market price of reimbursable advances without a rate of interest are classified at Level 2.

## 4. Critical accounting estimates and judgements

Critical accounting estimates and judgements are continuously assessed and are based on historical experience and other factors, including expectations of future events deemed reasonable under the circumstances.

### 4.1. Critical estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are outlined below.

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### ***Useful lives of property, plant and equipment***

Group Management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This could significantly change due to technical innovations and actions undertaken by competitors in response to severe sector cycles. Management will increase the depreciation charge when the useful lives are less than those previously estimated or will write-down or write-off technically obsolete or non-strategic assets that have been abandoned or sold. A 20% decrease in the estimated useful lives of property, plant and equipment would mean an increase in the depreciation expense for 2015 and 2014 of approximately 1,599 and 1,484 thousand euros, respectively.

### ***Deferred tax assets***

The Group recognizes deferred tax assets and tax credits when they are likely to materialize in lower corporate income tax payments in the future.

In order to determine the maximum amount that can be recognized by the Group overall in relation to the future tax effect of these items, group Management considers only the estimated future results of subsidiaries whose track record clearly indicates future profits and for which sufficiently reliable estimates may be made.

## **4.2. Critical judgements in applying the accounting policies**

### ***Revenue recognition***

The Group has recognized the total sales of goods marketed in 2015 and 2014 as revenue at face value and has, when applicable, claimed late payment interest from the public authorities. The buyer has the right to return the goods sold. The Group believes that, based on previous experience with similar sales, the level of returns will not be very meaningful and, therefore, considers itself to meet the ordinary revenue recognition criteria. The Group has therefore recognized ordinary revenue for its sales together with the related provision against ordinary revenue for estimated returns. If the estimate changes by 1%, changes in revenue will be not significant.

## **5. Segment reporting**

The Group's operating segments have been determined on the basis of the information used by the Management Committee for decision making. This information is divided in accordance with whether it was generated by manufacturing activities or marketing activities, irrespective of the geographical area where it took place. Therefore, segment identification does not relate so much to geographical distribution of the business as to different types of activity.

Thus, the segment called "manufacturing" obtains its income from service contracts that relate to the finalization of the pharmaceutical product production process for external entities and the manufacture of products to be subsequently marketed by other group companies, while the "marketing" segment has the principal activity of purchasing and subsequently selling pharmaceutical products.

The heading "Other" includes other service and research and development activities that are not significant for the Group.

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The segment information used by the Management Committee for 2015 was as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>	<b>Inter-segments transactions</b>	<b>Consolidated figures</b>
Total segment revenues	115,288	201,916	-	<b>317,204</b>	(71,195)	<b>246,009</b>
EBITDA (*)	21,122	10,275	(26)	<b>31,371</b>	446	<b>31,817</b>
Amortization	(3,638)	(6,337)	-	<b>(9,975)</b>	-	<b>(9,975)</b>
EBIT (**)	17,484	3,938	(26)	<b>21,396</b>	446	<b>21,842</b>
Finance costs - net	(64)	12,056	-	<b>11,992</b>	(12,936)	<b>(944)</b>
Corporate income tax	(2,742)	1,768	7	<b>(967)</b>	(122)	<b>(1,089)</b>
<b>Profit / (loss)</b>	<b>14,678</b>	<b>17,762</b>	<b>(19)</b>	<b>32,421</b>	<b>(12,612)</b>	<b>19,809</b>

The 2014 figures were as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>	<b>Inter-segments transactions</b>	<b>Consolidated figures</b>
Total segment revenues	118,264	197,760	-	<b>316,024</b>	(77,977)	<b>238,047</b>
EBITDA (*)	17,102	20,284	(17)	<b>37,369</b>	(793)	<b>36,576</b>
Amortization	(3,263)	(5,621)	-	<b>(8,884)</b>	-	<b>(8,884)</b>
EBIT (**)	13,839	14,663	(17)	<b>28,485</b>	(793)	<b>27,692</b>
Finance costs - net	122	10,374	-	<b>10,496</b>	(12,554)	<b>(2,058)</b>
Corporate income tax	(1,025)	(682)	5	<b>(1,702)</b>	184	<b>(1,518)</b>
<b>Profit / (loss)</b>	<b>12,936</b>	<b>24,355</b>	<b>(12)</b>	<b>37,279</b>	<b>(13,163)</b>	<b>24,116</b>

(\*) EBITDA includes the operating profit for the period but not amortization and depreciation.

(\*\*) EBIT relates to the operating profit for the period.

Inter-segment transactions included on the finance gain/(loss) lines are principally dividends paid between group companies.

Each segment's sales to customers in 2015 were as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>
Total segment revenues	115,288	201,916	-	317,204
Inter-segment revenues	(52,946)	(18,249)	-	(71,195)
Revenues from external customers	62,342	183,667	-	246,009

In 2014, sales to external customers were as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>
Total segment revenues	118,264	197,760	-	316,024
Inter-segment revenues	(52,647)	(25,330)	-	(77,977)
Revenues from external customers	65,617	172,430	-	238,047

In 2015, a single customer accounted for 9% of the Group's sales (12% in 2014) and this amount came from principally from the manufacturing segment.

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At 31 December, 2015, the breakdown of assets and liabilities by segment is as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>
<b>Total assets</b>	<b>114,484</b>	<b>223,795</b>	<b>724</b>	<b>339,003</b>
Of which:				
Investments in Group companies	-	8,699	-	8,699
Increases in non-current non-financial assets	11,680	8,221	-	19,901
<b>Total liabilities</b>	<b>(60,483)</b>	<b>(104,051)</b>	<b>(33)</b>	<b>(164,567)</b>

The assets of the aggregated sectors at 31 December, 2015 can be reconciled with the total consolidated assets as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>Intercompany balances</b>	<b>Group investments</b>	<b>Consolidated figures</b>
Total assets	114,484	223,795	724	(66,457)	(8,699)	263,847

At 31 December, 2014, the breakdown of assets and liabilities by segment was as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>
<b>Total assets</b>	<b>200,370</b>	<b>304,067</b>	<b>762</b>	<b>505,199</b>
Of which:				
Investments in Group companies	-	8,699	-	8,699
Increases in non-current non-financial assets	4,804	20,250	-	25,054
<b>Total liabilities</b>	<b>(148,111)</b>	<b>(188,592)</b>	<b>(51)</b>	<b>(336,754)</b>

The assets of the aggregated sectors at 31 December, 2014 can be reconciled with the total consolidated assets as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>Intercompany balances</b>	<b>Group investments</b>	<b>Consolidated figures</b>
Total assets	200,370	304,067	762	(235,180)	(8,699)	261,320

The following tables show the Group's ordinary revenue and total assets by geographical area:

<b>Net revenue</b>	<b>2015</b>	<b>2014</b>
Spain	163,239	152,863
Other countries	82,770	85,184
	<b>246,009</b>	<b>238,047</b>
<b>Total assets</b>	<b>2015</b>	<b>2014</b>
Spain	260,137	260,007
Other countries	3,710	1,313
	<b>263,847</b>	<b>261,320</b>

Assets in other countries relate principally to the Group's offices in Portugal and assets in Germany.

Virtually all the investment in property, plant and equipment and intangible assets in 2015 and 2014 was made in Spain.

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### 6. Property, plant and equipment

The breakdown of the movement on the different categories of property, plant and equipment is shown below:

	Land and buildings	Technical facilities, machinery and tools	Furniture, fittings and other	IT equipment and vehicles	Total
<b>Balances at 01.01.14</b>					
Cost or valuation	32,074	113,499	2,931	10,267	158,771
Accumulated amortization	(17,047)	(72,150)	(2,027)	(7,348)	(98,572)
<b>Net carrying amount 01.01.14</b>	<b>15,027</b>	<b>41,349</b>	<b>904</b>	<b>2,919</b>	<b>60,199</b>
Additions	6	19,889	20	938	20,853
Retirements	-	(471)	-	(115)	(586)
Eliminations from amortization	-	437	-	111	548
Amortization charge	(190)	(5,819)	(107)	(1,305)	(7,421)
<b>Balances at 12.12.14</b>					
Cost or valuation	32,080	132,917	2,951	11,090	179,038
Accumulated amortization	(17,237)	(77,532)	(2,134)	(8,542)	(105,445)
<b>Net carrying amount 31.12.14</b>	<b>14,843</b>	<b>55,385</b>	<b>817</b>	<b>2,548</b>	<b>73,593</b>
Additions	2,223	12,480	32	1,509	16,244
Retirements	(11)	-	-	(47)	(58)
Eliminations from amortization	5	-	-	12	17
Amortization charge	(210)	(6,392)	(106)	(1,285)	(7,993)
<b>Balances at 12.12.15</b>					
Cost or valuation	34,292	145,397	2,983	12,552	195,224
Accumulated amortization	(17,442)	(83,924)	(2,240)	(9,815)	(113,421)
<b>Net carrying amount 31.12.15</b>	<b>16,850</b>	<b>61,473</b>	<b>743</b>	<b>2,737</b>	<b>81,803</b>

In June 2015, the Group acquired the assets of an injectables manufacturing plant in San Sebastián de los Reyes (Madrid). The assets acquired consist of three properties in San Sebastián de los Reyes and a series of moveable assets, among which the following may be highlighted: two syringe-packaging production lines (one of which is high-speed), one vial-packaging production line, one high-speed syringe-inspection line and another for syringe packaging. The investment was approximately 4 million euros.

Additionally in 2015 the following investments have been made:

- 4.3 million euros were invested in the injectables plant, due mainly to preparing the plant for the ISM<sup>®</sup> project, in comparison with the 12.7 million euros invested in 2014;
- 1.5 million euros were invested in the Granada plant, in comparison with the 4.6 million euros invested in 2014;
- 3.7 million euros were invested in the Alcalá plant (Frosst Ibérica), in comparison with the 2.3 million euros invested in 2014.

In 2015 and 2014, there was no impairment of property, plant and equipment.

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### 7. Intangible assets

Movement on intangible assets was as follows:

	Patents and industrial property	Develop- ment	Trademarks and licences	Computer software	Advance payments	Total
<b>Balances at 01.01.14</b>						
Cost or valuation	871	-	11,535	7,533	-	19,939
Accumulated amortization	(226)	-	(113)	(5,132)	-	(5,471)
<b>Net carrying amount 01.01.14</b>	<b>645</b>	<b>-</b>	<b>11,422</b>	<b>2,401</b>	<b>-</b>	<b>14,468</b>
Additions	-	-	3,581	600	20	4,201
Amortization charge	(694)	-	(20)	(749)	-	(1,463)
<b>Balances at 12.12.14</b>						
Cost or valuation	871	-	15,116	8,133	20	24,140
Accumulated amortization	(920)	-	(133)	(5,881)	-	(6,934)
<b>Net carrying amount 31.12.14</b>	<b>(49)</b>	<b>-</b>	<b>14,983</b>	<b>2,252</b>	<b>20</b>	<b>17,206</b>
Additions	-	2,002	200	1,455	-	3,657
Transfers (net of amortization)	49	1,081	(1,130)	-	-	-
Amortization charge	-	-	(987)	(995)	-	(1,982)
<b>Balances at 12.12.15</b>						
Cost or valuation	-	3,094	15,095	9,588	20	27,797
Accumulated amortization	-	(11)	(2,029)	(6,876)	-	(8,916)
<b>Net carrying amount 31.12.15</b>	<b>-</b>	<b>3,083</b>	<b>13,066</b>	<b>2,712</b>	<b>20</b>	<b>18,881</b>

Under the caption "Trademarks and licences", assets with indefinite useful lives were recognized for an amount of 5,366 thousand euros at 31 December, 2015 and 2014. Management reviews these assets for indications of impairment on an annual basis, although there has been none to date. The recoverable value, which was higher than the carrying amount at the end of both reporting periods, has been obtained by projecting the forecast cash flows for the following four years.

In 2015, additions for a total net amount of 3,083 euros were recognized for expenses incurred in developing a low-molecular-weight heparin, biosimilar to enoxaparin, the evaluation process of which in Europe commenced after completion of the validation phase. The useful life of this asset is 20 years.

Total research and development expenses incurred in 2015 were 16,451 thousand euros (11,978 thousand euros in 2014) and were mainly concentrated in the Glycomics and ISM<sup>®</sup> platforms, the latter of which is a drug release system, belonging to ROVI, the objective of which is to make it easier for patients to follow the treatment.

### 8. Financial instruments by category

#### Financial assets

At 31 December 2015, the Group held trade receivables amounting to 46,692 thousand euros (54,365 thousand euros at 31 December, 2014) (Note 13), other receivables amounting to 215 thousand euros (171 thousand euros at 31 December, 2014) (Note 13) and other deposits amounting to 1,389 thousand euros (1,223 thousand euros at 31 December, 2014) (Note 13), which the Group classifies as loans and receivables for recognition and measurement purposes (Note 2.10.a)).



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At 31 December, 2015, the Group held cash amounting to 29,251 thousand euros (26,671 thousand euros at 31 December, 2014) (Note 14), which it classifies as cash and cash equivalents for recognition and measurement purposes (Note 2.12).

At 31 December, 2015, the Group held financial assets of 70 thousand euros (71 thousand euros at 31 December, 2014) (Note 11), which it classifies as available-for-sale financial instruments for recognition and measurement purposes (Note 2.10.b).

### Financial liabilities

At 31 December, 2015 and 2014, all the loans included in financial debt (Note 18), as well as trade and other payables (Note 17), were recognized as financial liabilities held at amortized cost and there were no financial liabilities held at fair value through profit and loss.

### 9. Credit rating of financial assets

The credit quality of financial assets which have not yet matured and which have suffered no impairment loss can be assessed based on the credit rating assigned by organizations external to the Group or, in the case of unrated customers, by separating those corresponding to Social Security Authorities and government entities which, due to their nature, are not subject to impairment:

<b>Cash and cash equivalents</b>	<b>Rating</b>	<b>2015</b>	<b>2014</b>
	A+	228	231
	A	238	267
	BBB+	28,137	-
	BBB	63	21,502
	BBB-	-	4,071
	BB +	-	15
	BB	196	220
	B-	76	71
	Sin rating	313	294
	<b>Total cash (Note 14)</b>	<b>29,251</b>	<b>26,671</b>
<b>Financial receivables</b>	<b>Rating</b>	<b>2015</b>	<b>2014</b>
	BBB	139	137
	<b>Total financial receivables (Note 13)</b>	<b>139</b>	<b>137</b>
<b>Available-for-sale financial assets</b>	<b>Rating</b>	<b>2015</b>	<b>2014</b>
	BBB	11	12
	Sin rating	59	59
	<b>Total available-for-sale assets (Note 11)</b>	<b>70</b>	<b>71</b>

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<b>Trade receivables</b>	<b>Rating</b>	<b>2015</b>	<b>2014</b>
	A+	-	4,449
	AA	2,332	1,811
	A2	5,591	-
	Centros e instituciones públicas (Nota 13)	1,228	12,405
	Otros (mayoristas, farmacias, sanatorios)	37,541	35,700
	<b>Total trade receivables (Note 13)</b>	<b>46,692</b>	<b>54,365</b>
<b>Other deposits</b>	<b>Rating</b>	<b>2015</b>	<b>2014</b>
	BBB+	1,327	-
	BBB	-	1,160
	Sin rating	62	63
	<b>Total other deposits (Note 13)</b>	<b>1,389</b>	<b>1,223</b>

### 10. Interests in joint ventures

In 2010, the company Alentia Biotech, S.L. (Alentia) was created, 100% held by ROVI. In February 2012, the effective sale of 50% of the shares in Alentia Biotech, S.L. by Laboratorios Farmacéuticos Rovi, S.A. to Grupo Ferrer Internacional, S.A. took place and Alentia became a joint venture held by these two companies at 50% each.

In 2013, Alentia marketed vaccines against seasonal flu under a co-marketing system with Novartis Vaccines & Diagnostics.

In 2013, ROVI and Grupo Ferrer decided to cancel the project of their joint-venture Alentia, consisting of the construction of a national production centre for flu vaccines. This decision was taken mainly due to (i) an important cumulative reduction in the prices of flu vaccines during the last three campaigns, and (ii) the impossibility of obtaining the required public funding due to the current adverse financial situation of the country (this project required an estimate investment of approximately 92 million euros).

In 2015, Alentia recorded losses of 3 thousand euros (173 thousand euros in 2014) and the value of its assets at 31 December, 2015 was 117 thousand euros (128 thousand euros at 31 December, 2014).

### 11. Available-for-sale financial assets

	<b>2015</b>	<b>2014</b>
<b>Beginning of period</b>	<b>71</b>	<b>16,121</b>
Disposals	-	(16,201)
Net gains / (losses) recorded in equity	(1)	453
Net gains / (losses) on disposals	-	(302)
<b>End of period</b>	<b>70</b>	<b>71</b>
Less: non-current portion	70	71
Current portion	-	-

In 2014, the totality of the participations in two monetary investment funds were sold for a total amount of 14,581 thousand euros, the Group a loss of 4 thousand euros.

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Additionally, in 2014, the totality of the participations that the Group held in a monetary investment fund denominated in dollars were sold for 1,620 thousand euros. The derecognition of these participations in 2014 meant that an expense of 298 thousand euros was recorded in profit and loss.

The maximum credit risk exposure at the reporting date was the fair value of the debt securities classified as available for sale.

	<b>2015</b>	<b>2014</b>
Non-listed securities:		
– Variable-income securities (equity securities)	59	59
	59	59
	<b>2015</b>	<b>2014</b>
Listed securities:		
– Investment funds and equity securities	11	12
	11	12

### 12. Inventories

	<b>2015</b>	<b>2014</b>
Raw materials & other consumables	19,431	13,425
Work in progress & semi-finished goods	17,646	28,656
Finished goods produced internally	10,726	10,513
Marketing products	16,056	14,973
	63,859	67,567

The inventories purchase/sale commitments for the Group at the end of the reporting period were as normal in its course of its business. Management estimates that meeting these commitments will not generate losses for the Group. The Group holds insurance policies to cover the risks the inventories are exposed to. The insurance cover is considered sufficient.

### 13. Trade and other receivables

The breakdown of trade and other receivables is as follows:

	<b>2015</b>	<b>2014</b>
Trade receivables	46,692	54,365
Less: provision for impairment of receivables	(1,313)	(1,993)
Trade receivables – Net (13.a)	45,379	52,372
Other receivables	215	171
Receivables from related parties (Note 31)	771	729
Deposits (13.b)	1,389	1,223
Employee advances	127	134
Public authorities (13.c)	9,286	9,186
Total	57,167	63,815
Less: Non-current portion: Financial receivables (13.d)	139	137
Current portion	57,028	63,678

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### 13.a) Trade receivables

As is mentioned in Note 4.2, Management considers that the fair value of trade and other receivables does not differ significantly from their recognized values, since they consist principally of balances receivable at less than one year and are subject to possible interest charges if they are not collected within said period.

The carrying amounts of receivables are denominated in euros.

In December 2015, the Group signed two non-recourse factoring agreements with the companies Farmafactoring, S.A. and Banca Farmafactoring, S.p.A., respectively, whereby ROVI has received the amount of matured items due from Spanish and Portuguese public authorities for a total of 6.1 million euros (4.8 million euros in Spain and 1.3 million euros relating to Portugal). After this agreement, the balance receivable from public authorities at 31 December, 2015 was 1,228 thousand euros (12,405 thousand euros at 31 December, 2014), geographically distributed as follows:

	<b>Rating</b>	<b>Balance</b>	<b>Rating</b>	<b>Balance</b>
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Madrid	BBB+	478	BBB	3,248
Andalusia	BBB	408	BBB-	2,800
Catalonia	BB-	266	BB	864
Basque Country	A	148	A-	270
Valencia	BB	69	BB-	1,275
Castilla la Mancha	BBB-	52	BBB-	324
Aragon	BBB	49	BBB	841
Portugal	BB+	47	BB	1,695
Canary Islands	BBB+	16	BBB	305
Galicia	BBB+	6	BBB	157
Other	-	(311)	-	626
		<b>1,228</b>		<b>12,405</b>

At 31 December 2015, there were matured receivables amounting to 13,901 thousand euros (24,772 thousand euros at 31 December, 2014), although they had suffered no impairment. Of the 2014 amount, almost the entire debt aged over six months related to Social Security authorities and government entities. The Group has claimed the late payment interest on these debts from the different government entities and Social Security services.

The ageing analysis of trade receivables due for payment is as follows:

	<b>2015</b>	<b>2014</b>
Up to 3 months	12,754	19,154
From 3 to 6 months	1,498	2,720
From 6 months to one year	(162)	940
Over one year	(189)	1,958
	<b>13,901</b>	<b>24,772</b>

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The signature of the non-recourse factoring agreement in December 2015 meant that, at the end of said reporting period, the total matured debt with government entities was 525 thousand euros, in comparison with the 8,104 thousand euros that existed at 31 December, 2014. This amount was geographically distributed as follows:

	<b>2015</b>	<b>2014</b>
Spain	525	6,791
Portugal	-	1,313
	<u>525</u>	<u>8,104</u>

Matured receivables that had been impaired at 31 December, 2015 were 1,313 thousand euros (1,993 thousand euros at 31 December, 2014). Movement on the provision for impairment of trade receivables was as follows:

	<b>2015</b>	<b>2014</b>
<b>Beginning of year</b>	<u><b>1,993</b></u>	<u><b>1,537</b></u>
Provision	4	519
Application	(684)	(63)
<b>End of year</b>	<u><b>1,313</b></u>	<u><b>1,993</b></u>

The provision for impairment of receivables dropped by 680 thousand euros in 2015 in comparison with 2014 (in 2014, the provision increased by 456 thousand euros).

The ageing of these accounts is as follows:

	<b>2015</b>	<b>2014</b>
From 6 to 9 months	58	55
More than 9 months	1,255	1,938
	<u>1,313</u>	<u>1,993</u>

### 13.b) Deposits

At 31 December, 2015, the deposits caption included fixed-term deposits amounting to 1,389 thousand euros (1,223 thousand euros at 31 December, 2014) bearing interest at a rate ranging from 2% to 3%. At 31 December, 2015, 1,328 thousand euros of these deposits was pledged to Banco Santander (1,160 thousand euros at 31 December, 2014).

### 13.c) Public authorities

Balances included in this caption at 31 December 2015 and 2014 relate to the following items:

	<b>2015</b>	<b>2014</b>
Value-added tax	5,412	4,453
Excise taxes	13	13
Late payment interest receivable	830	772
Grants awarded but not received	3,031	3,948
	<u>9,286</u>	<u>9,186</u>

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### 13.d) Non-current financial receivables

The amount included in non-current financial receivables corresponds to the payment made to Banco Santander under a debt assumption agreement whereby this financial institution assumed the payment of a reimbursable advance granted to the Group by government entities (Note 18 b).

The amounts delivered under this kind of debt assumption agreement are considered a non-current financial asset until said reimbursable advances, which are recorded under the financial debt caption in liabilities in the statement of financial position (see Note 18 b), are cancelled.

The average interest rate accrued on these assets is 3.4%. At 31 December, 2015, interest of 74 thousand euros had accrued and remained outstanding (72 thousand euros at 31 December, 2014).

The maximum exposure to credit risk at the end of the reporting period was the recognized value of each of the previously mentioned accounts receivable categories. The Group did not hold any guarantees as insurance.

### 14. Cash and cash equivalents

The breakdown of cash and cash equivalents at the end of the 2015 and 2014 reporting periods is as follows:

	<u>2015</u>	<u>2014</u>
Cash at bank and on hand	29,251	18,972
Current bank deposits at less than 3 months	-	7,699
	<u>29,251</u>	<u>26,671</u>

### 15. Share capital

The number of shares, the face value of the shares and the total share capital for the years 2015 and 2014 were as follows:

	<u>No. Shares</u>	<u>Face Value (euros)</u>	<u>Total Share Capital Thousands</u>
<b>Balance at 1 January, 2014</b>	<b>50,000,000</b>	<b>0.06</b>	<b>3,000</b>
<b>Balance at 31 December, 2014</b>	<b>50,000,000</b>	<b>0.06</b>	<b>3,000</b>
<b>Balance at 31 December, 2015</b>	<b>50,000,000</b>	<b>0.06</b>	<b>3,000</b>

All issued shares are fully paid up.

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Shareholders owning significant direct or indirect interests of more than 3% in the share capital of Laboratorios Farmacéuticos Rovi, S.A. of which the Company is aware, according to the information in the official records of the National Securities Market Commission at 31 December, 2015, are the following:

Shareholder	% direct	% indirect	TOTAL
Norbel Inversiones, S.L.	69.640	-	69.640
Indumenta Pueri, S.L.	5.000	-	5.000
NMás1 Asset Management SGIIC, S.A.	-	5.020	5.020
T. Rowe Price Associates, INC	-	3.005	3.005

In 2015, the common project for the total spin-off of Inversiones Clidia, S.A. (which, at 31 December, 2014, held 69.40% of the Company's shares) in favour of Laboratorios Farmacéuticos Rovi, S.A. and Norbepa Inversiones, S.L. was carried out. This spin-off was approved by the General Meeting of Shareholders of ROVI on 18 November, 2015 and, in accordance therewith, ROVI received the totality of the shares in itself (ROVI) that had been held by Inversiones Clidia, S.L. –representing 69.64% of ROVI's share capital–, which, at the same time, were assigned to the shareholders of Inversiones Clidia, S.A., -Mr Juan López-Belmonte López, and Messrs. Juan, Iván and Javier López-Belmonte Encina- in the same proportion as each one of them had held shares in Inversiones Clidia, S.L.

Subsequently, Mr Juan López-Belmonte López gifted some of the shares in ROVI that had been assigned to him as a result of the spin-off to Messrs Juan, Iván and Javier López-Belmonte Encina.

After these shares had been gifted, all the members of the López-Belmonte family contributed their respective shares in ROVI to the company Norbel Inversiones, S.L., which had been newly created and was held by Mr Juan López-Belmonte (20%) and Messrs Juan, Iván and Javier López-Belmonte Encina (26.67% each).

