



Rovi

Full year 2012 Financial Results



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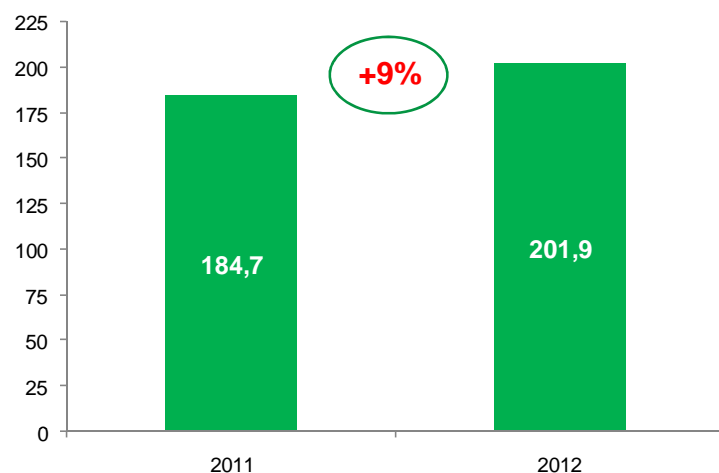
Operating results

Juan López-Belmonte
Chief Executive Officer