After this project, Mr Juan López-Belmonte López's shareholding in ROVI dropped to 13.93% of the share capital, while Messrs Juan, Iván and Javier López-Belmonte Encina each became the owner of 18.57% of ROVI's share capital.

### 16. Other information on reserves

#### a) Legal reserve

The legal reserve, totalling 600 thousand euros as of 31 December 2015 and 2014, was set up in accordance with Article 274 of the Capital Companies Act ("Ley de Sociedades de Capital"), which states that 10% of the profit for the period must be allocated to the legal reserve until at least 20% of the share capital is covered. The legal reserve is not available for distribution. Should the legal reserve be used to offset losses in the event of no other reserves being available for this purpose, it must be replenished with future profits.

#### b) Reserve for available-for-sale assets

The reserve for available-for-sale assets includes cumulative variations in the value of available-for-sale financial assets (Note 11) net of transfers to profit and loss due to impairment.

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### ***c) Retained earnings and voluntary reserves***

During 2015, retained earnings were increased and/or reduced as follows:

- On 9 June, 2015, the General Meeting of Shareholders of Laboratorios Rovi, S.A. resolved to approve the proposal for application of the profit for 2014 (24,344 thousand euros), allocating 8,450 thousand euros to dividends and the remainder to retained earnings. The dividend on the treasury shares held by ROVI at the time of the distribution was 104 thousand euros, which was recognized in the retained earnings account.
- The sale of treasury shares in 2015 led to a profit of 151 thousand euros, which was recognized in the retained earnings account (Note 16.d).

During 2014, retained earnings were increased and/or reduced as follows:

- On 12 June, 2014, the General Meeting of Shareholders of Laboratorios Farmacéuticos Rovi, S.A. resolved to approve the proposal for application of the profit for the year 2013 (25,111 thousand euros), allocating 8,060 thousand euros to dividends and the remainder to retained earnings. The dividend on the shares held by ROVI as treasury shares at the time of the distribution was 18 thousand euros, which was recognized in the retained earnings account.
- The sale of treasury shares in 2014 led to a profit of 62 thousand euros, which was recognized in the retained earnings account (Note 16.d).
- In 2014, the derecognition of the grant for 2,200 thousand euros awarded by the Innovation, Science and Enterprise Department of the Andalusian Regional Government for the construction of the bemiparin plant in Granada (Note 20) meant the derecognition from the "Retained earnings" account of 416 thousand euros that had been allocated to the Group's profit and loss until 31 December, 2013.

Retained earnings at 31 December 2015 and 2014 included restricted reserves amounting to 1,704 thousand euros relating to legal reserves in group companies other than the Company itself. Also included was a special restricted reserve of 5,036 thousand euros at 31 December 2015 and 2014 set up by ROVI in 1994, when the share capital was reduced without contributions being refunded to shareholders. This reserve is treated in the same way as the legal reserve and may only be used to offset losses if there are no other reserves available for this purpose.

### ***d) Treasury shares***

In the course of 2015, the Group acquired a total of 491,756 of its own shares (354,665 in 2014), paying the amount of 6,546 thousand euros for them (3,345 thousand euros in 2014). Likewise, it resold a total of 116,320 of its own shares (139,931 in 2014) for a sum of 1,398 thousand euros (1,376 thousand euros in 2014). These shares had been acquired at a weighted average cost of 1,247 thousand euros (1,314 thousand euros in 2014), giving rise to a profit of 151 thousand euros on the sale (62 thousand euros in 2014), which was taken to reserves. At 31 December, 2015, the Group held 676,136 treasury shares (300,700 at 31 December, 2014).

The Company is entitled to reissue these shares at a later date.



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### e) Dividends

On 9 June, 2015, the General Meeting of Shareholders approved the distribution of the 2014 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 8,450 thousand euros (0.1690 euros gross per share). This dividend was paid out in July 2015.

On 12 June, 2014, the General Meeting of Shareholders approved the distribution of the 2013 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 8,060 thousand euros (0.1612 euros gross per share). This dividend was paid out in July 2014.

### f) Application of profit

The proposed application of the profit for the period 2015 and other reserves of the parent company, determined on the basis of generally-accepted accounting principles in Spain, that will be submitted to the General Meeting of Shareholders, together with the application approved for 2014 based on the profit of the parent company, is as follows:

	<u>2015</u>	<u>2014</u>
<b><u>Basis of application</u></b>		
Profit for the year	17,509	24,344
<b><u>Application</u></b>		
Dividend	6,950	8,450
Retained earnings	10,559	15,894
	<u>17,509</u>	<u>24,344</u>

### 17. Trade and other payables

	<u>2015</u>	<u>2014</u>
Trade payables	36,982	46,601
Payables to related parties (Note 31)	1,176	1,089
Outstanding remuneration	4,635	4,013
Public authorities	2,873	2,196
Other payables	76	1,119
	<u>45,742</u>	<u>55,018</u>

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### Delay in payments to suppliers

Details of payments for trading transactions performed during the reporting period and outstanding at the reporting date in relation to the maximum legal periods provided for in Law 15/2010, amended by Law 11/2013, are as follows:

	<u>2015</u>
	<u>Days</u>
Average payment period to suppliers	55
Ratio of transactions paid	56
Ratio of transactions outstanding	<u>51</u>
	<u>Thousands of</u>
	<u>euros</u>
Total payments made	81,083
Total payments outstanding	<u>17,934</u>

### 18. Financial debt

<b>Non-current</b>	<u>2015</u>	<u>2014</u>
Bank borrowings	20,932	19,020
Debt with government entities	11,699	13,012
	<u>32,631</u>	<u>32,032</u>
<b>Current</b>		
Bank borrowings	7,247	1,540
Debt with government entities	2,900	2,734
Debt on acquisition of Frosst Ibérica, S.A.	10,147	4,274
	<u>42,778</u>	<u>36,306</u>

#### a) Bank borrowings

At 31 December, 2015, bank borrowings are composed entirely of the following bank loans:

Year	<u>a,1)</u>	<u>a,2)</u>	<u>a,3)</u>	<u>a,4)</u>	<u>a,5)</u>	<u>TOTAL</u>
2016	226	2,476	2,069	990	1,486	7,247
2017	-	2,498	4,996	999	1,500	9,993
2018	-	2,521	2,935	1,008	1,512	7,976
2019	-	1,481	-	592	890	2,963
	<u>226</u>	<u>8,976</u>	<u>10,000</u>	<u>3,589</u>	<u>5,388</u>	<u>28,179</u>
Non-current	-	6,500	7,931	2,599	3,902	20,932
Current	<u>226</u>	<u>2,476</u>	<u>2,069</u>	<u>990</u>	<u>1,486</u>	<u>7,247</u>

a.1) Loan of 2,500 thousand euros granted by Banco Mare Nostrum (Caja Granada at the time the loan was granted) in 2006, maturing in 2016 (with a two-year grace period). The interest rate agreed was Euribor plus 0.5% p.a. from August 2007 onwards (a nominal rate of 4.361% p.a. until that date). In 2007, the Andalusian Regional Government subsidized part of the capital of this loan with an amount of 487 thousand euros, meaning that the debt was reduced to 2,013 thousand euros.

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a.2) Loan obtained in July 2015 from BBVA for 10,000 thousand euros, at a fixed annual interest rate of 0.90%, and a 4-year repayment period. Part of this amount, 6,000 thousand euros, was used to repay the loan for said amount signed with BBVA in July 2014, repayment of which had not commenced at that time.

a.3) In July 2015, the Group signed a novation of the loan agreement for 8,000 thousand euros obtained from Bankinter in 2014. Under this new agreement, the capital of the loan rose to 10,000 thousand euros and the fixed annual interest rate dropped from 2.15% to 0.90%. The repayment period is 36 months, with a grace period of 12 months.

a.4) Loan obtained from Banco Santander in July 2014 for 6,000 thousand euros, which came from European Investment Bank (EIB) funds. A novation of this agreement was signed in 2015, meaning the spread applied to Euribor at 12 months, which was the rate taken as a reference, dropped from 1.50% to 0.70%. The repayment period is 48 months.

a.5) In 2015, a loan of 4,000 euros was obtained from Banco Santander, with a fixed annual interest rate of 0.90% and a 4-year reepayment period.

At 31 December, 2014, bank borrowings included the following amounts:

Year	a.1)	a.2)	a.3)	a.4)	a.5)	a.6)	TOTAL
2015	22	44	268	603	-	603	1,540
2016	-	-	226	1,468	1,637	1,468	4,799
2017	-	-	-	1,497	3,991	1,497	6,985
2018	-	-	-	1,527	2,372	1,527	5,426
2019	-	-	-	905	-	905	1,810
	22	44	494	6,000	8,000	6,000	20,560
Non-current	-	-	226	5,397	8,000	5,397	19,020
Current	22	44	268	603	-	603	1,540

a.1) Loan for 1,900 thousand euros granted by Bankinter in 2009 with a six-year repayment period and no grace period. The interest rate agreed was Euribor at 12 months plus a spread of 1.10% p.a. The Andalusian Regional Government subsidized the interest for a total amount of 227 thousand euros, which was collected in full on 1 January, 2013. Therefore, at said date, the related decrease in the debt had likewise been recognized in the liabilities.

a.2) Loan of 800 thousand euros granted by Bankinter in 2009 with a six-year repayment period and no grace period. The fixed interest rate agreed was 4.47% p.a. The Andalusian Regional Government subsidized the interest for a total amount of 69 thousand euros, also collected in full on 1 January, 2013.

a.3) Loan of 2,500 thousand euros granted by Banco Mare Nostrum (Caja Granada at the time the loan was granted) in 2006, maturing in 2016 (with a two-year grace period). The interest rate agreed was Euribor plus 0.5% p.a. from August 2007 onwards (a nominal rate of 4.361% p.a. until that date). In 2007, the Andalusian Regional Government subsidized part of the capital of this loan with an amount of 487 thousand euros, meaning that the debt was reduced to 2,013 thousand euros.

a.4) Loan obtained in July 2014 with the BBVA for 6,000 thousand euros from European Investment Bank (EIB) funds. The annual interest rate is Euribor at 3 months plus a spread of 1.75%, with a repayment period of 48 months and a 12-month grace period.

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a.5) Loan obtained in July 2014 from Bankinter for 8,000 thousand euros. The fixed annual interest rate is 2.15%, with a 24-month repayment period and a 24-month grace period.

a.6) Loan obtained from Banco Santander in July 2014 for 6,000 thousand euros, which came from European Investment Bank (EIB) funds. The annual interest rate is Euribor at 12 months plus a 1.50% spread, with a 48-month repayment period and a 12-month grace period.

### **b) Debt with government entities**

b.1) In 2006, the Department of Innovation, Science and Enterprises of the Andalusian Regional Government granted an incentive for the construction of the plant for the development and manufacture of Bemiparin in Granada. This incentive accrues annual interest at 0.25%. The amount granted was 2,500 thousand euros and the repayment period is 8 years, with a grace period of 24 months. This item was initially recognized at a fair value of 2,157 thousand euros. Repayment of this loan was completed in 2014.

b.2) Since 2001, the Group has been receiving reimbursable grants from different Ministries to finance a number of R&D projects. The amounts recorded as non-current financial debt for this item at 31 December, 2015 amounted to 11,699 thousand euros (13,012 thousand euros at 31 December, 2014). The transactions do not accrue interest and have been recognized at their initial fair values. The difference between the initial fair value and the face value accrues at market interest rates (Euribor and the interest rate on Spanish Treasury debt plus a spread in accordance with the Group's risk). This means that this debt accrues interest at effective interest rates ranging from 2.9% to 4.9%.

b.2.1) Advances received in 2015:

Company	Government entity	Project	Thousands of euros		Periods	
			Face value	Initial fair value	Repayment period	Grace period
Lab. Farm. Rovi	Technical Corporation of Andalusia	(1)	636	422	10	4
Lab. Farm. Rovi	Technical Corporation of Andalusia	(2)	7	5	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	579	394	8	4
Lab. Farm. Rovi	Technical Corporation of Andalusia	(2)	142	118	10	4
Lab. Farm. Rovi	Technical Corporation of Andalusia	(2)	82	68	10	4
Lab. Farm. Rovi	Ministry of Economy and Competitiveness	(3)	55	52	3	3
Rovi Contract	Ministry of Economy and Competitiveness	(3)	106	81	4	2
			1,607	1,140		

(1) Funds the project to develop drugs with ISM technology.

(2) Funds the project to obtain new anticoagulants based on heparin derivatives.

(3) Fund the hiring of qualified employees for R&D&I activity.

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b.2.2) Advances received in 2014:

In 2014, the different Group companies received various reimbursable advances from different entities, details of which are given below:

Company	Government entity	Project	Thousands of euros			
			Face value	Initial fair value	Repayment period	Grace period
Lab. Farm. Rovi	Technical Corporation of Andalusia	(1)	589	394	10	4
Lab. Farm. Rovi	Technical Corporation of Andalusia	(2)	172	117	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(2)	816	528	8	3
Lab. Farm. Rovi	Industrial Technological Development Centre	(3)	59	40	8	3
			1,636	1,079		

- (1) Funds the project to develop drugs with ISM technology.
- (2) Funds the project to obtain new anticoagulants based on heparin derivatives.
- (3) Funds the project to study multi-layer technologies for application in the design of urethral catheters.

At 31 December, 2015 and 2014, debt with government entities matured as follows:

Year	2015	2014
2015	-	2,734
2016	2,900	1,807
2017	2,554	2,526
2018	2,513	2,475
2019	1,693	1,623
2020	1,609	1,516
2021 onward	3,330	3,065
	14,599	15,746
Non-current	11,699	13,012
Current	2,900	2,734

In 2014, the amount outstanding (10,373 thousand euros) on the loan for 11,900 euros granted in 2009 by the Ministry of Health and Social Policy for development of the vaccine project were repaid.

### Fair value of the financial debt

The carrying amounts and fair values of non-current bank borrowings, debt with government entities and finance lease liabilities at 31 December, 2015 and 2014 were as follows:

	Carrying amount		Fair value	
	2015	2014	2015	2014
Bank borrowings	20,932	19,020	20,932	19,020
Debt with government entities	11,699	13,012	12,791	14,383
	32,631	32,032	33,723	33,403

The fair values of current financial debt are equal to their corresponding nominal amounts since the effect of discounting is not significant. The fair values are based on cash flows discounted at a rate of 2%, based on the rate for the financial debt (2% in 2014).

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### 19. Deferred taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority. A breakdown of the estimated periods for offsetting is as follows:

	<u>2015</u>	<u>2014</u>
Deferred tax assets:		
– Deferred tax assets to be recovered at more than 12 months	4,423	4,703
– Deferred tax assets to be recovered within 12 months	4,448	3,577
	<u>8,871</u>	<u>8,280</u>
Deferred tax liabilities:		
– Deferred tax liabilities to be recovered at more than 12 months	826	987
– Deferred tax liabilities to be recovered within 12 months	518	831
	<u>1,344</u>	<u>1,818</u>

Net movement on the deferred tax account was as follows:

	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
<b>At 1 January, 2014</b>	<b>7,517</b>	<b>(2,637)</b>	<b>4,880</b>
(Charged) / credited to the income statement	899	819	1,718
Tax charged directly to equity	(136)	-	(136)
<b>At 31 December, 2014</b>	<b>8,280</b>	<b>(1,818)</b>	<b>6,462</b>
(Charged) / credited to the income statement (Note 27)	591	474	1,065
<b>At 31 December, 2015</b>	<b>8,871</b>	<b>(1,344)</b>	<b>7,527</b>

Movement on deferred tax assets was as follows:

	Negative tax bases	Tax credits not yet applied	30% amortiza. 13 & 14	Provisions	Measure- ment of AfS	Total
<b>At 1 January, 2014</b>	<b>4,715</b>	<b>1,567</b>	<b>917</b>	<b>182</b>	<b>136</b>	<b>7,517</b>
(Charged)/credited to the income st.	(71)	399	584	(13)	-	899
Tax charged directly to equity	-	-	-	-	(136)	(136)
<b>At 31 December, 2014</b>	<b>4,644</b>	<b>1,966</b>	<b>1,501</b>	<b>169</b>	<b>-</b>	<b>8,280</b>
(Charged)/credited to the income st.	(78)	822	(133)	(20)	-	591
<b>At 31 December, 2015</b>	<b>4,566</b>	<b>2,788</b>	<b>1,368</b>	<b>149</b>	<b>-</b>	<b>8,871</b>

The amounts for deferred tax assets shown in the “30% amortization/depreciation 2013 & 2014” column relate to the tax effect of the 30% of the amortization/depreciation charge for the period, which was not tax deductible in the years 2013 and 2014, as established in Royal Decree-Law 16/2012 of 27 December, whereby various measures intended to consolidate public finance and stimulate economic activity were adopted.

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Movement of deferred tax liabilities was as follows:

	Freedom of amortization	Other	Total
<b>At 1 January, 2014</b>	<b>2,608</b>	<b>29</b>	<b>2,637</b>
(Charged)/credited to the income statement	(803)	(16)	(819)
<b>At 31 December, 2014</b>	<b>1,805</b>	<b>13</b>	<b>1,818</b>
(Charged)/credited to the income statement	(469)	(5)	(474)
<b>At 31 December, 2015</b>	<b>1,336</b>	<b>8</b>	<b>1,344</b>

The deferred tax liabilities included as “freedom of amortization/depreciation” refer to the application of the free amortization/depreciation system associated to assets attached to R&D activity and to maintaining employment.

### 20. Deferred revenues

	2015	2014
<b>Non-current</b>		
Deferred revenues on distribution licenses	646	732
Deferred revenues on grants	5,215	6,151
	<u>5,861</u>	<u>6,883</u>
<b>Current</b>		
Deferred revenues on distribution licenses	169	270
Deferred revenues on grants	671	528
	<u>840</u>	<u>798</u>
	<b><u>6,701</u></b>	<b><u>7,681</u></b>

The caption “Deferred revenues on distribution licences” records amounts collected from the rights to market Hibor in a number of countries. The Group defers the revenue over the terms of the contracts, which have a duration of between 10 and 15 years. In 2015, new deferred revenues on distribution contracts of 110 thousand euros were recognized in relation to new distribution contracts (210 thousand euros in 2014).

The “Deferred revenues on grants” caption shows the amounts pending recognition in profit and loss for reimbursable and non-reimbursable grants received by the Group. These amounts are credited to profit and loss over the useful life of the subsidized assets.

a) The most significant non-reimbursable grants pending recognition in the income statement are related to the construction of the bemiparin plant in Granada, which came into operation in 2009:

- Non-reimbursable grant granted by the Andalusian Innovation and Development Agency (Innovation, Science and Enterprise Department) for 5,431 thousand euros. This grant was collected in November 2008 and recognition in profit and loss commenced in 2009, when the assets for which it was granted began to be depreciated. The amount recognized for this grant under the caption “Deferred revenues on current and non-current grants” at 31 December, 2015 was 3,514 thousand euros (3,809 thousand euros at 31 December, 2014).

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- Also for the construction of the Granada bemiparin plant, the Innovation, Science and Enterprise Department of the Andalusian Regional Government granted the Group a non-reimbursable grant of 2,200 thousand euros. Part of this grant was allocated in the Group's income statement in the 2010 to 2013 reporting periods and, therefore, at 31 December, 2013, the amount recognized under the caption "Deferred revenues on current and non-current grants" was 1,784 thousand euros. In 2014, a final decision refusing Rovi the right to collect this grant was issued and, therefore, the amounts related thereto were derecognized in the Group's statement of financial position.

b) The most significant amounts recognized as deferred revenues related to reimbursable grants granted by government entities relate to construction of the vaccine plant in Granada:

In 2014, the amount of 3,587 thousand euro was derecognized under the caption "Deferred revenues on current grants". This amount was associated to the loan for 11,900 thousand euros granted in 2009 by the Ministry of Health and Social Policy for development of the vaccine project, the outstanding balance of which, 10,373 thousand euros, was repaid in full during the 2014 reporting period (Note 18.b).

### 21. Provisions for other liabilities and charges

	Returns	Health tax	Other	Total
<b>At 1 January, 2014</b>	<b>602</b>	<b>1,769</b>	-	<b>2,371</b>
Additions	599	1,428	-	2,027
Applications	(602)	(1,769)	-	(2,371)
<b>At 31 December, 2014</b>	<b>599</b>	<b>1,428</b>	-	<b>2,027</b>
Additions	526	1,852	119	2,497
Applications	(599)	(1,428)	-	(2,027)
<b>At 31 December, 2015</b>	<b>526</b>	<b>1,852</b>	<b>119</b>	<b>2,497</b>

#### Returns

The Group estimates a provision for product returns considering the average returns rate of recent years (Note 4.2).

#### Health tax

As stated in Note 2.23, the Group's policy has been to hold a provision for the amounts estimated to be paid as health tax, based on percentages fixed for each level of sales for the period.

### 22. Revenues

Revenues are broken down into the following items:

	2015	2014
Sales of goods	183,507	172,208
Sale of services	62,333	65,607
Revenue from distribution licenses	169	232
	<u>246,009</u>	<u>238,047</u>



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The breakdown of "Sales of goods" by product group was as follows:

	<b>2015</b>	<b>2014</b>
Pharmaceutical products	150,486	140,546
Contrast agents and other hospital products	26,312	24,577
Non prescription pharmaceutical products	6,147	6,343
Other	562	742
	<u>183,507</u>	<u>172,208</u>

### 23. Employee benefit expenses

The summary of employee benefit expenses is as follows:

	<b>2015</b>	<b>2014</b>
Wages and salaries	51,074	47,626
Social security costs	10,663	10,417
Pension costs - defined-contribution pension plans	32	42
	<u>61,769</u>	<u>58,085</u>

The wages and salaries figure includes severance payments of 1,972 thousand euros in 2015 and 2,427 thousand euros in 2014.

The average number of employees was as follows:

	<b>2015</b>	<b>2014</b>
Management	31	26
Administration	183	199
Sales force	302	290
Production and plant	438	445
R&D	148	122
	<u>1,102</u>	<u>1,082</u>

At 31 December, 2015, the Group's total headcount was 1,098 employees (1,109 at 31 December, 2014), 607 of whom were women (602 at 31 December, 2014). There were 8 women in management positions in both 2015 and 2014.

At 31 December, 2015 and 2014, the Group's total headcount included 13 people who were at least 33% disabled.

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### 24. Other operating income

	<b>2015</b>	<b>2014</b>
Advertising costs	20,958	16,133
Services from third parties	4,567	6,854
Supplies	7,982	8,367
Transport and warehouse expenses	2,302	1,407
Repairs and maintenance	2,578	2,419
Operating leases	3,670	3,662
Other taxes	994	933
Other operating expenses	13,310	11,888
	<u>56,361</u>	<u>51,663</u>

### 25. Operating leases

The minimum future payments to be made for uncancellable operating leases at 31 December, 2015 amounted to 2,127 thousand euros (2,500 thousand euros at 31 December, 2014), 1,160 thousand euros of which related to payments due at less than one year (1,097 thousand euros at less than one year at 31 December, 2014).

The operating lease expense recognized in profit and loss in 2015 was 3,670 thousand euros (3,662 thousand euros in 2014).

### 26. Finance income/(costs)

	<b>2015</b>	<b>2014</b>
Interest income	220	545
Other finance income	617	-
Total finance income	<u>837</u>	<u>545</u>
Interest costs	(1,781)	(2,301)
Disposals of available-for-sale investments costs	-	(302)
Total finance costs	<u>(1,781)</u>	<u>(2,603)</u>
<b>Net finance income/(cost)</b>	<b><u>(944)</u></b>	<b><u>(2,058)</u></b>

In 2014, the interest costs caption included, among other items, interest related to the repayment of the outstanding amount (10,373 thousand euros) on the loan for 11,900 thousand euros granted by the Ministry of Health, Social Services and Equality for development of the vaccine project in 2009 (Note 18.b).

### 27. Income tax

	<b>2015</b>	<b>2014</b>
Current tax	(2,142)	(3,236)
Deferred tax (Note 19)	1,065	1,718
Tax assessments raised	(12)	-
Adjustment corporate income tax prior years	<u>(1,089)</u>	<u>(1,518)</u>

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The tax on the Group's pre-tax profit differs from the notional amount that would have been calculated using the 28% tax rate applicable to the profits of the consolidated companies, as follows:

	<b>2015</b>	<b>2014</b>
Profit before income tax	20,898	25,634
Tax calculated at domestic tax rate of 28%	(5,851)	(7,690)
Asset and liability adjustments due to deferred taxes at new rates	-	54
Use of negative taxable income	1,597	2,298
Variation of negative taxable income capitalized (Note 19)	(78)	(71)
Capitalization of tax credits	822	399
Non-deductible expenses arising from tax assessments	(12)	-
Non-tax deductible expenses	(239)	(191)
Non-taxable income	2	2
R&D tax credits	2,394	3,445
Other tax credits applied	276	236
Income tax expense	<u>(1,089)</u>	<u>(1,518)</u>

The non-deductible expenses and non-taxable income captions include principally the permanent differences of the companies at individual level, as well as the effect of the adjustment of corporate income tax from previous years.

Consolidated current corporate income tax for 2015, after deduction of the amounts paid on account and withholdings operated in the year, generated a current tax receivable of 1,740 thousand euros (2,205 thousand euros at 31 December, 2014), to which the 2,205 thousand euros for the year 2014 which remained outstanding at 31 December, 2014 must be added (1,912 thousand euros at 31 December, 2014, relating to the 2013 period).

The Group generated tax credits of 3,736 thousand euros in 2015 (3,112 thousand euros in 2014) and likewise was entitled to offset tax credits of 2,967 thousand euros from previous years (3,023 thousand euros at 31 December, 2014). In 2015, tax credits of 2,670 thousand euros were applied (3,681 thousand euros in 2014) and there were further R&D tax credits of 4,033 thousand euros that were pending application in future years (2,454 thousand euros at 31 December, 2014). Of the total tax credits not yet offset, the Group had recognized 2,788 thousand euros in its assets at 31 December, 2015 (1,966 thousand euros at 31 December, 2014) (Note 19).

In accordance with article 42.10 of Royal Legislative Decree 4/2004 of 5 March, whereby the revised text of the Corporate Income Tax Act was approved, the amounts to which the reinvestment tax credit were applied are stated below:

<b>Period</b>	<b>Income subject to reinvestment (thousands of euros)</b>	<b>Reinvestment date</b>
2009	2,860	2009
2010	2,250	2010
2011	5,600	2011
2012	-	-
2013	-	-
2014	-	-
2015	-	-

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In 2015 and 2014, the corporate income tax return was submitted jointly for the following group companies as a tax group, the company Laboratorios Farmacéuticos Rovi, S.A. being the tax group 362/07 parent:

- Rovi Contract Manufacturing, S.L.
- Bemipharma Manufacturing, S.L.
- Pan Química Farmacéutica, S.A.
- Gineladius, S.L.
- Frosst Ibérica, S.A.

Of the total negative tax bases that had not been offset at the end of the 2014 reporting period, the Group applied 7,659 thousand euros in the corporate income tax for 2014. Therefore, at 31 December, 2015, the negative tax bases pending application were 42,451 thousand euros, a total of 5,704 thousand euros of which will be applied in the 2015 corporate income tax.

Of the total negative tax bases pending application, the Group has only recognized those that it expects to recover within the period established by law for so doing, which totalled 18,263 thousand euros at 31 December, 2015 (17,841 thousand euros at 31 December, 2014).

The following periods' taxes are open to inspection:

	<u>Year</u>
Corporate income tax	2011-14
Value-added tax	2012-15
Transfer tax	2012-15
Personal income tax (withholdings)	2012-15

As a result of, among other things, possible different interpretations of current tax legislation, additional liabilities could arise as the result of an inspection. At any event, the Directors consider that any such liabilities would not have a significant effect on the annual accounts.

### 28. Earnings per share

#### ***Basic and diluted***

The basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares in issue during the year.

In order to determine the number of shares in issue for 2015 and 2014, the weighted average number of shares was calculated without taking the treasury shares that existed at any given moment into account.

	<u>2015</u>	<u>2014</u>
Profit attributable to the Company's shareholders	19,809	24,116
Weighted average number of outstanding ordinary shares (thousands)	49,537	49,751
Basic and diluted earnings per share (euros per share)	<u>0.40</u>	<u>0.48</u>

At 31 December, 2015 and 2014, there were no shares with potential diluting effects.

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### **29. Contingencies**

At 31 December, 2015, the Group held bank guarantees amounting to 6,286 thousand euros (6,847 thousand euros in 2014). These guarantees were granted principally to enable Group companies to participate in public tenders and to receive reimbursable grants and advances.

### **30. Commitments**

#### Acquisition of Bertex Pharma GmbH

Future payment commitments derive from the agreement to purchase assets through the acquisition of the company Bertex Pharma GmbH that took place in 2007. The purchase agreement fixes a variable component that will depend upon the successful completion of clinical tests for the development of products and the subsequent marketing. The commitments related to this transaction are:

- 350 thousand euros after finishing successfully the development of clinical tests of phase 1. Part of this amount, 100 thousand euros, was settled in 2011 and 250 thousand euros were settled in 2014;
- A payment of 200 thousand euros after finishing successfully the development of clinical tests of phase 2;
- A payment of 300 thousand euros after finishing successfully the development of clinical tests of phase 3;
- A payment of 200 thousand euros at the beginning of the marketing of any pharmaceutical product;
- A payment of 200 thousand euros at the beginning of the marketing of any pharmaceutical product in any of the main markets (USA, Japan, Germany, France, Italy or UK).

b) If the development and marketing is performed by third parties:

- 5% of the revenues obtained by ROVI from the development and marketing of the products by third parties (net of direct or indirect production costs and administration expenses).

Payments for the internal development or marketing detailed in section a) exclude those performed under section b) and vice versa, but if ROVI completes clinical development phases 1 and 2 and entrusts the subsequent phases to a third party or performs them for a third party, this clause will apply, but the payments made for phases 1 and 2 under section a) will be deducted

The evolution of the clinical tests performed by Bertex GmbH is progressing as planned.

### **31. Related-party transactions**

The Group is controlled by Norbel Inversiones, S.L, which held 69.64% of the shares of the parent company at 31 December, 2015 (at 31 December, 2014, 69.64% of the shares were held by the company Inversiones Clidia, S.L). Norbel Inversiones, S.L. belongs to Mr Juan López-Belmonte López and Messrs Juan, Javier and Iván López-Belmonte Encina.

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### a) Purchases of goods and services

	<u>2015</u>	<u>2014</u>
Purchases of services:		
– Directors who are also shareholders	24	24
– Entities in which Mr. Juan López-Belmonte López holds an interest	1,623	1,622
	<u>1,647</u>	<u>1,646</u>

Purchase of services from companies in which Mr Juan López-Belmonte López holds an interest relates to operating lease payments to the companies Inversiones Borbollón, S.L. and Norba Inversiones, S.L.

### b) Director and key management compensation

#### b.1) Director compensation

	<u>2015</u>	<u>2014</u>
Wages and salaries and other current benefits	1,613	1,679
Contributions to defined-contribution pension plans (Notes 23 & 33.1.c)	32	42
	<u>1,645</u>	<u>1,721</u>

The “wages and salaries and other current benefits” caption includes the compensation of the executive directors for performing senior management functions (Note 33.1.f)) and the compensation agreed for the directors as members of the Board of Directors (Note 33.1.a).

#### b.2) Key management compensation

Members of the Management Committee are deemed to be key management. The following table shows the annual compensation of those who were members of the Management Committee but not of the Board of Directors at the end of each reporting period:

	<u>2015</u>	<u>2014</u>
Wages and salaries and other current benefits	1,382	1,102
	<u>1,382</u>	<u>1,102</u>

### c) Dividends paid

Dividends paid to the company Inversiones Clidia, S.L. in 2015 were 5,885 thousand euros (5,387 thousand euros in 2014).

### d) Other transactions

In 2013, Laboratorios Farmacéuticos Rovi, S.A. granted a loan of 1,050 thousand euros to Alentia Biotech, S.L. (Note 10). The interest rate agreed was 2.00% p.a. and it will be repaid in a single payment two years after it was granted. Interest accrued on this loan is 22 thousand euros p.a.

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### e) Balances at the end of the reporting period

	<u>2015</u>	<u>2014</u>
Receivables from related parties (Note 13):		
– Directors	482	440
– Entities in which Mr. Juan López-Belmonte López holds an interest	33	33
– Joint ventures (*)	100	100
– Close relatives of directors who are also shareholders	156	156
	<u>771</u>	<u>729</u>
Payables to related parties (Note 17):		
– Key management	273	224
– Directors	527	564
– Joint ventures (*)	80	80
– Entities in which Mr. Juan López-Belmonte López holds an interest	296	221
	<u>1,176</u>	<u>1,089</u>

(\*) This caption includes the balances receivable from joint ventures for sales of services and those relating to loans granted at their fair value.

### 32. Fees of account auditors and their group or related companies

The fees accrued by PricewaterhouseCoopers Auditores, S.L. for account auditing and other accounting reviews and verification in the year 2015 were 233 thousand euros and 52 thousand euros, respectively (181 thousand and 52 thousand euros, respectively, in 2014). For services concerning the review of grants, fees were 8 thousand euros (6 thousand euros in 2014). Additionally, PricewaterhouseCoopers Auditores, S.L. provided advisory services in relation to the fulfillment of the Code of Ethics of Farmaindustria and obligations resulting from the recent changes in criminal and corporate legislation for an amount of 148 thousand euros (93 thousand euros in 2014),

In addition, fees were accrued for services provided in 2015 by Landwell PricewaterhouseCoopers Tax and Legal Services, S.L, including tax and legal consulting, for an amount of 267 thousand euros (274 thousand euros in 2014) and by PricewaterhouseCoopers Asesores de Negocios, S.L. for 25 thousand euros in 2014.

### 33. Director compensation

At 31 December, 2015, the members of the Board of Directors were as follows:

Mr Juan López-Belmonte López	Chairman
Mr Iván López-Belmonte Encina	First Deputy Chairman
Mr Javier López-Belmonte Encina	Second Deputy Chairman
Mr Juan López-Belmonte Encina	Chief Executive Officer
Mr Enrique Castellón Leal	Director
Mr Miguel Corsini Freese	Director
Mr Fernando de Almansa Moreno-Barreda	Director

The non-director Secretary is Mr Gabriel Núñez Fernández.

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a) In accordance with the provisions of Article 28 of the Board of Directors Regulations of Laboratorios Farmacéuticos Rovi, S.A., the following information is provided with respect to the members of the Board of Directors at 31 December 2015:

1. An individual breakdown of the compensation of each director, including, where applicable:

a. Per diem expenses or other fixed remuneration received as director and additional remuneration received as chairman or member of any Board committee. The amounts for 2015 and 2014 were as follows:

	<b>2015</b>	<b>2014</b>
Mr. Juan López-Belmonte López	68	60
Mr. Juan López-Belmonte Encina	60	60
Mr. Enrique Castellón Leal	60	60
Mr. Javier López-Belmonte Encina	60	60
Mr. Iván López-Belmonte Encina	60	60
Mr. Miguel Corsini Freese	60	80
Mr. Fernando de Almansa Moreno-Barreda	34	-
	402	380

b. Any remuneration corresponding to shares in profits or bonuses, and the reason why such amounts were awarded: not applicable.

c. Contributions made to defined contribution pension plans in the directors' favour (Note 2.19.a) or increases in the vested rights of the director in the case of contributions to defined benefit plans:

	<b>2015</b>	<b>2014</b>
Mr. Juan López-Belmonte López	8	12
Mr. Juan López-Belmonte Encina	8	10
Mr. Javier López-Belmonte Encina	8	10
Mr. Iván López-Belmonte Encina	8	10
	32	42

d. Any severance payments agreed to or paid in the event of termination of mandate: not applicable

e. Compensation received as director of other group companies: not applicable.

f. Compensation for the performance of senior management functions received by executive directors. The remuneration of this kind for 2015 and 2014 was as follows:

	<b>2015</b>		<b>2014</b>	
	<b>Fixed</b>	<b>Variable</b>	<b>Fixed</b>	<b>Variable</b>
Mr. Juan López-Belmonte López	170	-	182	69
Mr. Juan López-Belmonte Encina	294	124	302	123
Mr. Javier López-Belmonte Encina	215	96	215	96
Mr. Iván López-Belmonte Encina	216	96	216	96
	895	316	915	384

In 2015, Mr Juan López-Belmonte López resigned from his position as Chief Executive Officer and from the executive duties he had been performing. He became the non-executive Chairman of the Board of Directors.



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g. Any item of remuneration other than the above, irrespective of its nature or the group company that paid it, especially when classified as a related transaction other than when its omission would distort the true and fair view of the total remuneration received by the director: not applicable

2. Individual breakdown of any awards made to directors of shares, share options or any other instrument linked to share price, stating:

- a. The number of shares or options awarded in the year and the conditions applicable for exercising them;
- b. The number of options exercised during the year, indicating the number of shares involved and the exercise price;
- c. The number of options pending exercise at the year end, indicating price, date, and other exercise requirements;
- d. Any amendment during the year of the conditions for the exercising of options already awarded.

In the years 2015 and 2014, no shares, options or other instruments linked to the share value were given to directors.

3. Information on the relationship, in said period, between compensation received by executive directors and results or other measurements of the Company's performance:

	<u>2015</u>	<u>2014</u>
Compensation of executive directors	1,211	1,299
Profit attributed to the parent company	17,509	24,344
Compensation of executive directors/profit attributed to the parent company	<u>6,92%</u>	<u>5,34%</u>

b) Conflicts of interests on the part of the directors

Meeting their duty to avoid situations where conflict with the Company's interests exists, the directors who held office on the Board of Directors during the year met the obligations set forth in article 228 of the Revised Text of the Capital Companies Act. Likewise, both they and the persons related to them refrained from entering into the situations of conflict of interests provided for in article 229 of said Act, except in cases where the relevant authorization had been obtained.

### 35. Events after the end of the reporting period

No significant events have taken place since 31 December, 2015.

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### APPENDIX 1

#### **Subsidiaries included in the Consolidated Group**

Corporate name	Registered office	Ownership interest		Activity	Auditor
		2015	2014		
Pan Química Farmacéutica, S.A.	Madrid, C/Rufino González, 50	100%	100%	(1)	N/A
Gineladius, S.L.	Madrid, C/Rufino González, 50	100%	100%	(2)	N/A
Rovi Contract Manufacturing, S.L.	Madrid, C/Julián Camarillo, 35	100%	100%	(1)	A
Bemipharma Manufacturing, S.L.	Madrid, C/Julián Camarillo, 35	100%	100%	(1)	N/A
Bertex Pharma GmbH	Inselstr.17. 14129 Berlin (Germany)	100%	100%	(3)	N/A
Frosst Ibérica, S.A.	Alcalá de Henares, Avenida Complutense, 140 (Madrid)	100%	100%	(1)	A
Rovi Biotech, Ltda.	La Paz (Bolivia)	100%	100%	(1)	N/A
Rovi Biotech Limited	10-18 Union Street, London (United Kingdom)	100%	100%	(1)	N/A
Rovi Biotech, S.R.L.	Via Monte Rosa 91, Milan (Italy)	100%	100%	(1)	N/A

The percentage ownership interests have been rounded up or down to two decimal points.

Unless otherwise stated, the closing date of the latest annual accounts is 31 December.

#### **Activity:**

- (1) Production, marketing and sale of pharmaceutical, healthcare and medicine products.
- (2) Import-export, purchase, sale, distribution and marketing of articles related to integral female healthcare.
- (3) Development, distribution and marketing of pharmaceutical products related to micro-particle technologies..

#### **Auditor:**

A Audited by PricewaterhouseCoopers Auditores, S.L.

## LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

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Juan López-Belmonte López, as Board of Directors Chairman of Laboratorios Farmacéuticos Rovi, S.A. (Rovi) issues the following management report in accordance with Article 262, 148 d) and 526 of the Spanish Capital Company Act ("Ley de Sociedades de Capital"), 61 bis of the Securities Market Law and 49 of the Code of Commerce.

#### 1.- Corporate profile

ROVI is a fully integrated Spanish specialty pharmaceutical company engaged in the research, development, licensing, manufacturing and marketing of small molecule and specialty biologic drugs.

The Group 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](http://www.rovi.es).

#### 2.- Business performance

##### Financial Highlights

€ million	2015	2014	Growth	% Growth
Operating revenues	246.0	238.0	8.0	3%
Other income	1.0	2.9	-1.8	-65%
<b>Total revenue</b>	<b>247.0</b>	<b>240.9</b>	<b>6.1</b>	<b>3%</b>
Cost of sales	-97.1	-94.6	-2.5	3%
<b>Gross profit</b>	<b>149.9</b>	<b>146.3</b>	<b>3.6</b>	<b>2%</b>
<i>% margin</i>	61.0%	61.5%		-0.5pp
R&D expenses	-16.5	-12.0	-4.5	37%
Other SG&A	-101.7	-97.8	-3.9	4%
<b>EBITDA</b>	<b>31.8</b>	<b>36.6</b>	<b>-4.8</b>	<b>-13%</b>
<i>% margin</i>	12.9%	15.4%		-2.4pp
<b>EBIT</b>	<b>21.8</b>	<b>27.7</b>	<b>-5.9</b>	<b>-21%</b>
<i>% margin</i>	8.9%	11.6%		-2.8pp
<b>Net profit</b>	<b>19.8</b>	<b>24.1</b>	<b>-4.3</b>	<b>-18%</b>

## LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

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*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.*

**Operating revenue** increased by 3% to 246.0 million euros in 2015, mainly driven by the strength of pharmaceutical specialties business, where sales rose 7%. Total revenue increased by 3% to 247.0 million euros in 2015, more than doubling total revenue for 2007 when ROVI held its IPO.

Sales of **prescription-based pharmaceutical** products rose 7% to 150.5 million euros in 2015.

ROVI's low molecular weight heparin (LMWH), **Bemiparin**, performed well in Spain in 2015, with sales up 5% to 50.4 million euros. International sales remained stable at 24.7 million euros supported by the launch of the product in China and Brasil in the fourth quarter, where sales reached 0.9 million euros, thus making up for the sales deceleration in the first nine months of 2015. Bemiparin total sales increased by 3% to 75.1 million euros in 2015.

Sales of **Vytorin**<sup>®</sup>, **Orvatez**<sup>®</sup> and **Absorcol**<sup>®</sup>, the first of the five licenses of MSD, indicated as adjunctive therapy to diet in patients with hypercholesterolemia, increased by 14% to 24.3 million euros in 2015.

Sales of **Hirobriz**<sup>®</sup> **Breezhaler**<sup>®</sup> and **Ulunar**<sup>®</sup> **Breezhaler**<sup>®</sup>, both inhaled bronchodilators from Novartis for patients with respiratory difficulties due to a pulmonary disease known as Chronic Obstructive Pulmonary Disease (COPD), launched in Spain in the fourth quarter of 2014, increased by 3.6 times to 7.5 million euros in 2015.

Sales of **Volutsa**<sup>®</sup>, a specialty product from Astellas Pharma indicated for the treatment of moderate to severe storage symptoms and voiding symptoms associated with benign prostatic hyperplasia, launched in Spain in February 2015, reached 3.2 million euros in 2015.

Sales of **Medicebran**<sup>®</sup> and **Medikinet**<sup>®</sup>, specialty products from Medice indicated for the treatment of ADHD (Attention Deficit and Hyperactivity Disorder) in children and teenagers, launched in December 2013 and marketed on exclusivity basis by ROVI in Spain, decreased by 1% to 7.4 million euros in 2015.

Sales of **Corlontor**<sup>®</sup>, a specialty product for stable angina and chronic heart failure from Laboratoires Servier, decreased by 3% to 13.4 million euros in 2015.

Sales of **Exxiv**<sup>®</sup>, a selective COX-2 inhibitor from Merck Sharp & Dohme (MSD), decreased by 14% to 5.9 million euros in 2015, mainly due to a continued deceleration of the COX-2 market.

Sales of **Thymanax**<sup>®</sup>, an innovative antidepressant from Laboratoires Servier and for which ROVI has a co-marketing agreement covering Spain, decreased by 28% to 7.4 million euros in 2015.

According to IMS, Spanish innovative product market decreased by 0.9% in 2015 compared to the previous year. Nevertheless, ROVI prescription-based pharmaceutical product sales rose 7% in the same period, beating the market by 7.9 percentage points.

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In addition, a slight 0.6% annual increase of the Spanish pharmaceutical expenditure is expected for 2016, according to Farmaindustria<sup>1</sup>, and stable annual growth between 1.3% and 1.6% in the pharmaceutical market for the period 2016-2019 is forecast by IMS Health<sup>2</sup>. Despite the difficult situation the pharmaceutical industry continues to go through, ROVI forecasts to grow above the growth estimates of the pharmaceutical expenditure.

Sales of **contrast imaging agents** and other hospital products increased by 7% to 26.3 million euros in 2015.

Sales of **over-the-counter pharmaceutical products** (“OTC”) and **other** decreased by 5% to 6.7 million euros in 2015 compared to 2014.

**Toll manufacturing** sales decreased by 5% to 62.3 million euros in 2015 compared to the previous year. The positive evolution of the injectables plant, whose revenue increased by 10% to 31.4 million euros in 2015 partially offset the 6.1 million euros revenue decline in the Frosst Ibérica plant to 30.9 million euros in 2015, as a consequence of a lower production for Merck Sharp and Dohme (MSD).

**Sales outside Spain** decreased by 3% to 82.8 million euros in 2015 compared to the previous year. Sales outside Spain represented 34% of operating revenue in 2015 compared to 36% in 2014.

**Other income** (subsidies) decreased by 65% to 1.0 million euros in 2015 from 2.9 million euros in 2014.

**Gross profit** increased by 2% to 149.9 million euros in 2015, reflecting a decrease of 0.5 percentage points in the gross margin to 61.0% in 2015 from 61.5% in 2014. However, excluding the impact of the Other income (subsidies) item, gross margin would increase by 0.3 percentage points to 60.5% in 2015 from 60.3% in 2014. The decrease of the Bemiparin raw material cost impacted positively in 2015 gross margin.

**Research and development expenses** increased by 37% to 16.5 million euros in 2015 mainly due to (i) the development of the PRISMA-2 study, a phase II trial carried out in several USA centres for evaluating the safety and pharmacokinetics of Risperidone-ISM<sup>®</sup> and (ii) the performing of development activities of the formulation for the Risperidone-ISM<sup>®</sup> phase III trial and the Letrozole-ISM<sup>®</sup> phase I trial.

**Selling, general and administrative expenses** (SG&A) increased by 4% to 101.7 million euros in 2015, compared to the previous year, mainly due to recent product launches such as Hirobriz<sup>®</sup>, Ulunar<sup>®</sup>, Volutsa<sup>®</sup> and Orvatez<sup>®</sup>. However, excluding the impact (i), in 2015, of the launches mentioned above, which added expenses of 3.3 million euros, and (ii), in 2014, of Hirobriz<sup>®</sup> and Ulunar<sup>®</sup> launches, which added expenses of 1.1 million euros in the fourth quarter, selling, general and administrative expenses would increase by 2% to 98.4 million euros in 2015. Also, the SG&A rise in 2015 reflected ROVI investment effort in human capital to address pneumologists and primary care, main targets of Hirobriz<sup>®</sup> and Ulunar<sup>®</sup> products.

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<sup>1</sup> <http://www.farmaindustria.es/web/documento/indicadores-basicos-del-sector-la-industria-farmaceutica-espanola-y-su-mercado-en-cifras/>

<sup>2</sup> IMS Health, Market Prognosis September 2015

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**EBITDA** decreased by 13% to 31.8 million euros in 2015, compared to the previous year, reflecting a 2.4 percentage point fall in the EBITDA margin to 12.9% in 2015 down from 15.4% in 2014. However, maintaining, in 2015, the same amount of Research and Development expenses that was registered in 2014 and excluding, in 2015 and 2014, the impact of (i) Other income and (ii) recent product launches, EBITDA would increase by 11% to 38.6 million euros, reflecting a 1.0 percentage point rise in the EBITDA margin to 15.7% in 2015 up from 14.6% in 2014 (see “w/o impacts” columns of the table below).

€ million	Reported		w/o impacts			
	2015	2014	2015	2014	Growth	% Growth
Operating revenue	246.0	238.0	246.0	238.0	8.0	3%
Other income	1.0	2.9	-	-	-	-
<b>Total revenue</b>	<b>247.0</b>	<b>240.9</b>	<b>246.0</b>	<b>238.0</b>	<b>8.0</b>	<b>3%</b>
Cost of sales	-97.1	-94.6	-97.1	-94.6	-2.5	3%
<b>Gross profit</b>	<b>149.9</b>	<b>146.3</b>	<b>148.9</b>	<b>143.5</b>	<b>5.5</b>	<b>4%</b>
<i>% margin</i>	61.0%	61.5%	60.5%	60.3%		0.3pp
R&D expenses	-16.5	-12.0	-12.0	-12.0	-	-
Other SG&A	-101.7	-97.8	-98.4	-96.7	-1.7	2%
<b>EBITDA</b>	<b>31.8</b>	<b>36.6</b>	<b>38.6</b>	<b>34.8</b>	<b>3.7</b>	<b>11%</b>
<i>% margin</i>	12.9%	15.4%	15.7%	14.6%		1.0pp

**Depreciation and amortisation expenses** increased by 12% to 10.0 million euros in 2015, mainly as a result of the new property, plant and equipment and intangible assets purchases made during the last twelve months.

**EBIT** decreased by 21% to 21.8 million euros in 2015, compared to 2014, reflecting a 2.8 percentage point decline in the EBIT margin to 8.9% down from 11.6% in 2014. However, maintaining, in 2015, the same amount of Research and Development expenses that was registered in 2014 and excluding, in 2015 and 2014, the impact of (i) Other income and (ii) recent product launches, EBIT would increase by 10% to 28.6 million euros, reflecting a 0.7 percentage point rise in the EBIT margin to 11.6% in 2015 up from 10.9% in 2014.

**Financial expense** decreased by 32% in 2015, compared to the previous year, mainly due to the registration, in 2014, of the interests related to the return of the loan granted by the Ministry of Health, Social Services and Equality for the development of the vaccine project in 2009. The financial expense line also includes the implicit interests registered as a result of the recognition at fair value of reimbursable loans, at zero interest rate, granted by Public Administrations.

**Financial income** increased by 54% in 2015, compared to 2014, mainly because of higher returns on financial investments as a result of foreign exchange operations.

The **effective tax rate** was 5.2% in 2015 compared to 5.9% in 2014. This favourable effective tax rate is due to the deduction of existing research and development expenses and the capitalisation of negative tax bases from Frosst Ibérica, S.A. (Frosst Ibérica). As of 31 December 2015, Frosst Ibérica negative tax bases amounted to 42.5 million euros, of which 5.7 million euros will be used in the 2015 income tax.

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On 27 November 2014, a deep tax reform was approved by law (see <http://www.boe.es/boe/dias/2014/11/28/pdfs/BOE-A-2014-12328.pdf>) in order to simplify taxes, reduce withholding taxes and improve Spanish companies' competitiveness. These tax measures, that have been in force since January 2015, have positively affected (and will positively affect) ROVI income statement and income tax payable rate. Then, ROVI expects to maintain an effective tax rate from mid to high single digit for the following years.

Among the tax measures that will affect corporate income tax, it should be noted that:

- ✓ the tax rate is reduced from 30% to 28% in 2015 and to 25% from 2016;
- ✓ tax losses may offset positive taxable income faster and without time limit; and
- ✓ R&D tax credit schedule is maintained.

**Net profit** declined to 19.8 million euros in 2015, a 18% decrease compared to the previous year. However, maintaining, in 2015, the same amount of Research and Development expenses that was registered in 2014 and excluding, in 2015 and 2014, the impact of (i) Other income and (ii) recent product launches, net profit would increase by 17% to 26.2 million euros.

€ million	Reported		w/o impacts			
	2015	2014	2015	2014	Growth	% Growth
Operating revenue	246.0	238.0	246.0	238.0	8.0	3%
Other income	1.0	2.9	-	-	-	-
<b>Total revenue</b>	<b>247.0</b>	<b>240.9</b>	<b>246.0</b>	<b>238.0</b>	<b>8.0</b>	<b>3%</b>
Cost of sales	-97.1	-94.6	-97.1	-94.6	-2.5	3%
<b>Gross profit</b>	<b>149.9</b>	<b>146.3</b>	<b>148.9</b>	<b>143.5</b>	<b>5.5</b>	<b>4%</b>
% margin	61.0%	61.5%	60.5%	60.3%		0.3pp
R&D expenses	-16.5	-12.0	-12.0	-12.0	-	-
Other SG&A	-101.7	-97.8	-98.4	-96.7	-1.7	2%
<b>EBITDA</b>	<b>31.8</b>	<b>36.6</b>	<b>38.6</b>	<b>34.8</b>	<b>3.7</b>	<b>11%</b>
% margin	12.9%	15.4%	15.7%	14.6%		1.0pp
<b>EBIT</b>	<b>21.8</b>	<b>27.7</b>	<b>28.6</b>	<b>25.9</b>	<b>2.7</b>	<b>10%</b>
% margin	8.9%	11.6%	11.6%	10.9%		0.7pp
<b>Net profit</b>	<b>19.8</b>	<b>24.1</b>	<b>26.2</b>	<b>22.5</b>	<b>3.7</b>	<b>17%</b>

### 3.- Liquidity and capital resources

#### 3.1 Liquidity

As of 31 December 2015, ROVI had gross cash position of 30.7 million euros, compared to 28.0 million euros as of 31 December 2014, and net debt (available-for-sale financial assets plus deposits plus cash and cash equivalents minus short term and long term financial debt) of 12.1 million euros, compared to 8.3 million euros as of 31 December 2014

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#### 3.2 Capital resources

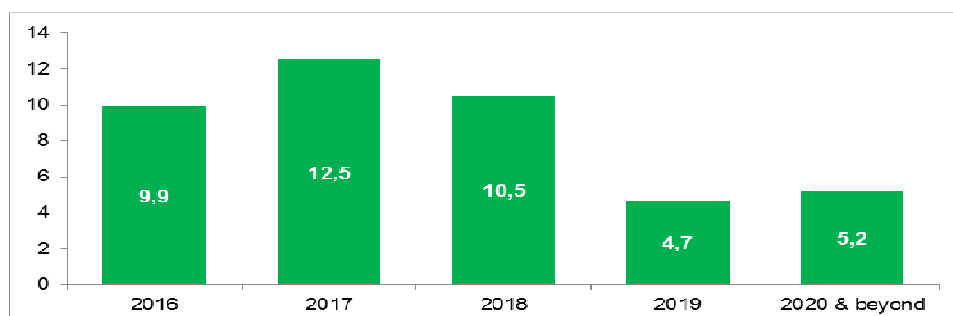
As of 31 December 2015, ROVI had total debt of 42.8 million euros. Debt with public administration, which is 0% interest rate debt, represented 34% of total debt as of 31 December 2015.

<i>In thousand euros</i>	<b>31 December 15</b>	<b>31 December 14</b>
Bank borrowings	28,179	20,560
Debt with public administration	14,599	15,746
<b>Total</b>	<b>42,778</b>	<b>36,306</b>

As of 31 December 2015, bank borrowings increased by 7.6 million euros. In 2015, ROVI refinanced its banking debt with more advantageous financing conditions; banking debt was increased by 10 million euros with interest rates for the outstanding debt ranging from 0.70% to 1%.

In 2014 debt with public administration was reduced mainly due to the return of the outstanding amount (10.4 million euros) of a 11.9 million euros loan granted by the Ministry of Health, Social Services and Equality for the development of the vaccine project in 2009.

Debt maturities at 31 December, 2015 are shown in the following graph (millions of euros):



The Group does not expect any material structural change between equity and debt or in the relative cost of capital resources in 2016 in comparison with 2015.

#### 3.3 Analysis of contractual obligations and items off the statement of financial position

In the ordinary course of activities, in order to manage its own transactions and financing, the Group has carried out certain transactions that are not included on the statement of financial position, such as operating leases. The Group's objective is to optimize the financing costs that are involved in determined financial transactions and, therefore, on certain occasions, has chosen operating leases rather than the acquisition of assets. The minimum future payments to be made for non-cancellable operating leases at 31 December, 2015 were 2,127 thousand euros (2,500 thousand euros at 31 December, 2014). Of this amount, 1,160 thousand euros related to maturities at less than one year (1,097 thousand euros at less than one year at 31 December, 2014).



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#### 4.- Other significant agreements

##### 4.1 ROVI announces that the clinical trial of Risperidone ISM® “PRISMA-2” has successfully finished

As part of the clinical development of the novel long-acting injectable Risperidone ISM®, the company has successfully concluded the PRISMA-2 study.

The PRISMA-2 is an open-label, parallel phase II clinical trial that has been carried out in four USA centres. The main objective of this trial was to evaluate the safety and pharmacokinetics, as well as to explore the efficacy, of multiple intramuscular doses of Risperidone ISM® in patients with stable schizophrenia<sup>1</sup>. Sixty-seven schizophrenic subjects randomly received four monthly doses of Risperidone ISM® 75mg, injected either in the gluteus or the deltoid muscle, without any supplementation of oral risperidone.

The final positive results will be announced before ending the year. The PRISMA-2 results along with data from previous studies will be used in the scientific advice that the company plans to request to *European Medicines Agency* (EMA) and *US Food and Drug Administration* (FDA) to discuss the design of phase III clinical study which is planned to start by first half 2016.

##### 4.2 ROVI signs an agreement with Merus Labs to manufacture Sintrom®

Laboratorios Farmacéuticos Rovi, S.A. (“ROVI” or the “Company”) announces that it has signed an agreement with the company Merus Labs Netherland B.V. (“Merus”), pharmaceutical company specialized in acquisition and licensing to third parties of pharmaceutical products, through which ROVI will manufacture for Merus the pharmaceutical product Sintrom® (acenocoumarol), indicated for the treatment and prophylaxis of thromboembolic disorders.

Under the terms of the contract signed, ROVI will provide Merus manufacturing and packaging services, on an exclusive basis, of the product Sintrom® to supply Spain and Portugal, during a period of five years. In this sense, it is expected that annual production of this product will lead to an increase of, approximately, 25% of the production of the plant of Frosst Ibérica, S.A.

Within the same agreement, it is established that ROVI provides logistics and distribution services of Sintrom® in Spain, on exclusivity basis, for a period of a year, renewable yearly.

ROVI started providing logistics and distribution services of Sintrom® in the third quarter of 2015, once authorization was obtained from the Spanish Agency of Medicines and Health Products (AEMPS). Likewise, ROVI expects to obtain authorization from the mentioned agency to manufacture this product in the second half of 2016.

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#### 4.3 ROVI announces the upcoming marketing of Orvatez® in Spain

ROVI has signed an agreement with Merck Sharp & Dohme S.A. (MSD) to market in Spain Orvatez®, a drug that combines two active principle ingredients, ezetimibe and atorvastatin, which act by inhibiting the two sources of origin of cholesterol. It is indicated for adults patients with primary hypercholesterolemia (increased levels of cholesterol in blood) or mixed (high levels in blood of cholesterol and triglycerides) when the use of product combination is considered adequate. Orvatez® can be used in patients not controlled adequately with a single statine or in patients already treated with statine and ezetimibe. Orvatez® is marketed in Spain, under a co-marketing regimen with Atozet® which is being marketed by MSD.

Orvatez® is part of the first of the five marketing agreements that MSD granted ROVI on their products, under the strategic pharmaceutical agreement to market and to manufacture reached on the 23rd of July, 2009.

With Orvatez®, ROVI expands its product's portfolio and strengthen its commitment to the area of hypercholesterolemia in which is currently offering two products of MSD, Absorcol® and Vytorin®, as alternative therapies for cholesterol problems.

#### 4.4 ROVI agrees to acquire assets of a manufacturing plant in San Sebastián de los Reyes

ROVI has reached an agreement with Crucell Spain, S.A. (Crucell) by which it has acquired assets of the manufacturing plant at San Sebastián de los Reyes, owned by Crucell, with the main objective to expand in the future the injectables production lines of ROVI's group (others than the ones being manufactured by Crucell). These production assets will remain inoperative for some time while ROVI carries out investments for necessary and significant adaptation and refurbishment. Through this operation, ROVI intends to strengthen its contract manufacturing business and ensure the production capacity required to carry out its future strategic plans of international expansion of Bemiparin and, predictably, marketing and development of its potential new low molecular weight heparin, biosimilar of enoxaparin. Until the to be acquired assets begin to operate and ROVI obtains relevant approvals, ROVI will perform the technical analysis required in order to adapt mentioned assets to ROVI's methodology and procedures.

The assets purchased by ROVI consist in three parcels in San Sebastián de los Reyes and a list of property assets, including: two production lines (one of them high speed) for the filling of syringes, one production line for the filling of vials, a high speed line for the inspection of syringes and other for syringe's packaging.

By this agreement, ROVI will strengthen for the future its capacity to perform contract manufacturing operations as well as its international expansion strategy of Bemiparin and its potential new low molecular weight heparin, thus favouring company's sustained growth in the long term. This agreement is in line with ROVI's global strategy with its current manufacturing model to achieve greater effectiveness and allow its long term growth, while continue with its constant commitment of economic growth in Spain.

The agreement implied an investment by ROVI of approximately 4 million euros. The operation was financed by available funds from the Group; therefore it was not required seeking external financing.

#### 4.5 ROVI announces the agreement to market Volutsa® in Spain

ROVI has signed an agreement with Astellas Pharma, S.A. (Astellas) to market Volutsa® (solifenacin succinate and tamsulosin hydrochloride) in Spain, which corresponds to Astellas' Vesomni® product.

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Under the terms of this marketing agreement, ROVI undertakes the promotion and distribution in Spain of Volutsa®, a modified release tablet containing two active substances, solifenacin and tamsulosin. Solifenacin is an anticholinergic drug and tamsulosin belongs to a drugs group called alpha-antagonists. Volutsa® is indicated for the treatment of moderate to severe storage symptoms (urgency, increased micturition frequency) and voiding symptoms associated with benign prostatic hyperplasia (BPH) in men who are not adequately responding to treatment with monotherapy.

ROVI started to market Volutsa® in the first quarter of 2015, at the same time Astellas started commercialising Vesomni®.

#### **5.- Research and development**

##### ISM®

ROVI informs that the clinical trial of Risperidone ISM® "PRISMA-2" has successfully finished and final positive results will be announced before ending the year.

Besides, as previously communicated, ROVI is currently constructing a new plant that will allow manufacturing new ISM products for high potency active principles, e.g. letrozole. After completing the regulatory non-clinical studies for Letrozole ISM® this new product will be progressing into clinical development. The new manufacturing facility will produce the medication for the first study in humans with Letrozole ISM®, planned to be started by first half 2016.

##### Biosimilar of enoxaparin

Regarding Glycomics, on last February 9<sup>th</sup>, after the end of the validation phase, the assessment process started in order for ROVI to be granted the Marketing Authorisation in Europe of a low-molecular-weight heparin, a biosimilar of enoxaparin. This assessment process is ongoing within the pre-established timelines.

#### **6.- Dividends**

ROVI will pay a dividend of 0.1390 euros per share on 2015 earnings if the Shareholders General Meeting approves the application of the 2015 profit, under proposal of ROVI's Board of Directors. This proposed dividend represents a 35% pay-out.

The ROVI General Shareholders Meeting, on 9 June 2015, approved the payment of a gross dividend of 0.1690 euros per share on 2014 earnings. This dividend was paid on 2 July 2015 and it meant an increase of 5% compared to the dividend on 2013 earnings.

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#### 7.- Capital expenditure

ROVI invested 19.9 million euros in 2015, compared to 25.1 million euros in 2014. Of this amount:

- 4.3 million euros corresponds to investment capex related to the injectables facility mainly due to the preparation of the plant for the development of the ISM® project, versus 12.7 million euros in 2014;
- 1.5 million euros corresponds to investment capex related to the Granada facility, versus 4.6 million euros in 2014;
- 3.7 million euros corresponds to investment capex related to the Alcalá (Frosst Ibérica) facility, versus 2.3 million euros in 2014; and
- 4.3 million euros corresponds to expenditure on maintenance and other, vs. 5.5 million euros in 2014.
- The rest of the capex invested in 2015 corresponds mainly to the acquisition of assets of a manufacturing plant in San Sebastián de los Reyes.

#### 8.- Treasury shares transactions

In the course of 2015, the Group acquired a total of 491,756 of its own shares (354,665 in 2014), paying the amount of 6,546 thousand euros for them (3,345 thousand euros in 2014). Likewise, it resold a total of 116,320 of its own shares (139,931 in 2014) for an amount of 1,398 thousand euros (1,376 thousand euros in 2014). These shares had been acquired at a weighted average cost of 1,247 thousand euros (1,314 thousand euros in 2014), giving rise to a profit of 151 thousand euros on the sale (62 thousand euros in 2014), which was taken to reserves. At 31 December, 2015, the Group held 676,136 treasury shares (300,700 at 31 December, 2014)

#### 9.- Headcount evolution

The average number of employees during 2015 has been 1,102 (1,082 in 2014). At 31 December, 2015, the Group's total headcount was 1,098 employees (1,109 at 31 December, 2014), 607 of whom were women (602 at 31 December, 2014).

#### 10.- Outlook for 2016

ROVI expects operating revenue to grow from high single digit to low double digit for the full year 2016, despite (i) a 0.6% slight rise in the Spanish pharmaceutical market according to Farmaindustria<sup>1</sup>, and (ii) stable annual growth between 1.3% and 1.6% in the Spanish pharmaceutical market for the period 2016-2019 forecast by IMS Health<sup>2</sup>.

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<sup>1</sup><http://www.farmaindustria.es/web/documento/indicadores-basicos-del-sector-la-industria-farmaceutica-espanola-y-su-mercado-en-cifras/>

<sup>2</sup>IMS Health, Market Prognosis September 2015

## LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

### 2015 Consolidated Management Report

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ROVI expects its growth drivers to be Bemiparin, the new license agreements (Volutsa<sup>®</sup>, Orvatez<sup>®</sup>, Ulunar<sup>®</sup> and Hirobriz<sup>®</sup>), contribution from Vyturin<sup>®</sup> and Absorcol<sup>®</sup>, its existing portfolio of specialty pharmaceuticals, new product distribution licenses and new contracts in the toll manufacturing area.

#### 11.- Risk management

##### 11.1 Operational risks

The main risk factors to which the Group considers itself to be exposed in respect of meeting its business objectives are the following:

- Changes in the legislation regulating the market aimed to contain pharmaceutical expense (price control, reference prices, support for generic products, co-payment, purchase platforms, ...);
- Finalization of contractual relationships with customers representing a significant part of its sales or renewal in less favourable conditions than the current ones;
- Changes in the conditions under which raw materials and other packaging materials needed for manufacturing its products are supplied;
- Late payment on the part of the public authorities in the short term; and
- Tax risk inherent to the activity of companies of the size and complexity of the Group.

ROVI is permanently on the alert and is keeping any risks that may have an adverse effect on its business activities under constant surveillance, applying the appropriate policies and mechanisms to manage them and constantly developing contingency plans that can be used to mitigate or offset their impact. Among them, we highlight the fact that the Group (i) continues, every year, to apply an internal saving policy that is principally based on improving the efficiency of its internal and external operating processes; (ii) is working intensively to maintain a broad and diversified portfolio of products and customers; (iii) is continuing with its target of constantly opening up new markets as a result of its international expansion plan; and (iv) the Group exercises strict credit control and manages its cash effectively, which ensures that sufficient working capital is generated and maintained to allow its day-to-day operations to be carried out; and (v) The Company has an exhaustive tax risk control system, with external tax advisors who review the preparation and filing of the different taxes as well as the Group's decision-making on tax issues

##### 11.2 Financial risks

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The main detected and managed risks of the Group are detailed below:

- *Market risk*

Market risk is divided in:

- a) Foreign exchange risk: is very low as virtually all assets and liabilities of the Group are in euros, with no subsidiary out of the Euro zone. Additionally the majority of the foreign transactions are carried out in euros.
- b) Price risk: the Group is exposed to price risk by its short-term and long-term financial investments. To manage the price risk arising from the investments, the Group diversifies its portfolio.

## LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

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c) Interest rate risk: The Group is subject to an interest rate risk in respect of cash flows on long-term borrowing transactions at variable rates. The risk, however, is slight since most of the Group's debt consists of refundable advances from official organisations on which there is no interest rate risk.

d) Raw material price risk: the Group is exposed to changes in the conditions under which raw materials and other packaging materials needed to manufacture its products are supplied.

#### - *Credit risk*

Credit risk is managed by groups. The credit risk arises from cash and cash equivalents, long-term financial investments, deposits held at call in banks and financial institutions and other receivables available for sale, as well as from wholesalers and retailers, including accounts receivables and committed transactions. The Group monitors the solvency of these assets by reviewing external credit ratings and qualifying internally assets which are not externally rated.

It should be mentioned here that despite this management work, the Regional Government continue to be extremely slow in making payments for pharmaceutical supplies, to the detriment of companies operating in this sector. Despite this, the Group's financial position is sound and its liquidity unaffected.

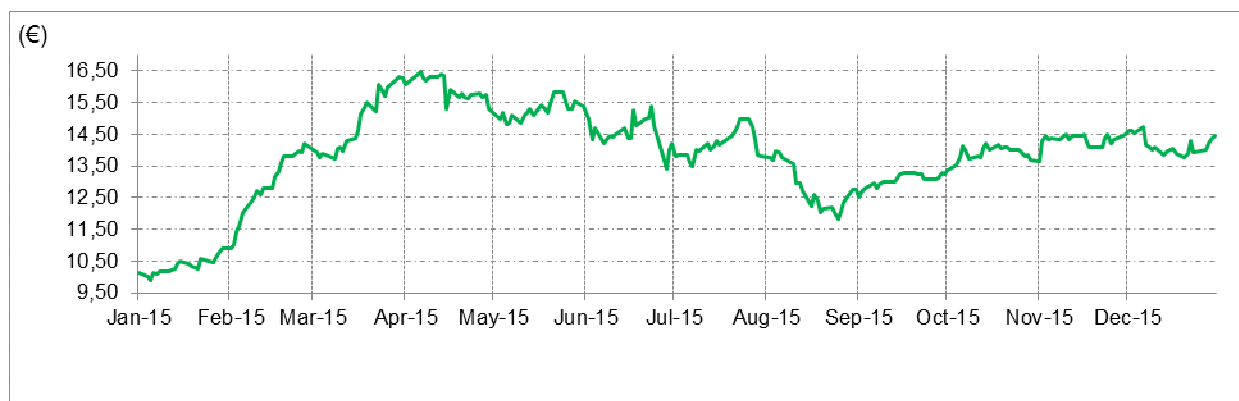
#### - *Liquidity risk*

Management monitors the liquidity estimates of the Group according to the expected cash flows; therefore, the Group always has sufficient cash and trade securities to confront its liquidity requirements.

### 12.- Stock market capitalization

On the December 5th 2007, ROVI carried out an Initial Public Offering (IPO) of shares initially intended for qualified investors in Spain and to qualified institutional investors abroad. The face value of the operation, without including the shares corresponding to the green shoe purchase option, was 17,389,350 shares already issued and in circulation with a nominal value of 0.06 euros per share, giving a total nominal amount of 1,043,361 euros. The offering price for the operation was 9.60 euros per share.

The following graph shows the fluctuations of the share price in the stock market in 2015:

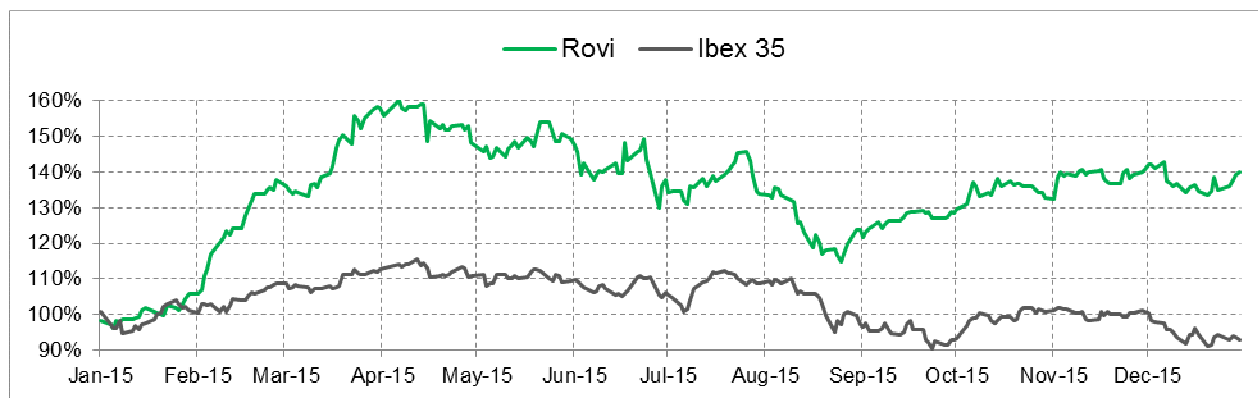


## LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

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The following chart shows the performance of the share price of ROVI compared with the IBEX 35 index in 2015:



#### **13.- Corporate Government Annual Report**

Appendix 1 includes the Corporate Government Annual Report prepared by the Company for 2015.

#### **14.- Corporate Social Responsibility Annual Report**

Appendix 2 includes the Corporate Social Responsibility Annual Report prepared by the Group for 2015.

#### **15.- Events after balance sheet date**

There have been no significant events since the end of the reporting period.

Free translation of the 2015 Consolidated Management Report originally issued in Spanish. In the event of discrepancy, the Spanish version prevails.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**

### **2015 Consolidated Management Report**

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#### **APPENDIX 1**

#### **CORPORATE GOVERNMENT ANNUAL REPORT 2015**

(see <http://www.cnmv.es/Portal/consultas/EE/InformacionGobCorp.aspx?nif=A-28041283>)



Free translation of the 2015 Consolidated Management Report originally issued in Spanish. In the event of discrepancy, the Spanish version prevails.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**

### **2015 Consolidated Management Report**

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## **APPENDIX 2**

### **CORPORATE SOCIAL RESPONSIBILITY ANNUAL REPORT 2015**



**CORPORATE SOCIAL  
RESPONSIBILITY REPORT**

**2015**

**ROVI GROUP**



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## 1. INTRODUCTION.-

The present report describes the main activities performed by ROVI in terms of Corporate Social Responsibility (CSR). Following the annual basis proposed by the company, ROVI would like to let know the advances and challenges associated to the CSR, as well as the actions that contribute to the sustainability of our company in this area for 2015.

This report has been prepared following the recommendations of the Guidelines for the preparation of Sustainability Reports, Global Reporting Initiative (GRI Guidelines), version G4. In the section 6 of this document is included a table with the number indicating the reference to the present document, in which is included the corresponding information.

In the business strategy of ROVI, CSR is crucial to ensure company's sustainability in the long term and to strengthen confidence of the groups of interest.

ROVI considers that CSR is a commitment to society, given the importance of its work and product to improve health and quality of life of people. Therefore, in recent years, has developed an intense activity to support research and promote prevention and knowledge of certain diseases.

The company incorporates CSR in its governance, management and daily activity. CSR strategy decisions are responsibility of the Management Committee, and ultimately, on the Board of Directors.

ROVI's commitment with ethical management and transparency is evident in the development of its internal codes. Additionally, ROVI has applied for SA-8000 "Social Accountability" standard for the scale and impact of its activities, products and services on the workplace, contributing to reinforce its acting principles.

### 1.1. Report profile.-

- ⊕ Period included in the report: the data included in the present report cover the calendar year 2015.
- ⊕ Date of the last report: the last report was prepared in 2015, including the data of the calendar year 2014. This way we follow the annual presentation cycles of the report.

The information provided in this document refers to the total perimeter of ROVI group, except in those cases in which a different perimeter is indicated.

In case of requiring additional information about any of the data included in this Report, the company has enabled a direct communication channel via the e-mail [ir@rovi.es](mailto:ir@rovi.es)



## 2. PROFILE AND ESTRICTURE.-

### 2.1. Basic data.

Corporate data	
Name Laboratorios Farmacéuticos Rovi, S.A.	Nominal 0.06€ share
Address Julián Camarillo, 35 28037 MADRID. Spain	Activity Manufacturing and marketing pharmaceutical products and contract manufacturing services.
Telephone 34 91 372 62 30	Markets ROVI group is directly present in Spain and Portugal and its shares are listed in stock markets of Barcelona, Bilbao, Valencia and Madrid.
Web page www.rovi.es	
Share capital 3,000,000 euros	
Number of shares 50,000,000	

History	
1946	● Foundation of the company.
1981	● Beginning of research in low molecular weight heparins.
1998	● Introduction of Bemiparin in the Spanish market and start of activities in Portugal.
2002	● Internationalization of ROVI following approval of Bemiparin abroad.
2003	● Increased international coverage to 59 countries.
2006	● Construction of R&D&I centre and manufacturing plant in Granada.
2007	● Marketing agreement with Laboratoires Servier for Corlontor.
2009	● Strategic agreement with Merck Sharp & Dohme ("MSD").
2012	● FDA approval for injectables plant.
2013	● Agreements to market products from Novartis and Medice.
2014	● Registration of a bio-similar of enoxaparin in EMA and FDA.
2015	● Acquisition of a new injectables plant, in San Sebastián de los Reyes, which strengthens its contract manufacturing capacity, laying the foundation for the expansion of Bemiparin and the development of its potential biosimilar of enoxaparin.

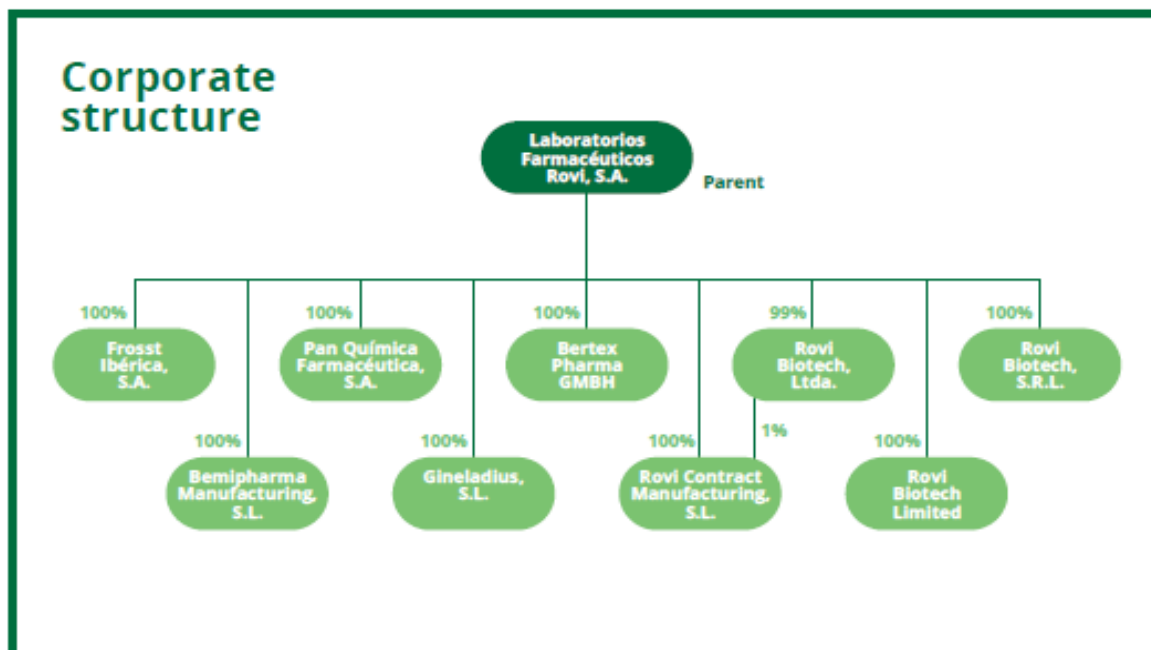
ROVI is member, among others, of the following associations:

- FARMAINDUSTRIA
- FUNDACIÓN TRANSFORMA ESPAÑA
- AIMFA
- SIGRE

Additionally, ROVI participates in specialized events of the industry, such as AEFI, PMFARMA or Asinfarma, with the objective of reinforcing the relationship with health professionals, answer their doubts and recruit talent.



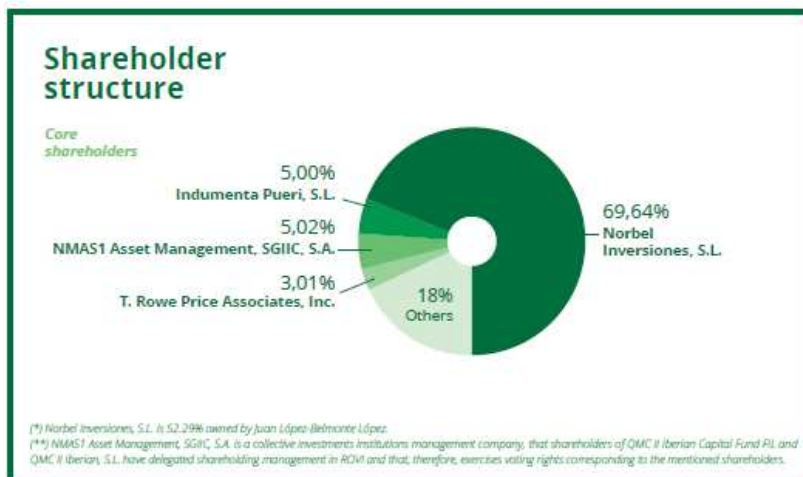
## 2.2. Group profile.



We present then the data of the group companies:

Name	Address	Activity
Pan Química Farmacéutica, S.A.	Madrid, C/Rufino González, 50	(1)
Gineladius, S.L.	Madrid, C/Rufino González, 50	(2)
Roví Contract Manufacturing, S.L.	Madrid, C/Julián Camarillo, 35	(1)
Bemipharma Manufacturing, S.L.	Madrid, C/Julián Camarillo, 35	(1)
Bertex Pharma GmbH	Inselstr.17. 14129 Berlin (Germany)	(3)
Frosst Ibérica, S.A.	Alcalá de Henares, Avenida Complutense, 140	(1)
Roví Biotech, Ltda.	La Paz (Bolivia)	(1)
Roví Biotech Limited	10-18 Union Street, Londres (United Kingdom)	(1)
Roví Biotech, S.R.L.	Via Monte Rosa 91, Milán (Italy)	(1)

- (1) Processing, marketing and sales of pharmaceutical, health and medicine products..
- (2) Import, export, purchase, sale, distribution and marketing of comprehensive women's Healthcare articles
- (3) Development, distribution and marketing of pharmaceutical products based on micro-particles technology.





## 2.3. Most important trademarks, products and services.-

### i. Pharmaceutical products

ROVI has a diversified portfolio including around thirty products of its own and marketed under licence. This portfolio has a defensive profile, as is not affected by reference prices in Spain and there will not be any significant patent expiration until 2019.

Below are the most important products in terms of its contribution to the EBITDA of the group.

#### **Hibor®**

Hibor (Bemiparin) is a low molecular weight heparin (rapid anticoagulant effect) indicated for the prevention and treatment of Venous Thromboembolism (VTE) both in surgical patients and the treatment of acute long term patients that have undergone a VTE process. Venous Thromboembolic Disease is a serious and potentially fatal process characterized by the formation of a fibrin clot, thrombosis, inside the veins of the deep vein system, with the consequences of thromboembolism evolution, including grow, progression and fragmentation. In the latter case, some fragments may break loose and reach lung, causing pulmonary embolism. Just in Spain, it is estimated that there are almost 65.000 cases of Deep Venous Thrombosis every year and 25.000 cases of Pulmonary Embolism (data from Thromb Haemost 2000, 2001 and 2005).

In the last years, Bemiparin has positioned as one of the main answers internationally to fight against this disease, after expanding its presence to 54 countries through a network of strategic alliances. Currently, Bemiparin is the main product of ROVI and represents 31% of the operating revenue of the group.

#### **Hirobriz® Breezhaler® y Ulunar® Breezhaler®**

In the last quarter of 2014, ROVI started to market Hirobriz Breehaler (indacaterol maleate) and Ulunar Breezhaler (indacaterol maleate and glycopyrronium bromide) in Spain. Both active ingredients are long acting bronchodilators, indicated in the maintenance treatment of Chronic Obstructive Pulmonary Disease (COPD), in adult patients, and are administered by inhalation through the Breezhaler device. ROVI markets both products under a licence from Novartis.

#### **Absorcol®, Vytorin® and Orvatez®**

Absorcol (ezetimibe) and Vytorin (ezetimibe and simvastatine) are products indicated as adjunctive therapy to diet in patients with hypercholesterolemia. ROVI distributes, in Spain, Absorcol and Vytorin under a co-marketing agreement since January 2011 and Orvatez since the second quarter of 2015. The three products are part of the first out of the five licences that MSD granted ROVI on their products.

#### **Corlontor®**

Corlontor (ivabradine) is a prescription product for chronic stable angina pectoris and chronic heart failure that ROVI markets under a licence of Laboratorios Servier since 2007.



### **Volutsa®**

In the first quarter of 2015, ROVI started to market Volutsa (solifenacin succinate and tamsulosin hydrochloride), a product of Astellas Pharma indicated for the treatment of moderate to severe storage symptoms (urgency, increased micturition frequency) and voiding symptoms associated with benign prostatic hyperplasia (BPH) in men who are not adequately responding to treatment with monotherapy.

### **Medikinet® y Medicebran®**

Medikinet (methylphenidate hydrochloride with modified release) and Medicebran (methylphenidate hydrochloride for immediate release) are prescription products indicated for the treatment of the ADHD (Attention Deficit Hyperactivity Disorder) in children and teenagers. Both products are from the company Medice that ROVI distributes, on exclusivity basis, in Spain since December 2013.

### **Corlontor®**

Corlontor (ivabradine) is a prescription product for chronic stable angina pectoris and chronic heart failure that ROVI markets under a licence of Laboratorios Servier since 2007.

### **Exxiv®**

Exxiv (etoricoxib) is a selective COX-2 inhibitor, an anti-inflammatory indicated for the symptomatic relief of arthritis, rheumatoid arthritis, ankylosing spondylitis, and the pain and signs of inflammation associated with acute gouty arthritis and for the short-term treatment of moderate pain associated with dental surgery. It is a research product of Merck Sharp & Dohme marketed in Spain by ROVI since 2008.

### **Thymanax®**

Thymanax (agomelatine) is an antidepressant indicated for adults with major depressive episodes. It is a research product of Laboratorios Servier distributed by ROVI in Spain under a co-marketing agreement since March 2010.  
Imaging contrast media agents and other hospital products

### **Imaging contrast media agents and other hospital products**

ROVI is one of the leading companies of the market in the commercialization of contrast media agents, hospital use products for imaging diagnosis (computerized tomography, magnetic resonance imaging, ultrasound scan etc.). This area, that represents more than 10% of company's revenue, includes a wide range of product's portfolio, like the ones commercialized under licence of Bracco: Iomeron® and Iopamiro® (for computerized tomography and intervention), Multihance® and Prohance® (for Magnetic Resonance Imaging), Sonovue® (for ultrasounds) and Bracco Injeenering: EmpowerCTA+®, EmpowerMR® and CT Exprès (contrast injection systems and compatible disposable material).

Hospital division product's portfolio is completed with health products for care and maintenance of intravenous catheters (Fibrilin® and Fibrilin Salino®)

## **ii. Contract Manufacturing**

ROVI has managed to be well-placed to take advantage of the growing demand of pharmaceutical companies to outsource their manufacturing processes. This way, the company makes the most of the high manufacturing capacities available at its facilities providing a full range of manufacturing services of injectables, suppositories and oral solid forms.





The company, through its three manufacturing plants: two dedicated to injectables (Rovi Contract Manufacturing and San Sebastián de los Reyes) and other specialized in solid oral forms (Frosst Ibérica), offer contracts manufacturing services to third parties in a wide range of pharmaceutical forms, including pre-filled syringes, vials, suppositories, tablets, coated tablets, hard capsules and sachets.

ROVI offers the unification of all services by the same company, from the development of the project until to the final release of a product, including preliminary clinical trials, stability studies, and chronological physical-chemical and microbiological analysis, with the corresponding savings in time and money for the customers. This way, a customized service is offered to customers, depending on their needs.

The contracts signed with the customer for whom ROVI manufactures usually last between 3 and 5 years average, what contributes to a remarkable incomes steadiness. Additionally, the long regulatory process that a pharmaceutical company has to go through to carry out a change of manufacturer, turns contract manufacturing business in a "lifetime customer value" business model, as long as the service offered optimally fulfil customer requirements.

Contract Manufacturing activities are:

#### **- Injectables**

ROVI is currently one of the leading manufacturers of pre-filled syringes in Europe in terms of number of units manufactured (filled) yearly, with an annual production capacity of 150 million units. There are not many contract manufacturing competitors of pre-filled syringes worldwide as the entry barriers in this business are high, due to the biological nature of the drugs that are manufactured and the aseptic conditions required (filling of product in sterile rooms controlled microbiology) for the filling of pre-filled syringes.

The company has a plant specialized in filling and packaging of parenteral solutions in prefilled SCF syringes from 0,5ml to 20ml (filled from 0,2ml to 20ml) and vials from 2ml to 10ml. These syringes and vials are filled in aseptic conditions in sterile areas. If needed terminal sterilization can be performed, and it is offered the possibility of adding safety devices to syringes.

The total annual capacity of vials is 40 millions, while suppositories capacity rises to 150 millions.

The plant is approved by European and USA authorities. Also has the approval from authorities from Corea, Brasil, Countries of Gulf, as well as ISO9001, ISO14001 and OSHAS certifications.

On June 2015, ROVI reached an agreement with Crucell Spain, S.A. (Crucell) by which has acquired assets of the manufacturing plant of injectables at San Sebastián de los Reyes, owned by Crucell, with the main objective of expanding in the future the production lines of injectables of ROVI's Group (others than ones being manufactured by Crucell). Trough this operation, ROVI intends to strengthen its contract manufacturing business, and ensure the production capacity required to carry out its future strategic plans of international expansion of Bemiparin and, predictably marketing and development of its potential new molecular weight heparin, biosimilar of enoxaparin.



The assets acquired by ROVI have an annual capacity of 120 million syringes and 40 million vials. Until these assets start being exploited and after ROVI obtains the required regulatory authorizations, ROVI will performed the appropriate technical analysis so that these assets are adapted to the ROVI's methodology and procedures.

#### **- Solid forms plants**

ROVI also has a solid forms plant with a long tradition in the manufacture of pharmaceutical products and that uses state of the art technology to manufacture oral formulations (tablets, coated tablets, hard capsules and sachets).

The plant, with 83.000 square metres, counts with a global annual capacity of 3 billion tablets, 300 million hard capsule and 30 million sachets in different manufacturing lines. Additionally, it has a large size warehouse, with a storage capacity of 9.000 pallets.

In order to provide to all the markets this plant is approved by European and USA authorities. It also holds approval from Japanese, Mexican, Brazilian, Kenyan, Belarusian and Gulf countries authorities. - **Ensayos clínicos**

#### **- Clinical trials**

Complying with both American and European quality standards, ROVI CM offers competitive technical support from the standpoints of cost, flexibility and reliability.

The company offers a wide range of services for the performance of clinical trials, product preparation and filling, labelling, packaging and logistics, always with the most rigorous quality standards. The machinery used is the same as for an industrial-scale batch, so it complies with the latest European regulations on clinical trials.

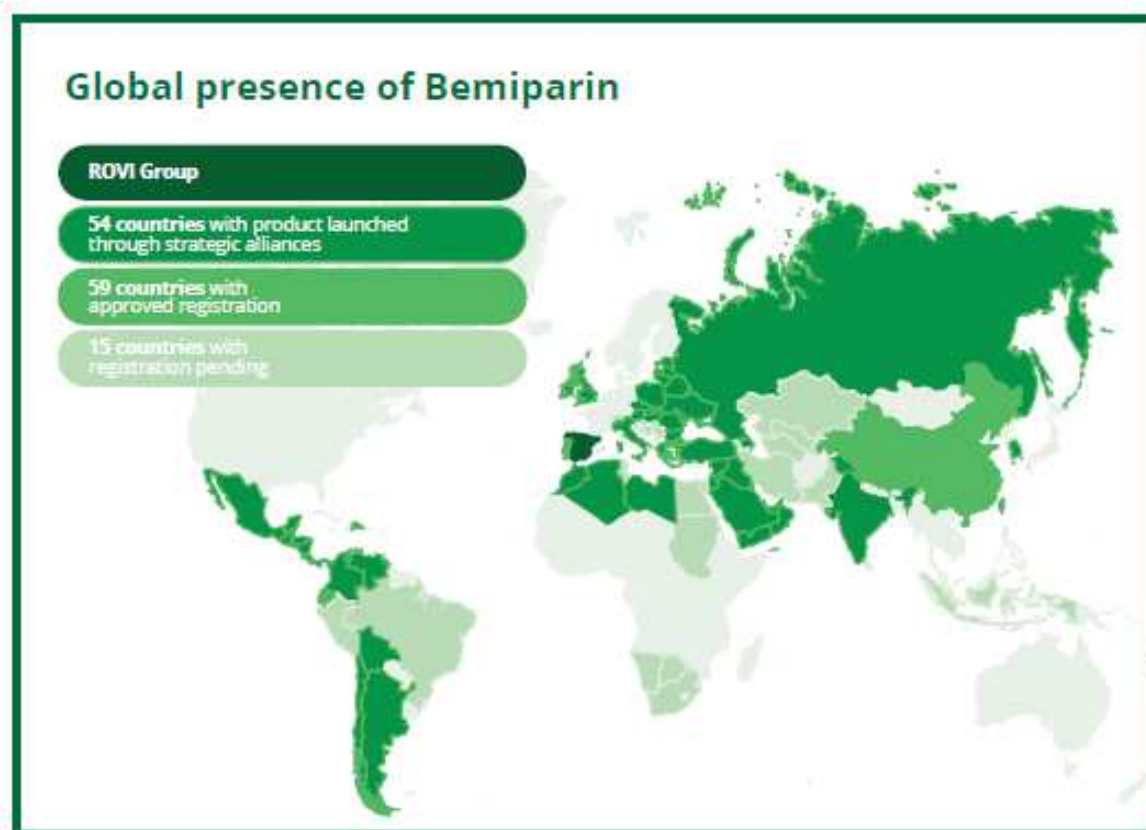
#### **- Development**

ROVI offers advice on the best strategy to follow from the introduction of a new product, pre-clinical technical development to a commercial batch. In other words, we are involved in the project management and feasibility studies, launch and preproduction strategies, technological transfer and registration issues.

All of this ensures that the new product complies with all legal requirements and can be launched appropriately in the right place at the right time, with sufficient quantity of products.



## 2.4. World presence.-



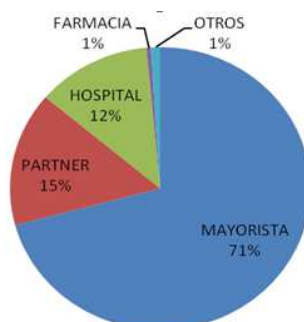
## 2.5. Markets served.-

ROVI focuses its activity mainly on seven therapeutic areas:

- ⊕ Cardiovascular
- ⊕ Osteoarticular/ Women's health
- ⊕ Anaesthesia/ Pain relief
- ⊕ Imaging Diagnostic Media Products
- ⊕ Central Nervous System
- ⊕ Respiratory
- ⊕ Primary Health Care
- ⊕ OTC Products line – Consumer Healthcare



Analysing sales data, it is noticed that 25% of the sales corresponds to the contract manufacturing business. In relation to the sales of marketed product our main customers are:



## 2.6. Basic financial and non-financial magnitudes.-

### 2.6.1. Financial magnitudes.-

FINANCIAL PERFORMANCE				
(millon euro)	2015	2014	2013	2012
Revenue	247.0	240.9	218.9	203.2
EBITDA	31.8	36.6	32.4	27.0
EBIT	21.8	27.7	25.5	21.7
Net profit	19.8	24.1	23.0	19.5
Investments	19.9	25.1	24.7	13.7
Financial debt	42.8	36.3	31.0	38.4
Net financial debt	13.0	8.3	-5.8	-7.5

SOLID FINANCIAL ESTRUCTURE				
	2015	2014	2013	2012
Net debt/EBITDA	0.41	0.23	-0.18	-0.28
Net debt/equity	0.08	0.05	-0.04	-0.06

STOCK MARKET INFORMATION	
	2015
Number of shares	50,000,000
Listing Price at closing (euros)	14.44
Capitalization at 31/12/15 (euros)	722,000,000
Total dividend (euros)	6,950,000
Dividend per share paid in 2014 on 2013 earnings	0.1690€
Dividend per share proposed on 2015 earnings	0.1390€
Pay out (as % of consolidated net profit)	35%
Earnings per share	0.40€
PER	36.1



### 2.6.2. Non-financial magnitudes.-

HUMAN RESOURCES		
	2015	2014
Number of employees	1,102	1,082
Net job creation	20	128
Hours of training	9,000	85,330
Rotation	2.89%	2.49%
Accident rate	2.9%	1.6%
Abseneism rate	3.42%	2.00%

### 2.6.3. Community.-

ECONÓMIC VALUE GENERATED AND DISTRIBUTED		
(millon euro)	2015	2014
Economic value generated	247.0	240.9
Economic value distributed		
Shareholders	7.0	8.5
Suppliers	137.0	134.3
Society	1.1	1.5
R+D	16.5	12.0
Employees	61.8	58.1
Capital providers	0.9	2.1
Amortizations and depreciations	10.0	8.9
Reserves	12.8	15.6



### 3. ETHIC AND INTEGRITY.-

#### 3.1. Mission, vision, values.

##### MISSION:

To work for the wellbeing of society promoting human health through the production of medicines and other health products. We research for better health.

##### VISION:

ROVI aims to be recognized as a reference for research and production of products aimed at improving the health.

#### Values

- |  |   |
|--|---|
| <b>1</b> All of us are the main asset of the company.                | <b>6</b> We make our customers concerns our own and share their successes.              |
| <b>2</b> We feel changes as real opportunities for development.      | <b>7</b> Our diversity in training, experience and points of view make us to be better. |
| <b>3</b> Is important to feel that every day we learn something new. | <b>8</b> We are committed to innovative drugs as engine of growth of ROVI.              |
| <b>4</b> We like to assume responsibilities from start to finish.    | <b>9</b> We establish strict ethical standards for ourselves and contributors.          |
| <b>5</b> We know that we must win the trust of patients every day.   | <b>10</b> Our ultimate success depends on effort of all.                                |

#### 3.2. Ethical framework.

In order to reassure the values and principles that are the foundation of ROVI's activities, the group counts with Code of Ethics, approved by the Board of Directors, whose objective is that all interactions with the shareholders and with society in general are ruled by ethic and good practices. This Code of Ethic is mandatory for all employees and serves as guideline in the performance of their duties and in case of conflict of interest.

According to the terms of the code, the Company undertakes to apply the highest ethic standards of transparency in its communications, records of information and reports, both financial and related to its products and activities. This entails the obligation that the preparation of accounts, financial statements, books, registers, and individual or group accounts will comply with all legal requirements and with the correct application of the accounting principles prevailing, with the objective to offer a clear view of the business activities and financial situation of the company.



The Code of Ethics rules establish a channel of complaints that can be used by any employee of the Company in case of detecting violations of the Code. In addition, the Company has a specific confidential channel of complaints for financial and accounting irregularities.

The regulation establishes that the Code of Ethics Monitoring Committee is the responsible body to study breaches of the code and propose corrective actions and sanctions, and will issue an annual report for the Chief Executive Officer including all actions developed during the year. The Audit Committee, on its side, ensures the independence of Auditors, in order to guarantee the accuracy of the public information submitted by the company.

The group also strives to monitor and control the recommendations of Unified Code of Good Governance of Listed Companies (and, since February of 2015, The Code of Good Governance has replaced the previous Unified Code). This way, the company has mechanisms to avoid conducts that compromise its shareholders and groups of interest, like concentration of power, lack of transparency or lack of independence of auditors.

Likewise, the company has an Anti-bribery and Anti-corruption Policy, applicable to all employees and agents of ROVI, which defines and details the acting guidelines in cases of: bribery, political contributions, charitable contributions and sponsorships, facilitation payments, presents, hospitality and expenses, and control of accounts.

ROVI is committed to actively support the Universal Declaration of Human Rights and requires the compliance of such principles by the employees in the daily activity of the group. The company fights against practices contrary to human dignity and against discrimination at work.

It was not detected any breach in 2015.



#### 4. GROUPS OF INTEREST.-

In the business strategy of ROVI, Corporate Social Responsibility (CSR) is crucial to ensure company's sustainability in the long term and to strengthen confidence of the groups of interest.

ROVI considers that CSR is a commitment to society, given the importance of its work and product to improve health and quality of life of people.

Therefore, in recent years, has developed an intense activity to support research and promote prevention and knowledge of certain diseases.

The company incorporates CSR in its governance, management and daily activity. CSR strategy decisions are responsibility of the Management Committee, and ultimately, on the Board of Directors.

ROVI's commitment with ethical management and transparency is reflected in the new General Policy of CSR approved by the Board of Directors during this year 2015.

##### **Objectives of corporate social responsibility policy and supporting tools**

All the companies comprising ROVI Group, aware of the improvement on health that their products provide, want to meet certain demands in relation to the impacts of our activities in society and environment.

Thus the economic development of ROVI must be compatible with ethical, social, work and environmental commitments and respect to the human rights.

The knowledge, dissemination and implementation of the values that express the commitment of the GROUP in terms of business ethics and corporate social responsibility, act as guidance for the actions of the Board of Directors and other bodies of ROVI Group in their relationships with the groups of interest.

The supporting tools developed by ROVI Group are, as well as the Corporate Social Responsibility Policy, the Integrated Management Policy (Environment and Health and Safety at Work), the Ethical Code and the Corporate Social Responsibility Report. The implementation of these tools must:

- ⊕ Contribute to achieve the strategic objectives of group.
- ⊕ Improve group competitiveness making use of new management practices based on innovation, equal opportunities, productivity, profitability and sustainability.
- ⊕ Manage with responsibility risks and opportunities arising from the changing environment, as well as maximizing the positive impact of its activity in the different places in which operates, and minimize, as far as possible, negative impacts.





- ④ Promoting a culture of ethical behaviour and increasing corporate transparency to generate credibility and confidence of the groups of interest, among this group is the society as whole.
- ④ Promote trust partnerships and values creation for the groups of interest, providing a balanced and integrated response to all of them.

As a result and in order to develop adequately these objectives, the following principles of actions have been established:

- ④ Compliance with legal regulations in the places where are based our companies.
- ④ Support the integration of the principles of the United Nations Global Compact, by the adoption and dissemination of them, as well as other international instruments, especially in the areas of human rights, working practices, environment and fight against corruption.
- ④ Follow the guidelines of the Ethical Code, which includes the commitment of the Company with the principles of business ethic and transparency in fields of action and regulates responsible behaviours of all the professionals of the group in the development of their activities.
- ④ Promote free market practices, rejecting any kind of illegal or fraudulent practice, implementing effective mechanisms of prevention, surveillance and sanction of irregularities.
- ④ Commitment with transparency as a mean to transmit confidence and credibility to the groups of interest. This will involve:
  - a. Disseminate relevant and accurate information the groups of interest, by the compliance with legal requirements of public information if required.
  - b. Prepare and public financial and non financial information, using, in the latter case, internationally accepted methods, and subjecting them to the opportune internal and external verification processes that guarantee reliability and promote continuous improvement.
- ④ Improve communication channels and dialogue, and promote the relationships of the group with shareholders, investors, employees, customers, suppliers and in general with all the groups of interest. This contributes to reach a synergy between corporate values and social expectations, adapting, as far as possible, group's policies and strategies to their interests, concerns and needs, using all the communication tools available, such as direct contact and the corporate web site of the group.
- ④ Conservation and promotion of the environment. ROVI develops its activity under the firm commitment of contributing to sustainability from an environmental perspective, materializing this commitment through the integration of environment on its different business areas, biodiversity conservation, prevention of pollution, an efficient management of resources and mitigation of climate change, according to the established by the Group's Environmental Policy.
- ④ Fiscal responsibility. The taxes that ROVI pays in the places in which develops its activity constitute the main contribution of the group companies to sustain public funds, and therefore, one of its contributions to society.



## 4.1. Identification of the groups of interest

Knowing the expectations of the groups of interest is part of the CSR strategy of ROVI, therefore, the company maintains a fluid and constant dialogue to detect and give answers to their interests, ensuring long term business viability. The company has identified five groups that contribute directly or indirectly to the good progress of its activities:



### CUSTOMERS, PATIENTS AND PROFESSIONALS.-

ROVI aims at the satisfaction of the needs and expectations of its customers, whether through the offering of “on-demand” services in its contract manufacturing area, as through a portfolio of products whose ultimate goal is improving the quality of people’s lives.

The company has placed customers, patients, and professional as the main focus of its daily activity, with the conviction that by reaching a high degree of satisfaction and creating long term solid trust relationships, the growth objectives set by the group can be reached. ROVI is committed to guarantee the confidentiality of customers’ data and not to disclose information to third parties.

The group considers essential to establish long lasting relationships based on proximity, a constant service based attitude and in trust.

### QUALITY IN MANAGEMENT AND PRODUCTION.-

Ensure the quality, safety and effectiveness of the products that the company places in the market, is the main objective of ROVI and of all the people that form part of the company. To do this, all the companies of the group have established procedures describing the controls performed in all the phases of the process, from research and development of products, reception of raw materials, packaging materials, production, storage and distribution to our customers.

The standards set meet completely with the internal demands of the company, but also with the external demands established by regulating bodies on the different products that form our portfolio.



In order to assess compliance with these procedures, internal audits are performed periodically in all the facilities of the group. There are yearly reviews in which the main points of improvement in our organization are analysed by the Management.

On the other side the quality audits by external organizations evidence the commitment to continuous improvement and the maintenance of high quality standards.

In addition, and according to the frequency established in the legislation applicable to the products, all the companies of the group are inspected by the Health Authorities, both Spanish and of the countries where our products are exported.

### **TREATMENT OF QUERIES.-**

Each Group's company has professional people trained for paying attention to the main queries from direct customers, patients and health professionals.

### **TREATMENT OF COMPLAINTS.-**

In all those cases in which a complaint is issued, an investigation is conducted to identify the root cause of the same. This investigation could involve several departments, or even our suppliers and our subcontractors. The analysis of these causes has as main purpose the adoption of measures to avoid recurrence of the same.

The efficacy of these actions is analyzed yearly, in the system review by the Management.

### **TREATMENT OF ADVERSE REACTIONS.-**

An adverse reaction is any response to a drug which is noxious and unintended, and which occurs at doses normally used in humans for prophylaxis, diagnosis or treatment of disease or for the restoration, correction or modification of physiological functions.

Laboratorios Rovi S.A., as manufacturer and distributor of drugs, is committed to the safety of patients who are given our medicines. To do this, Rovi has established appropriate controls for drugs remain the best benefit / risk and has also implemented a pharmacovigilance system to detect potential adverse reactions occurring with our medicines and medical devices.

ROVI has the e-mail [farmacovigilance@rovi.es](mailto:farmacovigilance@rovi.es) to report adverse reactions.



## SUPPORT TO PATIENTS.-

Through the web site [www.rovi.es](http://www.rovi.es) has launched PHYSICAL EXERCISE AND OSTEOPOROSIS.-

Physical exercise helps to maintain and build up bone mass, an important factor in the prevention of osteoporosis, at the same time as it increases muscle strength, co-ordination and balance.

- 1.- Standing beside a wall with your knees slightly bent, press with your hands while keeping your back straight.
- 2.- With your back against the wall and your feet slightly separated from it, push your body back against the wall stretch up as high as possible, raising first one arm while keeping your back straight and your knees slightly bent. Repeat with the other arm.
- 3.- Using the back of a chair for support, bend your knees a little, keeping your back straight. Move up and down slowly.
- 4.- With your arms stretched out sideways at shoulder height, jerk them backwards three times in a row. Repeat the exercise with your arms at 45° and straight up and down.
- 5.- With your hands on the back of your neck, breathe in deeply while gently pushing your elbows backwards. Breathe out while they come forward again to the starting position.
- 6.- With one arm stretched out in front of you and other behind, swing them backwards and forwards simultaneously in opposite directions, without twisting your back.
- 7.- Stretching a rearward arm and press on the ground plane. Do it with the other alternately.
- 8.- Stretch one arm out backwards and press down on the floor. Do the same with the other arm, alternately.



Moreover, ROVI has joined the active promotion that the Ministry of Health, Social Services and Equality through several campaigns along the year.

- ⊗ AIDS prevention.
- ⊗ There is a way out for the gender based violence.
- ⊗ Early detection of cancer.
- ⊗ European antibiotic awareness day.



## SUPPORT TO PROFESSIONALS.-

Through the web [www.rovi.es](http://www.rovi.es) the health professionals can access a complete service of medical and pharmaceutical information.

**HIBOR®**



**Hibor®** (Bemiparin) is a low molecular weight heparin indicated for:

**HIBOR® 2500 UI- HIBOR® 3.500 UI**

- Prevention of thromboembolic disease in patients undergoing general and orthopedic surgery;
- Prevention of thromboembolic disease in non-surgical patients with high or mild risk;
- Secondary prevention of venous thromboembolic recurrences in patients with deep vein thrombosis and transient risk factors; and
- Prevention of clotting in the extracorporeal circuit during hemodialysis.

**HIBOR® 5000 UI- HIBOR® 7500 UI- HIBOR® 10000 UI- HIBOR® 12500 UI**

- Treatment of established deep venous thrombosis, with or without pulmonary embolism.

**Hibor®** is supplied in prefilled syringes:

- 2,500 IU/0.2 ml -in packages containing 2, 10, 50 (CP) prefilled syringes
- 3,500 IU/0.2 ml -in packages containing 2, 10, 30, 50 (CP) prefilled syringes
- 5,000 IU/0.2 ml -in packages containing 2, 10, 30, 50 (CP) prefilled syringes
- 7,500 IU/0.3 ml -in packages containing 2, 10, 30, 50 (CP) prefilled syringes
- 10,000 IU/0.4 ml -in packages containing 2, 10, 30, 50 (CP) prefilled syringes
- 12,500 IU/0.4 ml -in packages containing 2, 10, 50 (CP) prefilled syringes





Also for some of our products we have prepared specific webs through which professionals can gather more information on our products:

**BEMIMED.COM**

VENOUS THROMBOEMBOLIC DISEASE

- WHAT IS VTD
- INCIDENCE OF VTD
- RISK FACTORS OF VTD
- SYMPTOMS OF DEEP VEIN THROMBOSIS
- SYMPTOMS OF PULMONARY EMBOLISM
- PREVENTION AND TREATMENT OF VTD
- RULES FOR SUBCUTANEOUS ADMINISTRATION OF LMWH

ROVI LABORATORIES

LMWH

WORLDWIDE DISTRIBUTORS

### What is venous thromboembolic disease (VTD)

Venous thromboembolic disease encompasses two clinical conditions: Deep vein thrombosis (DVT) and pulmonary embolism (PE). Deep Vein Thrombosis is the formation of a clot (thrombus) that occludes veins and prevents blood circulation. Vein thrombosis mainly affects the "deep veins" in the legs above or below the knee. This thrombus may be totally or partially dislodged and travel through the bloodstream. If the thrombus reaches the lungs, Pulmonary Embolism occurs. PE is a very serious and life-threatening complication.

**BLOOD COAGULATION**

**PULMONARY THROMBOEMBOLISM**

**ACCESS TO THE ANTI-THROMBOSIS MASTERCLASS E-LEARNING COURSE**  
available in May 2015.



🇪🇸 Español

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Lice and nits

International Distribution

FAQs



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for the location and extraction of lice and nits

How does it work?

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**MINIMIZES THE USE OF CHEMICAL PRODUCTS**

**Nitview®Ledcomb** is the new revolutionary system for the location and extraction of **lice and nits**.



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Mejor PRODUCTO del año



PREMIOS CUIDATE

Alto poder antioxidante para tus células

#### Dr. Barry Sears

Referente mundial en el estudio del impacto de la dieta sobre la respuesta hormonal, la expresión de los genes y la inflamación.



LEER MÁS

#### EnerZona Omega 3 RX

Suplemento de aceite de pescado altamente **concentrado y purificado**.  
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#### EnerZona Maqui RX Polifenoles

Complemento alimenticio a base de extracto de Maqui. Alto poder antioxidante para tus células.



LEER MÁS



## EMPLOYEES.-

Employees are for ROVI a basic pillar in the development of the Company. Thus, offers possibilities of professional development and training in the company, social benefits, reconciliation measures, and and a working environment in which health and safety are key aspects in the the Human Resources management.

A good example of this is the commitment of the company with job creation. This commitment can be evidenced by the fact that, at the end of 2015, ROVI almost reached 1.100 employees, being a staff of highly qualified, young and dynamic professionals, based on equal opportunities. Personnel are one of the main pillars of its structure.

	2015			2014		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Lab. Fcos. Rovi	385	52	437	389	54	443
Panquímica	77	2	79	31	2	33
Rovi Contract	261	107	368	229	150	379
Frosst Ibérica	180	33	213	192	27	219
Bemipharma	5	0	5	8	0	8
<b>Total</b>	<b>908</b>	<b>194</b>	<b>1,102</b>	<b>849</b>	<b>233</b>	<b>1,082</b>

As can be seen, last year the staff increased again.

## EQUAL OPPORTUNITIES.-

The company selects the personnel for his human and professional merits. The result of this non-discrimination policy can be seen in the composition of the workforce: more than half is integrated by women both at group level and in most divisions and in Portugal office.

Average staff in 2015			Average staff in 2014		
Men	Women	Total	Men	Women	Total
504	598	1,102	503	579	1,082

## EQUALITY PLAN.-

Since 2014 ROVI has a Plan for Equality between Men and Women. The Equality Plan aims to integrate equal treatment and opportunities for women and men, in order to achieve progressively a balanced presence of women within the various groups and professional levels.

In order to ensure compliance with the guidelines in the Plan it has been established the Commission for Equality.





## SOCIAL BENEFITS.-

All employees, regardless of their type of contract or employment, enjoy the same social benefits. Although there are no new benefits along 2015, the existing ones have been maintained.

### Reconciling working and family life.-

ROVI's commitment to employees is a key to the success of the company. The reconciliation of working and family life is also part of this concern. Wellbeing and health of workers have a direct effect in the creation of value for the company. Since 2012, has been implemented the flexible shifts to facilitate and contribute to improve quality of life in our employees.

	Men	Women	Total
People with reduced shift or making use of any option to reconcile working and family life	4	28	32

### Professional training

Talent and innovation are essential to achieve the strategic objectives of ROVI. The company through its Human Resources departments of its subsidiaries promotes training of employees with courses that provide the required abilities to perform their work position.

Continuous training is one of the pillars underpinning ROVI's growth in the long term. Therefore, promote professional and personal development in different specialties, in an open working environment, that guarantees equal opportunities, is a main part of the commitment with employees. For this reason, most training imparted is related to our products and quality.

	2015	2014
Hours of training	9.000	85.300

The origin of the different between the hours of training, 2014 versus 2015, is the incorporation of a huge number of employees to the sales force. That is evidence of our commitment with the training of our personnel.

### Fluid communication

The company has employee suggestion boxes in all the premises. In the same line, we are starting to arrange workshops in some plants for the staff of human resources to study and analyze each proposal, so that we can improve working environment. During the year 2015, y in line with the philosophy of continuous improvement, several improvements opportunities have been implemented, affecting areas such as production, maintenance, laboratories, etc. This culture for identification of improvements is performed in workshops with the employees in all plants.



## SAFETY

ROVI considers a priority the health of its employees, with the conviction that any accident could be avoided. Therefore, as well as working to make safer facilities, the company wants to raise awareness between the staff towards safety as a basic issue.

To achieve the knowledge and the involvement of its employees, ROVI has its own Prevention Service, responsible for performing actions like the promotion of a healthy life style, prevention of accidents and diseases or the communication through education and training campaigns.

### “Healthy company” project

During 2015 have been implemented several guidelines to make ROVI a “Healthy Company”. This project was presented on the World Day for Safety and Health at Work under the slogan:

## ALL HEALTHY AT WORK

In this area the following actions have been performed:

### Healthy breakfast

Since April, it has been implemented the “fruit day”: two days a month the employees can enjoy seasonal fruit in the different canteens of ROVI’s companies.

### Healthy vending

In the canteens have been installed healthy vending machines (salads, fruit, yogurt....) and machines dispensing natural orange juice.

### Sports practices

The Safety and Environment department has reached agreements with different sports centres (i.e. Gyms, riding centres), near the facilities of ROVI, to get competitive prices, that encourage our staff to practice sport.

### Companies race

Last December was held in Madrid the Companies Race. Several groups of employees took part on it in representation of ROVI.





## Accidents prevention.-

Different procedures have been developed to follow up and improve the safety performance, to monitor the following aspects:

- Safety inspections of equipments and facilities, as well as working sites.
- Investigation of accidents.

	2015	2014
% of workers represented in H&S Committees	100%	100%
Accident rate = (accidents n° /workers n°)*100	2.9%	1.6%
Health & Safety investment (million euro)	0.9	1.9

Likewise, in the plants and subsidiaries of the group have been implemented measures as awareness-raising actions in terms of health and safety, investments in machinery and infrastructure (I.e. change of lighting in the HOPPMANN room or changes in cooling system in the plant at Alcalá, or safety upgrades in the chemical laboratory, installation of floors or reforms in the outside lighting of Madrid plant).

## SHAREHOLDERS.-

Since its Initial Public Offering, ROVI has maintained a commitment for transparency with the shareholders, informing them regularly of its activities.

In this sense, the Company has available for shareholders, institutional investors and markets in general, a direct communication channel through the e-mail [ir@rovi.es](mailto:ir@rovi.es) and helpline number 91 244 44 22 which aims to be a main open communication channel, permanent and transparent, for all shareholders and investors of the Company.

Furthermore, shareholders, investors and markets in general can request information via the corporate web Page <http://www.rovi.es/inversores/solicitudInformacion.php>. Additionally, the Company has enabled for them an e-mail alert system <http://www.rovi.es/inversores/alertasEmail.php> that allows to receive automatically the financial information of the Company. The Company considers a priority giving answers to the questions and request made by registered shareholders and investors to ensure that they are updated about the progress of the Group.

In the year 2015, ROVI made public its "Communication policy for shareholders, institutional investors and voting advisors" via its web site (<http://www.rovi.es/inversores/politicasCorporativas.php>).

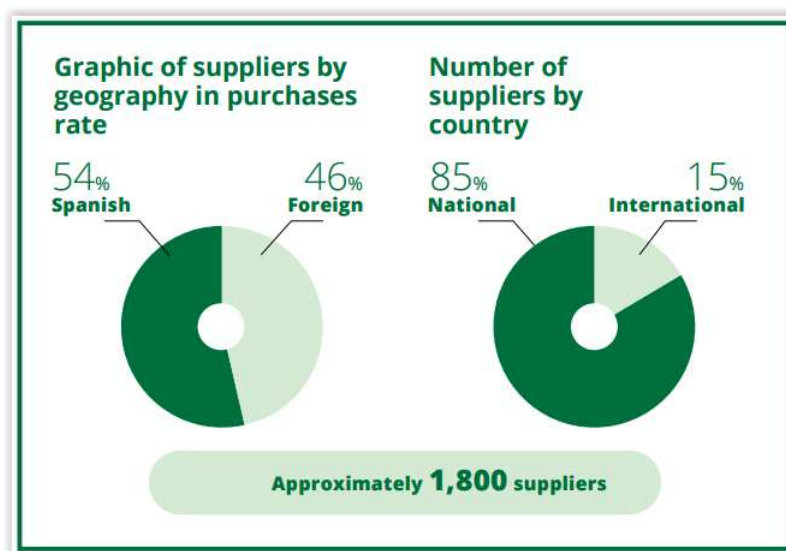
Moreover, during 2015 the Company performed 10 roadshows, participated in 10 events with invertors and received 16 visits of invertors at its facilities, what meant a total of 150 investors informed.

Equally, all the relevant information of the group, the presentations and legal economic-financial documents and of corporate governance are available to the public in the corporate web site [www.rovi.es](http://www.rovi.es).



## SUPPLIERS.-

ROVI considers Suppliers as a group of strategic interest for our activities, and with this in mind has established some specific acting principles for its field of activity, according, in any case, with the company's principles and values. With this it is intended to reinforce sustainability and competitive advantages of our value chain, encouraging our suppliers to follow equal opportunities policies and to express its commitment with basic principles of ethic and professional conduct.



In order to maintain the commitments undertaken by ROVI, we have established several procedures for the selection and evaluation of suppliers. These procedures vary depending on the activities involved, to guarantee the quality of our products and the protection of the environment.

Once the supplier has been approved by ROVI, it is submitted to them a document entitled "CSR commitment", in which is requested a commitment with the CSR policy. This document has been submitted to all suppliers and subcontractors of the group.

In this sense, additionally, they are requested a copy of certifications and issuing companies and to guarantee compliance with standards such as SA-8000, S.G.E-21, etc.

Currently, more than 55 % of these companies have signed this CSR commitment, although the objective is that all suppliers adhere to this commitment.

### Average period of payment.-

The average period of payment to suppliers in 2015 has been 55 days.



## ENVIRONMENT.-

ROVI's commitment to the protection of the environment is strong and constant and is integrated in the daily activity. The environmental policy of the company is based in continuous improvement commitments, in compliance with legal requirements and additional voluntary requirements. The implementation of power efficiency solutions, the rational management of natural resources and recycling generated waste are the main focus of the environmental strategy of the company.

One of the key issues to ensure proper management of environmental aspects is the implementation of an environmental management system based on the criteria established by the international standard ISO 14001:2004 and the Eco Management and Audit Scheme (EMAS) scheme.

These certifications acknowledge the quality of environmental management system of ROVI and support its commitment with the environment beyond the current national legislation. For this reason, in all production facilities of ROVI is promoted a production management respectful to the environment, in a constant effort to reduce power consumption and perform a more efficient waste management.

## OBJECTIVES.-

During the year 2015 the following objectives were set in ROVI in order to improve:

- ☉ Energy saving.
- ☉ Improvements in waste management, to allow recycling better, if possible.

## WASTE.-

The activities that are performed by the companies of the Group, make waste management a key issue. For this reason and as part of the commitment with pollution prevention, the processes related to the waste are orientated mainly to minimize them in the production processes and to a correct management, after being produced, favouring its recovery and valuation whenever possible.

	2015	2014	Variation
Tonnes of hazardous waste generated	519.06	838.22	-38%
Tonnes of non hazardous waste generated	852.58	817.52	4%
<b>TOTAL</b>	<b>1,371.64</b>	<b>1,655.74</b>	<b>-17%</b>

## EXPENSES AND INVESTMENTS IN ENVIRONMENT.-

The Environment department counts with specific resources assigned as per the objectives set every year. During the year 2015 the expenses in the environment area total more than 340.884 €. Expenses derive, almost completely, from the management of the waste produced (237.720 €) and in the treatment of emissions to the atmosphere (7.560 €).



Also the Environment department has made investments, in the facilities, for an overall amount of 95.603,64€. See below some of the improvements that have been performed:

- ⊕ In Alcalá plant:
  - Flash recovery system,
  - Energy efficiency improvement cooling towers
- ⊕ In Granada plant:
  - Study of a VOC abatement system
  - Study of corrective measures for noise
- ⊕ In Madrid plant:
  - PHASE 1 separating system OCS-INVES (line F4)
  - Volume control G1 and G2

### POWER CONSUMPTION.-

During the year 2015 the consumption of energy has been reduced in all the sources we use in our activities, evidencing the efficacy of awareness, raised among employees, and of the reduction measures implemented. The variation, per type, is as follows:

- ⊕ Electric power consumption, in the GROUP, has undergone a reduction of 6.8% compared to the values of year 2014, demonstrating that reduction schemes have been effective.
- ⊕ Natural gas consumption, in those facilities that have this alternative available, has suffered decrease of 0.29%
- ⊕ Fuel consumption has suffered a reduction of 5.37%.

	2015	2014
kWh of electric power consumed	16,659,472.90	170,668,424.00
kWh of natural gas consumed	20,778,025.30	4,221,476.00
Litres of fuel vehicles	394,677.19	417,055.14
Variation of electric power per unit manufactured	33.78%	-
Variation of natural gas consumption per unit manufactured	8.58%	-

### NATURAL RESOURCES CONSUMPTION.-

During the year 2015 water consumption in our facilities has been 115,932 m3 what means a 23% more than in the previous year. This increase, although is significant, has its origin in the increase of production.

	2015
m3 of water / million units manufactured	1,72

Note: Natural gas and diesel consumption have been analyzed in the section “Energy Consumption” of this document.



## ATMOSPHERIC EMISSIONS.-

In ROVI, and as contribution to the fight against climate change, we not only take into account the electric power consumption, but also we measure the emissions of CO<sub>2</sub> from the consumption of natural gas and diesel, derived from electricity and vehicles, as well as other substances that act destroying the ozone layer.

	2015	2014
Tonnes of CO <sub>2</sub> emitted	8,219.76	5,123.88
Reduction of tonnes of CO <sub>2</sub> emitted	+ 64% (*)	-

(\*) During this year 2015 we haven't reduced the tonnes of CO<sub>2</sub> calculated as those have been considered in the consumption of natural gas.

In order to reduce the effect of the emissions to the atmosphere of our centres, we have made an investment of more than 7.500 € in active carbon. Furthermore, among the investments made, we have conducted a study of a new VOC abatement system in the Granada plant.

## RELATIONSHIPS WITH PARTIES CONCERNED TO THE ENVIRONMENT.-

### Enquiries.-

ROVI has established a procedure that describes the methodology followed for the treatment of queries related to the company's environmental behaviour. In this sense, during the year 2015 we have answered a total of 13 environmental consultations, mainly related to the system followed by ROVI for hazardous waste management.

### Other organizations.-

The companies that are part of ROVI group participate in several environmental protection organizations, the main ones are:

- SIGRE
- ECOEMBRES
- Fundación ECOLEC

### World Environment Day.-

On the occasion of the World Environment Day, celebrated on the 5<sup>th</sup> of June, the Safety and Environment Department prepared an awareness campaign under the slogan:

## THE VALUE OF EACH DROP

In this campaign, besides giving a small commemorative gift, all personnel received an information pack aiming to raise awareness about the need of reducing resources.



### **Suppliers and subcontractors.-**

During the year 2015 we have performed 3 audits to suppliers in which have been evaluated compliance with environmental regulations.

Also it has been checked that, at GROUP level, 61% of the suppliers and subcontractors have certification ISO 14001 or EMAS.

## **SOCIETY.-**

ROVI devotes part of its resources to promote medical research. During the last years has developed an intense activity to support investigation and promote knowledge and prevention of certain diseases. The amount destined to donations will be communicated in the Annual Report of 2015 that will be published in June.

### **Commitment with Research.-**

In this context, it has launched an International Grants Award for Biomedical Research on Bemiparin, a low molecular weight heparin, indicated in the prophylaxis and treatment of the venous thromboembolic disease. This grants award promotes original and independent research to increase scientific knowledge of Bemiparin, an anti-thrombotic with a unique pharmacologic profile that is currently used in 53 countries.

On the other side, ROVI maintains collaboration agreements with universities in order to join efforts to increase scientific, technological, learning activities and for knowledge dissemination.

The University of Granada and ROVI co-operate in research activities and training of scientific personnel. In particular, we have two open projects: Integra SNS\_Integra and ADELIS (both framed in the FEDER Interconnecta program).

The group also has an agreement with the Biomedical Research Centre of CSIC and with the University of La Rioja (UNIR).

### **Commitment with Training.-**

Aiming those highly qualified students can access work market, to improve their abilities, knowledge and experience, the company has an ongoing students training program in the company. For this, there are about twenty collaboration agreements with Universities and Schools. These practices help students to start their career in a professional working environment.





## **Commitment with social projects.-**

### ✓ **Spanish Paralympic team**

During this year 2015 ROVI has become the sponsor of the Spanish Paralympic Team I.

### ✓ **Foundations “También” and “Deporte y Desafío“**

As part of the support of ROVI to promote healthy practices in society, in 2015 the Management Team has approved the sponsor of training activities and support for social health activities for professionals (trainers, physiotherapists...) that collaborate with foundations TAMBIÉN and DEPORTE Y DESAFÍO. These are two non-profit private institutions, whose main purpose is the social integration of people with disabilities through sport. The collaboration of ROVI is aimed to the performance of skiing activities.

The first example was the “X Trofeo Santiveri”, of alpine skiing adapted, where 6 volunteers from ROVI helped in the previous races and in the completion that took place on 11 and 12 of April, 2015 in the slopes of Sierra Nevada.

During the year 2016 the company will continue this collaboration.

### ✓ **Spanish Red Cross**

ROVI continues collaborating with RED CROSS – Granada –, in particular this year with the sponsorship of the Flag Day, where all the funds raised during the day were destined to the Program of Attention to Asylum Seekers and Refugees.

### ✓ **The “Proyecto Hombre”**

One more year ROVI has collaborated with “PROYECTO HOMBRE”- Granada, in the development of programmes for the treatment of aditions and social reinsertion of drug addicts.



## 5. TRACEABILITY OF GRI4 INDICATORS.

Id.	INDICATOR	Report page
<b>Section: ORGANIZATION PROFILE</b>		
G4-3	Name of the company	4
G4-4	Marks, products and most important services	6
G4-5	Place where is based the head office of the company	4
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G4-8	Markets served	10
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G4-29	Date of the last report	3
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Id.	INDICATOR	Report page
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## ANEXO I

GENERAL

2º

INFORMACIÓN ESTADÍSTICA CORRESPONDIENTE AL AÑO

2015

FECHA DE CIERRE DEL PERIODO

31/12/2015

### I. DATOS IDENTIFICATIVOS

**Denominación Social:** LABORATORIOS FARMACEUTICOS ROVI, S.A.

**Domicilio Social:**

c/ Julián Camarillo, 35, 28037 Madrid

**C.I.F.**

A-28041283

### II. INFORMACIÓN COMPLEMENTARIA A LA INFORMACIÓN PERIÓDICA PREVIAMENTE PUBLICADA

**Explicación de las principales modificaciones respecto a la información periódica previamente publicada:**

*(sólo se cumplimentará en los supuestos establecidos en el apartado B) de las Instrucciones).*

**III. DECLARACIÓN(ES) DE LOS RESPONSABLES DE LA INFORMACIÓN**

*Hasta donde alcanza nuestro conocimiento, las cuentas anuales resumidas que se presentan, elaboradas con arreglo a los principios de contabilidad aplicables, ofrecen la imagen fiel del patrimonio, de la situación financiera y de los resultados del emisor, o de las empresas comprendidas en la consolidación tomadas en su conjunto, y el informe de gestión intermedio incluye un análisis fiel de la información exigida.*

Observaciones a la declaración(es) anterior(es):

Persona(s) que asume(n) la responsabilidad de esta información:

Fecha de firma de este informe financiero semestral por el órgano de administración correspondiente:



IV. INFORMACIÓN FINANCIERA SELECCIONADA

1. BALANCE INDIVIDUAL (ELABORADO UTILIZANDO LA NORMATIVA CONTABLE EN VIGOR DE CARÁCTER NACIONAL)

Uds.: Miles de euros

ACTIVO		P. ACTUAL 31/12/2015	P. ANTERIOR 31/12/2014
<b>A) ACTIVO NO CORRIENTE</b>	<b>0040</b>	75.626	73.449
1.L. Inmovilizado intangible:	<b>0030</b>	17.283	15.952
a) Fondo de comercio	<b>0031</b>		
b) Otro inmovilizado intangible	<b>0032</b>	17.283	15.952
2.L. Inmovilizado material	<b>0033</b>	43.730	43.183
3.L. Inversiones inmobiliarias	<b>0034</b>		
4.L. Inversiones en empresas del grupo y asociadas a largo plazo	<b>0035</b>	10.492	10.492
5.L. Inversiones financieras a largo plazo	<b>0036</b>	1.559	1.390
6.L. Activos por impuesto diferido	<b>0037</b>	2.562	2.432
7.L. Otros activos no corrientes	<b>0038</b>		
<b>B) ACTIVO CORRIENTE</b>	<b>0065</b>	152.374	242.766
1. Activos no corrientes mantenidos para la venta	<b>0060</b>		
2. Existencias	<b>0056</b>	32.664	35.364
3. Deudores comerciales y otras cuentas a cobrar:	<b>0060</b>	92.554	185.023
a) Clientes por ventas y prestaciones de servicios	<b>0061</b>	81.671	173.546
b) Otros deudores	<b>0062</b>	6.938	7.360
c) Activos por impuesto corriente	<b>0063</b>	3.945	4.117
4. Inversiones en empresas del grupo y asociadas a corto plazo	<b>0064</b>	5	5
5. Inversiones financieras a corto plazo	<b>0070</b>		
6. Periodificaciones a corto plazo	<b>0071</b>	9	15
7. Efectivo y otros activos líquidos equivalentes	<b>0072</b>	27.142	22.359
<b>TOTAL ACTIVO (A + B)</b>	<b>0100</b>	228.000	316.215
PASIVO Y PATRIMONIO NETO		P. ACTUAL 31/12/2015	P. ANTERIOR 31/12/2014
<b>A) PATRIMONIO NETO (A.1 + A.2 + A.3)</b>	<b>0195</b>	123.929	120.165
<b>A.1) FONDOS PROPIOS</b>	<b>0180</b>	119.523	115.508
1. Capital:	<b>0171</b>	3.000	3.000
a) Capital escriturado	<b>0161</b>	3.000	3.000
b) <i>Menos: Capital no exigido</i>	<b>0162</b>		
2. Prima de emisión	<b>0172</b>		
3. Reservas	<b>0173</b>	6.959	6.959
4. <i>Menos: Acciones y participaciones en patrimonio propias</i>	<b>0174</b>	(6.112)	(2.813)
5. Resultados de ejercicios anteriores	<b>0176</b>	100.167	84.018
6. Otras aportaciones de socios	<b>0179</b>		
7. Resultado del ejercicio	<b>0175</b>	17.509	24.344
8. <i>Menos: Dividendo a cuenta</i>	<b>0178</b>		
9. Otros instrumentos de patrimonio neto	<b>0177</b>		
<b>A.2) AJUSTES POR CAMBIOS DE VALOR</b>	<b>0188</b>	(2)	(2)
1. Activos financieros disponibles para la venta	<b>0181</b>	(2)	(2)
2. Operaciones de cobertura	<b>0182</b>		
3. Otros	<b>0183</b>		
<b>A.3) SUBVENCIONES, DONACIONES Y LEGADOS RECIBIDOS</b>	<b>0194</b>	4.408	4.659
<b>B) PASIVO NO CORRIENTE</b>	<b>0120</b>	34.986	35.013
1. Provisiones a largo plazo	<b>0116</b>		
2. Deudas a largo plazo:	<b>0116</b>	31.780	30.766
a) Deudas con entidades de crédito y obligaciones u otros valores negociables	<b>0131</b>	20.932	19.020
b) Otros pasivos financieros	<b>0132</b>	10.848	11.766
3. Deudas con empresas del grupo y asociadas a largo plazo	<b>0117</b>		
4. Pasivos por impuesto diferido	<b>0118</b>	2.562	3.495
5. Otros pasivos no corrientes	<b>0135</b>		
6. Periodificaciones a largo plazo	<b>0119</b>	646	732
<b>C) PASIVO CORRIENTE</b>	<b>0130</b>	69.083	161.037
1. Pasivos vinculados con activos no corrientes mantenidos para la venta	<b>0121</b>		
2. Provisiones a corto plazo	<b>0122</b>	2.497	2.027
3. Deudas a corto plazo:	<b>0123</b>	9.997	4.150
a) Deudas con entidades de crédito y obligaciones u otros valores negociables	<b>0133</b>	7.247	1.540
b) Otros pasivos financieros	<b>0134</b>	2.750	2.610
4. Deudas con empresas del grupo y asociadas a corto plazo	<b>0129</b>	87	172
5. Acreedores comerciales y otras cuentas a pagar:	<b>0124</b>	56.333	154.418
a) Proveedores	<b>0125</b>	52.333	149.700
b) Otros acreedores	<b>0126</b>	4.000	4.718
c) Pasivos por impuesto corriente	<b>0127</b>		
6. Otros pasivos corrientes	<b>0136</b>		
7. Periodificaciones a corto plazo	<b>0128</b>	169	270
<b>TOTAL PATRIMONIO NETO Y PASIVO (A + B + C)</b>	<b>0200</b>	228.000	316.215

IV. INFORMACIÓN FINANCIERA SELECCIONADA  
2. CUENTA DE PÉRDIDAS Y GANANCIAS INDIVIDUAL  
(ELABORADA UTILIZANDO LA NORMATIVA CONTABLE EN VIGOR DE CARÁCTER NACIONAL)

Uds.: Miles de euros

		PER. CORRIENTE ACTUAL (2º SEMESTRE)		PER. CORRIENTE ANTERIOR (2º SEMESTRE)		ACUMULADO ACTUAL 31/12/2015		ACUMULADO ANTERIOR 31/12/2014		
		Importe	%	Importe	%	Importe	%	Importe	%	
(+)	Importe neto de la cifra de negocios	0205	104.163	100,00	97.983	100,00	200.547	100,00	196.305	100,00
(+/-)	Variación de existencias de productos terminados y en curso de fabricación	0206	(3.734)	(3,58)	12.443	12,70	(5.553)	(2,77)	6.069	3,09
(+)	Trabajos realizados por la empresa para su activo	0207								
(-)	Aprovisionamientos	0208	(56.744)	(54,48)	(67.859)	(69,26)	(109.305)	(54,50)	(118.015)	(60,12)
(+)	Otros ingresos de explotación	0209	860	0,83	1.673	1,71	2.165	1,08	3.147	1,60
(-)	Gastos de personal	0217	(13.917)	(13,36)	(15.400)	(15,72)	(31.229)	(15,57)	(29.806)	(15,18)
(-)	Otros gastos de explotación	0210	(28.940)	(27,78)	(22.097)	(22,55)	(47.470)	(23,67)	(38.357)	(19,54)
(-)	Amortización del inmovilizado	0211	(3.170)	(3,04)	(2.960)	(3,02)	(6.321)	(3,15)	(5.805)	(2,86)
(+)	Imputación de subvenciones de inmovilizado no financiero y otras	0212	442	0,42	410	0,42	750	0,37	916	0,47
(+)	Excesos de provisiones	0213								
(+/-)	Deterioro y resultado por enajenaciones del inmovilizado	0214	(12)	(0,01)	(4)	0,00	(12)	(0,01)	(4)	0,00
(+/-)	Otros resultados	0215					0	0,00		
=	<b>RESULTADO DE EXPLOTACIÓN</b>	0245	(1.052)	(1,01)	4.189	4,28	3.572	1,78	14.650	7,46
(+)	Ingresos financieros	0250	490	0,47	116	0,12	13.791	6,88	13.078	6,66
(-)	Gastos financieros	0251	(1.027)	(0,99)	(1.144)	(1,17)	(1.724)	(0,86)	(2.404)	(1,22)
(+/-)	Variación de valor razonable en instrumentos financieros	0252								
(+/-)	Diferencias de cambio	0254								
(+/-)	Deterioro y resultado por enajenaciones de instrumentos financieros	0255			(298)	(0,30)	0	0,00	(302)	(0,15)
=	<b>RESULTADO FINANCIERO</b>	0256	(537)	(0,52)	(1.326)	(1,35)	12.067	6,02	10.372	5,28
=	<b>RESULTADO ANTES DE IMPUESTOS</b>	0265	(1.589)	(1,53)	2.863	2,92	15.639	7,80	25.022	12,75
(+/-)	Impuesto sobre beneficios	0270	1.838	1,76	170	0,17	1.870	0,93	(678)	(0,35)
=	<b>RESULTADO DEL EJERCICIO PROCEDENTE DE OPERACIONES CONTINUADAS</b>	0280	249	0,24	3.033	3,10	17.509	8,73	24.344	12,40
(+/-)	Resultado del ejercicio procedente de operaciones interrumpidas neto de impuestos	0285								
=	<b>RESULTADO DEL EJERCICIO</b>	0300	249	0,24	3.033	3,10	17.509	8,73	24.344	12,40
<b>BENEFICIO POR ACCIÓN</b>			Importe (X,XX euros)		Importe (X,XX euros)		Importe (X,XX euros)		Importe (X,XX euros)	
	Básico	0290	0,00		0,06		0,35		0,49	
	Diluido	0295								

En el informe financiero semestral correspondiente al primer semestre del ejercicio los datos relativos al periodo corriente coinciden con los datos acumulados, por lo que no se requiere que se complimenten.



**IV. INFORMACIÓN FINANCIERA SELECCIONADA**  
**3. ESTADO DE CAMBIOS EN EL PATRIMONIO NETO INDIVIDUAL**  
**ESTADO DE INGRESOS Y GASTOS RECONOCIDOS INDIVIDUAL**  
**(ELABORADO UTILIZANDO LA NORMATIVA CONTABLE EN VIGOR DE CARÁCTER NACIONAL)**

Uds.: Miles de euros

		PERIODO ACTUAL 31/12/2015	PERIODO ANTERIOR 31/12/2014
<b>A) RESULTADO DEL EJERCICIO (de la cuenta de pérdidas y ganancias)</b>	<b>0305</b>	17.509	24.344
<b>B) INGRESOS Y GASTOS IMPUTADOS DIRECTAMENTE AL PATRIMONIO NETO:</b>	<b>0310</b>	311	(2.248)
1. Por valoración de instrumentos financieros:	<b>0320</b>	(2)	151
a) Activos financieros disponibles para la venta	<b>0321</b>	(2)	151
b) Otros ingresos/(gastos)	<b>0323</b>		
2. Por coberturas de flujos de efectivo	<b>0330</b>		
3. Subvenciones, donaciones y legados recibidos	<b>0340</b>	(28)	(3.363)
4. Por ganancias y pérdidas actuariales y otros ajustes	<b>0344</b>		
5. Resto de ingresos y gastos imputados directamente al patrimonio neto	<b>0343</b>		
6. Efecto impositivo	<b>0345</b>	341	964
<b>C) TRANSFERENCIAS A LA CUENTA DE PÉRDIDAS Y GANANCIAS:</b>	<b>0350</b>	(562)	(430)
1. Por valoración de instrumentos financieros:	<b>0355</b>		302
a) Activos financieros disponibles para la venta	<b>0356</b>		302
b) Otros ingresos/(gastos)	<b>0358</b>		
2. Por coberturas de flujos de efectivo	<b>0360</b>		
3. Subvenciones, donaciones y legados recibidos	<b>0368</b>	(750)	(918)
4. Resto de ingresos y gastos imputados directamente al patrimonio neto	<b>0365</b>		
5. Efecto impositivo	<b>0370</b>	188	184
<b>TOTAL INGRESOS/(GASTOS) RECONOCIDOS (A + B + C)</b>	<b>0400</b>	17.256	21.666



**IV. INFORMACIÓN FINANCIERA SELECCIONADA**  
**4. ESTADO DE CAMBIOS EN EL PATRIMONIO NETO INDIVIDUAL (1/2)**  
**ESTADO TOTAL DE CAMBIOS EN EL PATRIMONIO NETO INDIVIDUAL**  
**(ELABORADO UTILIZANDO LA NORMATIVA CONTABLE EN VIGOR DE CARÁCTER NACIONAL)**

Uds.: Miles de euros

PERIODO ACTUAL		Fondos propios				Ajustes por cambios de valor	Subvenciones donaciones y legados recibidos	Total Patrimonio neto
		Capital	Prima de emisión y Reservas (1)	Acciones y particip. en patrimonio propias	Resultado del ejercicio			
<b>Saldo inicial al 01/01/2015</b>	<b>3010</b>	3.000	90.977	(2.813)	24.344	(2)	4.659	120.165
Ajuste por cambios de criterio contable	3011							
Ajuste por errores	3012							
<b>Saldo inicial ajustado</b>	<b>3015</b>	3.000	90.977	(2.813)	24.344	(2)	4.659	120.165
<b>I. Total Ingresos/ (gastos) reconocidos</b>	<b>3020</b>				17.509		(251)	17.258
<b>II. Operaciones con socios o propietarios</b>	<b>3025</b>		(8.299)	(5.299)				(13.598)
1. Aumentos/ (Reducciones) de capital	3026							
2. Conversión de pasivos financieros en patrimonio neto	3027							
3. Distribución de dividendos	3028		(8.450)					(8.450)
4. Operaciones con acciones o participaciones en patrimonio propias (netas)	3029		151	(5.299)				(5.148)
5. Incrementos/ (Reducciones) por combinaciones de negocios	3030							
6. Otras operaciones con socios o propietarios	3032							
<b>III. Otras variaciones de patrimonio neto</b>	<b>3035</b>		24.448		(24.344)			104
1. Pagos basados en instrumentos de patrimonio	3036							
2. Traspasos entre partidas de patrimonio neto	3037		24.344		(24.344)			0
3. Otras variaciones	3038		104					104
<b>Saldo final al 31/12/2015</b>	<b>3040</b>	3.000	107.126	(8.112)	17.509	(2)	4.408	123.929

(1) La columna **Prima de emisión y Reservas**, a efectos de cumplimentar este estado, engloba los siguientes epígrafes del patrimonio neto del Balance: 2. Prima de emisión, 3. Reservas, 5. Resultados de ejercicios anteriores, 6. Otras aportaciones de socios y 8. *Menos: Dividendo a cuenta.*

**IV. INFORMACIÓN FINANCIERA SELECCIONADA**  
**4. ESTADO DE CAMBIOS EN EL PATRIMONIO NETO INDIVIDUAL (2/2)**  
**ESTADO TOTAL DE CAMBIOS EN EL PATRIMONIO NETO INDIVIDUAL**  
**(ELABORADO UTILIZANDO LA NORMATIVA CONTABLE EN VIGOR DE CARÁCTER NACIONAL)**

Uds.: Miles de euros

PERIODO ANTERIOR		Fondos propios					Ajustes por cambios de valor	Subvenciones donaciones y legados recibidos	Total Patrimonio neto
		Capital	Prima de emisión y Reservas (1)	Acciones y particip. en patrimonio propias	Resultado del ejercicio	Otros instrumentos de patrimonio neto			
Saldo inicial al 01/01/2014 (periodo comparativo)	3050	3.000	74.262	(782)	25.111		(319)	7.654	108.926
Ajuste por cambios de criterio contable	3051								
Ajuste por errores	3052								
Saldo inicial ajustado (periodo comparativo)	3055	3.000	74.262	(782)	25.111		(319)	7.654	108.926
I. Total ingresos/ (gastos) reconocidos	3060				24.344		317	(2.995)	21.666
II. Operaciones con socios o propietarios	3065		(7.998)	(2.031)					(10.029)
1. Aumentos/ (Reducciones) de capital	3066								
2. Conversión de pasivos financieros en patrimonio neto	3067								
3. Distribución de dividendos	3068		(8.060)						(8.060)
4. Operaciones con acciones o participaciones en patrimonio propias (netas)	3069		62	(2.031)					(1.969)
5. Incrementos/ (Reducciones) por combinaciones de negocios	3070								
6. Otras operaciones con socios o propietarios	3072								
III. Otras variaciones de patrimonio neto	3075		24.713		(25.111)				(398)
1. Pagos basados en instrumentos de patrimonio	3076								
2. Traspasos entre partidas de patrimonio neto	3077		25.111		(25.111)				0
3. Otras variaciones	3078		(398)						(398)
Saldo final al 31/12/2014 (periodo comparativo)	3080	3.000	90.977	(2.813)	24.344		(2)	4.659	120.165

(1) La columna **Prima de emisión y Reservas**, a efectos de cumplimentar este estado, engloba los siguientes epígrafes del patrimonio neto del Balance: 2. Prima de emisión, 3. Reservas, 5. Resultados de ejercicios anteriores, 6. Otras aportaciones de socios y 8. *Menos: Dividendo a cuenta.*

IV. INFORMACIÓN FINANCIERA SELECCIONADA  
 5. ESTADO DE FLUJOS DE EFECTIVO INDIVIDUAL  
 (ELABORADO UTILIZANDO LA NORMATIVA CONTABLE EN VIGOR DE CARÁCTER NACIONAL)

Uda.: Miles de euros

		PERIODO ACTUAL 31/12/2015	PERIODO ANTERIOR 31/12/2014
<b>A) FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE EXPLOTACIÓN (1 + 2 + 3 + 4)</b>	<b>0435</b>	19.525	16.796
<b>1. Resultado antes de impuestos</b>	<b>0405</b>	15.639	25.022
<b>2. Ajustes del resultado:</b>	<b>0410</b>	7.176	6.727
(+) Amortización del inmovilizado	0411	6.321	5.605
(+/-) Otros ajustes del resultado (netos)	0412	855	1.122
<b>3. Cambios en el capital corriente</b>	<b>0415</b>	(1.025)	(6.573)
<b>4. Otros flujos de efectivo de las actividades de explotación:</b>	<b>0420</b>	(2.265)	(6.380)
(-) Pagos de intereses	0421	(394)	(2.658)
(+) Cobros de dividendos	0422		
(+) Cobros de intereses	0423		
(+/-) Cobros/(pagos) por impuesto sobre beneficios	0430	(1.981)	(3.932)
(+/-) Otros cobros/(pagos) de actividades de explotación	0425	110	210
<b>B) FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE INVERSIÓN (1 + 2)</b>	<b>0460</b>	(7.582)	(3.706)
<b>1. Pagos por inversiones:</b>	<b>0440</b>	(8.381)	(20.256)
(-) Empresas del grupo, asociadas y unidades de negocio	0441		(287)
(-) Inmovilizado material, intangible e inversiones inmobiliarias	0442	(8.211)	(19.989)
(-) Otros activos financieros	0443	(170)	
(-) Otros activos	0444		
<b>2. Cobros por desinversiones:</b>	<b>0450</b>	799	16.550
(+) Empresas del grupo, asociadas y unidades de negocio	0451		
(+) Inmovilizado material, intangible e inversiones inmobiliarias	0452	12	4
(+) Otros activos financieros	0453		16.201
(+) Otros activos	0454	787	345
<b>C) FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE FINANCIACIÓN (1 + 2 + 3)</b>	<b>0480</b>	(7.160)	(3.011)
<b>1. Cobros y (pagos) por instrumentos de patrimonio:</b>	<b>0470</b>		
(+) Emisión	0471		
(-) Amortización	0472		
(-) Adquisición	0473		
(+) Enajenación	0474		
(+) Subvenciones, donaciones y legados recibidos	0475		
<b>2. Cobros y (pagos) por instrumentos de pasivo financiero:</b>	<b>0480</b>	6.334	7.000
(+) Emisión	0481	11.501	21.636
(-) Devolución y amortización	0482	(5.167)	(14.636)
<b>3. Pagos por dividendos y remuneraciones de otros instrumentos de patrimonio</b>	<b>0485</b>	(13.494)	(10.011)
<b>D) EFECTO DE LAS VARIACIONES DE LOS TIPOS DE CAMBIO</b>	<b>0492</b>		
<b>E) AUMENTO/(DISMINUCIÓN) NETO DE EFECTIVO Y EQUIVALENTES (A + B + C + D)</b>	<b>0495</b>	4.783	10.079
<b>F) EFECTIVO Y EQUIVALENTES AL INICIO DEL PERÍODO</b>	<b>0499</b>	22.359	12.280
<b>G) EFECTIVO Y EQUIVALENTES AL FINAL DEL PERÍODO (E + F)</b>	<b>0500</b>	27.142	22.359
<b>COMPONENTES DEL EFECTIVO Y EQUIVALENTES AL FINAL DEL PERIODO</b>		<b>PERIODO ACTUAL 31/12/2015</b>	<b>PERIODO ANTERIOR 31/12/2014</b>
(+) Caja y bancos	0560	27.142	15.860
(+) Otros activos financieros	0552		6.499
(-) <i>Menos: Descubiertos bancarios reintegrables a la vista</i>	0553		
<b>TOTAL EFECTIVO Y EQUIVALENTES AL FINAL DEL PERIODO</b>	<b>0600</b>	27.142	22.359

IV. INFORMACIÓN FINANCIERA SELECCIONADA

6. BALANCE CONSOLIDADO (NIIF ADOPTADAS)

Uds.: Miles de euros

ACTIVO		P. ACTUAL 31/12/2015	P. ANTERIOR 31/12/2014
<b>A) ACTIVO NO CORRIENTE</b>	<b>1040</b>	109.764	99.287
1. Inmovilizado intangible:	<b>1030</b>	18.881	17.208
a) Fondo de comercio	<b>1031</b>		
b) Otro inmovilizado intangible	<b>1032</b>	18.881	17.208
2. Inmovilizado material	<b>1033</b>	81.803	73.593
3. Inversiones inmobiliarias	<b>1034</b>		
4. Inversiones contabilizadas aplicando el método de la participación	<b>1035</b>		
5. Activos financieros no corrientes	<b>1036</b>	70	71
6. Activos por impuesto diferido	<b>1037</b>	8.871	8.280
7. Otros activos no corrientes	<b>1038</b>	139	137
<b>B) ACTIVO CORRIENTE</b>	<b>1055</b>	154.083	162.033
1. Activos no corrientes mantenidos para la venta	<b>1050</b>		
2. Existencias	<b>1055</b>	63.859	67.567
3. Deudores comerciales y otras cuentas a cobrar:	<b>1060</b>	60.973	67.795
a) Clientes por ventas y prestaciones de servicios	<b>1061</b>	45.379	52.372
b) Otros deudores	<b>1062</b>	11.649	11.306
c) Activos por impuesto corriente	<b>1063</b>	3.945	4.117
4. Otros activos financieros corrientes	<b>1070</b>		
5. Otros activos corrientes	<b>1075</b>		
6. Efectivo y otros activos líquidos equivalentes	<b>1072</b>	29.251	26.671
<b>TOTAL ACTIVO (A + B)</b>	<b>1100</b>	263.847	261.320
PASIVO Y PATRIMONIO NETO		P. ACTUAL 31/12/2015	P. ANTERIOR 31/12/2014
<b>A) PATRIMONIO NETO (A.1 + A.2 + A.3)</b>	<b>1195</b>	164.785	158.470
<b>A.1) FONDOS PROPIOS</b>	<b>1180</b>	164.787	158.472
1. Capital	<b>1171</b>	3.000	3.000
a) Capital escrutado	<b>1161</b>	3.000	3.000
b) <i>Menos: Capital no exigido</i>	<b>1162</b>		
2. Prima de emisión	<b>1172</b>		
3. Reservas	<b>1173</b>	600	600
4. <i>Menos: Acciones y participaciones en patrimonio propias</i>	<b>1174</b>	(8.112)	(2.813)
5. Resultados de ejercicios anteriores	<b>1176</b>	149.490	133.569
6. Otras aportaciones de socios	<b>1179</b>		
7. Resultado del ejercicio atribuido a la entidad dominante	<b>1175</b>	19.809	24.116
8. <i>Menos: Dividendo a cuenta</i>	<b>1176</b>		
9. Otros instrumentos de patrimonio neto	<b>1177</b>		
<b>A.2) AJUSTES POR CAMBIOS DE VALOR</b>	<b>1188</b>	(2)	(2)
1. Activos financieros disponibles para la venta	<b>1181</b>	(2)	(2)
2. Operaciones de cobertura	<b>1182</b>		
3. Diferencias de conversión	<b>1184</b>		
4. Otros	<b>1183</b>		
<b>PATRIMONIO NETO ATRIBUIDO A LA ENTIDAD DOMINANTE (A.1 + A.2)</b>	<b>1189</b>	164.785	158.470
<b>A.3) INTERESES MINORITARIOS</b>	<b>1193</b>		
<b>B) PASIVO NO CORRIENTE</b>	<b>1120</b>	39.836	40.733
1. Subvenciones	<b>1117</b>		
2. Provisiones no corrientes	<b>1115</b>		
3. Pasivos financieros no corrientes:	<b>1116</b>	32.631	32.032
a) Deudas con entidades de crédito y obligaciones u otros valores negociables	<b>1131</b>	20.932	19.020
b) Otros pasivos financieros	<b>1132</b>	11.699	13.012
4. Pasivos por impuesto diferido	<b>1118</b>	1.344	1.818
5. Otros pasivos no corrientes	<b>1135</b>	5.861	6.883
<b>C) PASIVO CORRIENTE</b>	<b>1130</b>	59.226	62.117
1. Pasivos vinculados con activos no corrientes mantenidos para la venta	<b>1121</b>		
2. Provisiones corrientes	<b>1122</b>	2.497	2.027
3. Pasivos financieros corrientes:	<b>1123</b>	10.147	4.274
a) Deudas con entidades de crédito y obligaciones u otros valores negociables	<b>1133</b>	7.247	1.540
b) Otros pasivos financieros	<b>1134</b>	2.900	2.734
4. Acreedores comerciales y otras cuentas a pagar:	<b>1124</b>	45.742	55.018
a) Proveedores	<b>1125</b>	36.982	46.601
b) Otros acreedores	<b>1126</b>	8.760	8.417
c) Pasivos por impuesto corriente	<b>1127</b>		
5. Otros pasivos corrientes	<b>1136</b>	840	798
<b>TOTAL PASIVO Y PATRIMONIO NETO (A + B + C)</b>	<b>1200</b>	263.847	261.320



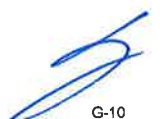
IV. INFORMACIÓN FINANCIERA SELECCIONADA

7. CUENTA DE PÉRDIDAS Y GANANCIAS CONSOLIDADA (NIIF ADOPTADAS)

Uds.: Miles de euros

		PER. CORRIENTE ACTUAL (2º SEMESTRE)		PER. CORRIENTE ANTERIOR (2º SEMESTRE)		ACUMULADO ACTUAL 31/12/2015		ACUMULADO ANTERIOR 31/12/2014		
		Importe	%	Importe	%	Importe	%	Importe	%	
(+)	Importe neto de la cifra de negocios	1205	124.752	100,00	121.743	100,00	246.009	100,00	238.047	100,00
(+/-)	Variación de existencias de productos terminados y en curso de fabricación	1208	(6.247)	(5,01)	1.500	1,23	(4.826)	(1,96)	8.820	3,71
(+)	Trabajos realizados por la empresa para su activo	1207								
(-)	Aprovisionamientos	1208	(43.028)	(34,49)	(49.804)	(40,91)	(92.249)	(37,50)	(103.398)	(43,44)
(+)	Otros ingresos de explotación	1209								
(-)	Gastos de personal	1217	(31.095)	(24,93)	(30.080)	(24,71)	(61.789)	(25,11)	(58.085)	(24,40)
(-)	Otros gastos de explotación	1210	(32.496)	(26,05)	(28.956)	(23,78)	(56.361)	(22,91)	(51.663)	(21,70)
(-)	Amortización del inmovilizado	1211	(5.068)	(4,06)	(4.635)	(3,81)	(9.975)	(4,05)	(6.884)	(3,73)
(+)	Imputación de subvenciones de inmovilizado no financiero y otras	1212	412	0,33	1.276	1,05	1.013	0,41	2.855	1,20
(+/-)	Deterioro y resultado por enajenaciones del inmovilizado	1214								
(+/-)	Otros resultados	1215								
=	<b>RESULTADO DE EXPLOTACIÓN</b>	1245	7.230	5,80	11.044	9,07	21.842	8,88	27.692	11,63
(+)	Ingresos financieros	1250	478	0,38	141	0,12	837	0,34	545	0,23
(-)	Gastos financieros	1251	(1.103)	(0,88)	(1.087)	(0,89)	(1.781)	(0,72)	(2.301)	(0,97)
(+/-)	Variación de valor razonable en instrumentos financieros	1252								
(+/-)	Diferencias de cambio	1254								
(+/-)	Deterioro y resultado por enajenaciones de instrumentos financieros	1255			(298)	(0,24)			(302)	(0,13)
=	<b>RESULTADO FINANCIERO</b>	1258	(625)	(0,50)	(1.244)	(1,02)	(944)	(0,38)	(2.058)	(0,86)
(+/-)	Resultado de entidades valoradas por el método de la participación	1253								
=	<b>RESULTADO ANTES DE IMPUESTOS</b>	1265	6.605	5,29	9.800	8,05	20.898	8,49	25.634	10,77
(+/-)	Impuesto sobre beneficios	1270	(366)	(0,29)	(639)	(0,52)	(1.089)	(0,44)	(1.518)	(0,64)
=	<b>RESULTADO DEL EJERCICIO PROCEDENTE DE OPERACIONES CONTINUADAS</b>	1280	6.239	5,00	9.161	7,52	19.809	8,05	24.116	10,13
(+/-)	Resultado del ejercicio procedente de operaciones interrumpidas neto de impuestos	1285								
=	<b>RESULTADO CONSOLIDADO DEL EJERCICIO</b>	1288	6.239	5,00	9.161	7,52	19.809	8,05	24.116	10,13
	a) Resultado atribuido a la entidad dominante	1300	6.239	5,00	9.161	7,52	19.809	8,05	24.116	10,13
	b) Resultado atribuido a intereses minoritarios	1289								
<b>BENEFICIO POR ACCIÓN</b>			<b>Importe (X,XX euros)</b>		<b>Importe (X,XX euros)</b>		<b>Importe (X,XX euros)</b>		<b>Importe (X,XX euros)</b>	
	Básico	1290		0,13		0,18		0,40		0,48
	Diluido	1285								

En el informe financiero semestral correspondiente al primer semestre del ejercicio los datos relativos al periodo corriente coinciden con los datos acumulados, por lo que no se requiere que se cumplieren.



IV. INFORMACIÓN FINANCIERA SELECCIONADA

8. ESTADO DE INGRESOS Y GASTOS RECONOCIDOS CONSOLIDADO (NIIF ADOPTADAS)

Uds.: Miles de euros

		PERIODO ACTUAL 31/12/2015	PERIODO ANTERIOR 31/12/2014
<b>A) RESULTADO CONSOLIDADO DEL EJERCICIO (de la cuenta de pérdidas y ganancias)</b>	<b>1305</b>	<b>19.809</b>	<b>24.116</b>
<b>B) INGRESOS Y GASTOS IMPUTADOS DIRECTAMENTE EN EL PATRIMONIO NETO:</b>	<b>1310</b>		<b>106</b>
1. Por revalorización/(reversión de la revalorización) del inmovilizado material y de activos intangibles	1311		
2. Por valoración de instrumentos financieros:	1320		151
a) Activos financieros disponibles para la venta	1321		151
b) Otros ingresos/(gastos)	1323		
3. Por coberturas de flujos de efectivo	1330		
4. Diferencias de conversión	1334		
5. Por ganancias y pérdidas actuariales y otros ajustes	1344		
6. Entidades valoradas por el método de la participación	1342		
7. Resto de ingresos y gastos imputados directamente al patrimonio neto	1343		
8. Efecto impositivo	1345		(45)
<b>C) TRANSFERENCIAS A LA CUENTA DE PÉRDIDAS Y GANANCIAS:</b>	<b>1350</b>		<b>211</b>
1. Por valoración de instrumentos financieros:	1355		302
a) Activos financieros disponibles para la venta	1356		302
b) Otros ingresos/(gastos)	1358		
2. Por coberturas de flujos de efectivo	1360		
3. Diferencias de conversión	1364		
4. Entidades valoradas por el método de la participación	1368		
5. Resto de ingresos y gastos imputados directamente al patrimonio neto	1363		
6. Efecto impositivo	1370		(91)
<b>TOTAL INGRESOS/(GASTOS) RECONOCIDOS (A + B + C)</b>	<b>1400</b>	<b>19.809</b>	<b>24.433</b>
a) Atribuidos a la entidad dominante	1399	19.809	24.433
b) Atribuidos a intereses minoritarios	1399		

IV. INFORMACIÓN FINANCIERA SELECCIONADA

9. ESTADO TOTAL DE CAMBIOS EN EL PATRIMONIO NETO CONSOLIDADO (NIIF ADOPTADAS) (1/2)

Uds.: Miles de euros

PERIODO ACTUAL		Patrimonio neto atribuido a la entidad dominante					Ajustes por cambios de valor	Intereses minoritarios	Total Patrimonio neto
		Fondos Propios							
		Capital	Prima de emisión y Reservas (1)	Acciones y particip. en patrimonio propias	Resultado del ejercicio atribuido a la entidad dominante	Otros instrumentos de patrimonio neto			
<b>Saldo inicial el 01/01/2015</b>	<b>3110</b>	3.000	134.169	(2.813)	24.116		(2)	158.470	
Ajuste por cambios de criterio contable	<b>3111</b>								
Ajuste por errores	<b>3112</b>								
<b>Saldo inicial ajustado</b>	<b>3115</b>	3.000	134.169	(2.813)	24.116		(2)	158.470	
<b>I. Total Ingresos/ (gastos) reconocidos</b>	<b>3120</b>				19.809			19.809	
<b>II. Operaciones con socios o propietarios</b>	<b>3125</b>		(8.299)	(5.299)				(13.598)	
1. Aumentos/ (Reducciones) de capital	<b>3126</b>								
2. Conversión de pasivos financieros en patrimonio neto	<b>3127</b>								
3. Distribución de dividendos	<b>3128</b>		(8.450)					(8.450)	
4. Operaciones con acciones o participaciones en patrimonio propias (netas)	<b>3129</b>		151	(5.299)				(5.148)	
5. Incrementos/ (Reducciones) por combinaciones de negocios	<b>3130</b>								
6. Otras operaciones con socios o propietarios	<b>3132</b>								
<b>III. Otras variaciones de patrimonio neto</b>	<b>3135</b>		24.220		(24.116)			104	
1. Pagos basados en instrumentos de patrimonio	<b>3136</b>								
2. Traspasos entre partidas de patrimonio neto	<b>3137</b>		24.116		(24.116)			0	
3. Otras variaciones	<b>3138</b>		104					104	
<b>Saldo final el 31/12/2015</b>	<b>3140</b>	3.000	150.090	(8.112)	19.809		(2)	164.785	

(1) La columna **Prima de emisión y Reservas**, a efectos de cumplimentar este estado, engloba los siguientes epígrafes del patrimonio neto del Balance: 2. Prima de emisión, 3. Reservas, 5. Resultados de ejercicios anteriores, 6. Otras aportaciones de socios y 8. **Menos: Dividendo a cuenta.**

IV. INFORMACIÓN FINANCIERA SELECCIONADA

9. ESTADO TOTAL DE CAMBIOS EN EL PATRIMONIO NETO CONSOLIDADO (NIIF ADOPTADAS) (2/2)

Uds.: Miles de euros

PERIODO ANTERIOR	Patrimonio neto atribuido a la entidad dominante							Intereses minoritarios	Total Patrimonio neto
	Fondos Propios					Ajustes por cambios de valor			
	Capital	Prima de emisión y Reservas (1)	Acciones y particip. en patrimonio propias	Resultado del ejercicio atribuido a la entidad dominante	Otros instrumentos de patrimonio neto				
Saldo inicial al 01/01/2014 (periodo comparativo)	3150	3.000	119.543	(782)	23.022		(319)	144.464	
Ajuste por cambios de criterio contable	3151								
Ajuste por errores	3152								
Saldo inicial ajustado (periodo comparativo)	3155	3.000	119.543	(782)	23.022		(319)	144.464	
I. Total ingresos/ (gastos) reconocidos	3160				24.116		317	24.433	
II. Operaciones con socios o propietarios	3165		(7.998)	(2.031)				(10.029)	
1. Aumentos/ (Reducciones) de capital	3166								
2. Conversión de pasivos financieros en patrimonio neto	3167								
3. Distribución de dividendos	3168		(8.060)					(8.060)	
4. Operaciones con acciones o participaciones en patrimonio propias (netas)	3169		62	(2.031)				(1.969)	
5. Incrementos/ (Reducciones) por combinaciones de negocios	3170								
6. Otras operaciones con socios o propietarios	3172								
III. Otras variaciones de patrimonio neto	3175		22.624		(23.022)			(398)	
1. Pagos basados en instrumentos de patrimonio	3176								
2. Traspasos entre partidas de patrimonio neto	3177		23.022		(23.022)			0	
3. Otras variaciones	3178		(398)					(398)	
Saldo final al 31/12/2014 (periodo comparativo)	3180	3.000	134.169	(2.813)	24.116		(2)	158.470	

(1) La columna **Prima de emisión y Reservas**, a efectos de cumplimentar este estado, engloba los siguientes epígrafes del patrimonio neto del Balance: 2. Prima de emisión, 3. Reservas, 5. Resultados de ejercicios anteriores, 6. Otras aportaciones de socios y 8. **Menos: Dividendo a cuenta.**



IV. INFORMACIÓN FINANCIERA SELECCIONADA

10. A. ESTADO DE FLUJOS DE EFECTIVO CONSOLIDADO (MÉTODO INDIRECTO) (NIIF ADOPTADAS)

Uds.: Miles de euros

		PERIODO ACTUAL 31/12/2015	PERIODO ANTERIOR 31/12/2014
<b>A) FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE EXPLOTACIÓN (1 + 2 + 3 + 4)</b>		1435	23.002
1. Resultado antes de impuestos		1405	25.634
2. Ajustes del resultado:		1410	11.195
(+) Amortización del inmovilizado		1411	8.884
(+/-) Otros ajustes del resultado (netos)		1412	2.311
3. Cambios en el capital corriente		1415	(7.442)
4. Otros flujos de efectivo de las actividades de explotación:		1420	(6.385)
(-) Pagos de intereses		1421	(2.658)
(-) Pagos por dividendos y remuneraciones de otros instrumentos de patrimonio		1430	
(+) Cobros de dividendos		1422	
(+) Cobros de intereses		1423	
(+/-) Cobros/(Pagos) por impuesto sobre beneficios		1424	(3.937)
(+/-) Otros cobros/(pagos) de actividades de explotación		1425	210
<b>B) FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE INVERSIÓN (1 + 2 + 3)</b>		1460	(8.450)
1. Pagos por inversiones:		1440	(25.054)
(-) Empresas del grupo, asociadas y unidades de negocio		1441	
(-) Inmovilizado material, intangible e inversiones inmobiliarias		1442	(25.054)
(-) Otros activos financieros		1443	(170)
(-) Otros activos		1444	
2. Cobros por desinversiones:		1450	16.239
(+) Empresas del grupo, asociadas y unidades de negocio		1451	
(+) Inmovilizado material, intangible e inversiones inmobiliarias		1452	38
(+) Otros activos financieros		1453	16.201
(+) Otros activos		1454	
3. Otros flujos de efectivo de actividades de inversión		1455	365
(+) Cobros de dividendos		1456	
(+) Cobros de intereses		1457	365
(+/-) Otros cobros/(pagos) de actividades de inversión		1458	
<b>C) FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE FINANCIACIÓN (1 + 2 + 3 + 4)</b>		1480	(7.282)
1. Cobros y (pagos) por instrumentos de patrimonio:		1470	(1.969)
(+) Emisión		1471	
(-) Amortización		1472	
(-) Adquisición		1473	(3.345)
(+) Enajenación		1474	1.376
2. Cobros y (pagos) por instrumentos de pasivo financiero:		1480	2.729
(+) Emisión		1481	21.638
(-) Devolución y amortización		1482	(18.907)
3. Pagos por dividendos y remuneraciones de otros instrumentos de patrimonio		1485	(8.042)
4. Otros flujos de efectivo de actividades de financiación		1486	
(-) Pagos de intereses		1487	
(+/-) Otros cobros/(pagos) de actividades de financiación		1488	
<b>D) EFECTO DE LAS VARIACIONES DE LOS TIPOS DE CAMBIO</b>		1492	
<b>E) AUMENTO/(DISMINUCIÓN) NETO DE EFECTIVO Y EQUIVALENTES (A + B + C + D)</b>		1495	7.270
<b>F) EFECTIVO Y EQUIVALENTES AL INICIO DEL PERÍODO</b>		1499	19.401
<b>G) EFECTIVO Y EQUIVALENTES AL FINAL DEL PERÍODO (E + F)</b>		1500	26.671
<b>COMPONENTES DEL EFECTIVO Y EQUIVALENTES AL FINAL DEL PERÍODO</b>		PERIODO ACTUAL 31/12/2015	PERIODO ANTERIOR 31/12/2014
(+) Caja y bancos	1550	29.251	18.972
(+) Otros activos financieros	1552		7.699
(-) Menos: Descubiertos bancarios reintegrables a la vista	1553		
<b>TOTAL EFECTIVO Y EQUIVALENTES AL FINAL DEL PERÍODO</b>	<b>1600</b>	<b>29.251</b>	<b>26.671</b>

Este modelo de estado de flujos de efectivo consolidado (método directo) permite las alternativas de clasificación de los intereses y de los dividendos, tanto recibidos como pagados, que contemplan las NIIF adoptadas. Cada una de las partidas anteriores debe ser clasificada de forma única y coherente, en cada ejercicio, como perteneciente a las actividades de explotación, inversión o financiación.

IV. INFORMACIÓN FINANCIERA SELECCIONADA

12. DIVIDENDOS PAGADOS

		PERIODO ACTUAL			PERIODO ANTERIOR		
		% sobre Nominal	Euros por acción (X,XX)	Importe (miles de euros)	% sobre Nominal	Euros por acción (X,XX)	Importe (miles de euros)
Acciones ordinarias	2158	281,67	0,17	8.450	268,67	0,16	8.060
Resto de acciones (sin voto, rescatables, etc)	2159						
<b>Dividendos totales pagados</b>	<b>2160</b>	<b>281,67</b>	<b>0,17</b>	<b>8.450</b>	<b>268,67</b>	<b>0,16</b>	<b>8.060</b>
a) Dividendos con cargo a resultados	2155	281,67	0,17	8.450	268,67	0,16	8.060
b) Dividendos con cargo a reservas o prima de emisión	2156						
c) Dividendos en especie	2157						

IV. INFORMACIÓN FINANCIERA SELECCIONADA

13. EMISIONES, RECOMPRAS O REEMBOLSOS DE VALORES REPRESENTATIVOS DE LA DEUDA

Uda.: Miles de euros

EMISIONES REALIZADAS POR LA ENTIDAD (Y/O SU GRUPO)

		PERIODO ACTUAL				
		Saldo vivo inicial 01/01/2015	(+) Emisiones	(-) Recompas o reembolsos	(+/-) Ajustes por tipo de cambio y otros	Saldo vivo final 31/12/2015
Valores representativos de deuda emitidos en un estado miembro de la Unión Europea, que han requerido del registro de un folleto informativo	2191					
Valores representativos de deuda emitidos en un estado miembro de la Unión Europea que no han requerido del registro de un folleto informativo	2192					
Otros valores representativos de deuda emitidos fuera de un estado miembro de la Unión Europea	2193					
<b>TOTAL</b>	<b>2200</b>					

PERIODO ANTERIOR

		PERIODO ANTERIOR				
		Saldo vivo inicial 01/01/2014	(+) Emisiones	(-) Recompas o reembolsos	(+/-) Ajustes por tipo de cambio y otros	Saldo vivo final 31/12/2014
Valores representativos de deuda emitidos en un estado miembro de la Unión Europea, que han requerido del registro de un folleto informativo	4181					
Valores representativos de deuda emitidos en un estado miembro de la Unión Europea que no han requerido del registro de un folleto informativo	4192					
Otros valores representativos de deuda emitidos fuera de un estado miembro de la Unión Europea	4193					
<b>TOTAL</b>	<b>4200</b>					

EMISIONES GARANTIZADAS

		PERIODO ACTUAL				
		Saldo vivo inicial 01/01/2015	(+) Otorgadas	(-) Canceladas	(+/-) Ajustes por tipo de cambio y otros	Saldo vivo final 31/12/2015
Emisiones de valores representativos de la deuda garantizados por el grupo (importe garantizado)	2195					

PERIODO ANTERIOR

		PERIODO ANTERIOR				
		Saldo vivo inicial 01/01/2014	(+) Otorgadas	(-) Canceladas	(+/-) Ajustes por tipo de cambio y otros	Saldo vivo final 31/12/2014
Emisiones de valores representativos de la deuda garantizados por el grupo (importe garantizado)	4195					

IV. INFORMACIÓN FINANCIERA SELECCIONADA

15. INFORMACIÓN SEGMENTADA

Uds.: Miles de euros

Tabla 1:

ÁREA GEOGRÁFICA		Distribución del importe neto de la cifra de negocios por área geográfica			
		INDIVIDUAL		CONSOLIDADO	
		PERIODO ACTUAL	PERIODO ANTERIOR	PERIODO ACTUAL	PERIODO ANTERIOR
Mercado interior	2210	170.693	165.592	163.239	152.863
Exportación:	2215	29.854	30.713	82.770	85.184
a) Unión Europea	2216	16.252	18.761	68.538	72.385
b) Países O.C.D.E	2217	7.539	5.780	8.169	6.627
c) Resto de países	2218	6.063	6.172	6.063	6.172
<b>TOTAL</b>	<b>2220</b>	<b>200.547</b>	<b>196.305</b>	<b>246.009</b>	<b>238.047</b>

Tabla 2:

SEGMENTOS		Ingresos ordinarios					
		CONSOLIDADO					
		Ingresos ordinarios procedentes de clientes externos		Ingresos ordinarios entre segmentos		Total ingresos ordinarios	
PERIODO ACTUAL	PERIODO ANTERIOR	PERIODO ACTUAL	PERIODO ANTERIOR	PERIODO ACTUAL	PERIODO ANTERIOR		
2221							
2222							
2223							
2224							
2225							
2226							
2227							
2228							
2229							
2230							
(-) Ajustes y eliminaciones de ingresos ordinarios entre segmentos	2231						
<b>TOTAL</b>	<b>2235</b>						

Tabla 3:

SEGMENTOS		Resultado	
		CONSOLIDADO	
PERIODO ACTUAL	PERIODO ANTERIOR		
2250			
2251			
2252			
2253			
2254			
2255			
2256			
2257			
2258			
2259			
<b>Total resultado de los segmentos sobre los que se informa</b>	<b>2260</b>		
(+/-) Resultados no asignados	2261		
(+/-) Eliminación de resultados internos (entre segmentos)	2262		
(+/-) Otros resultados	2263		
(+/-) Impuesto sobre beneficios y/o resultado de operaciones interrumpidas	2264		
<b>RESULTADO ANTES DE IMPUESTOS</b>	<b>2270</b>		

**IV. INFORMACIÓN FINANCIERA SELECCIONADA**  
**16. PLANTILLA MEDIA**

		INDIVIDUAL		CONSOLIDADO	
		PERIODO ACTUAL	PERIODO ANTERIOR	PERIODO ACTUAL	PERIODO ANTERIOR
<b>PLANTILLA MEDIA</b>	<b>2295</b>	437	443	1.102	1.082
Hombres	<b>2298</b>	199	207	504	503
Mujeres	<b>2297</b>	238	236	598	579

**IV. INFORMACIÓN FINANCIERA SELECCIONADA**  
**17. REMUNERACIONES RECIBIDAS POR LOS ADMINISTRADORES Y POR LOS DIRECTIVOS**

ADMINISTRADORES: Concepto retributivo:		Importe (miles euros)	
		PERIODO ACTUAL	PERIODO ANTERIOR
Retribución fija	<b>2310</b>		
Retribución variable	<b>2311</b>		
Dietas	<b>2312</b>		
Atenciones estatutarias	<b>2313</b>		
Operaciones sobre acciones y/u otros instrumentos financieros	<b>2314</b>		
Otros	<b>2315</b>		
<b>TOTAL</b>	<b>2320</b>		

Otros beneficios:			
Anticipos	<b>2328</b>		
Créditos concedidos	<b>2327</b>		
Fondos y planes de pensiones: Aportaciones	<b>2328</b>		
Fondos y planes de pensiones: Obligaciones contraídas	<b>2329</b>		
Primas de seguros de vida	<b>2330</b>		
Garantías constituidas a favor de los Consejeros	<b>2331</b>		

DIRECTIVOS:		Importe (miles euros)	
		PERIODO ACTUAL	PERIODO ANTERIOR
Total remuneraciones recibidas por los directivos	<b>2325</b>		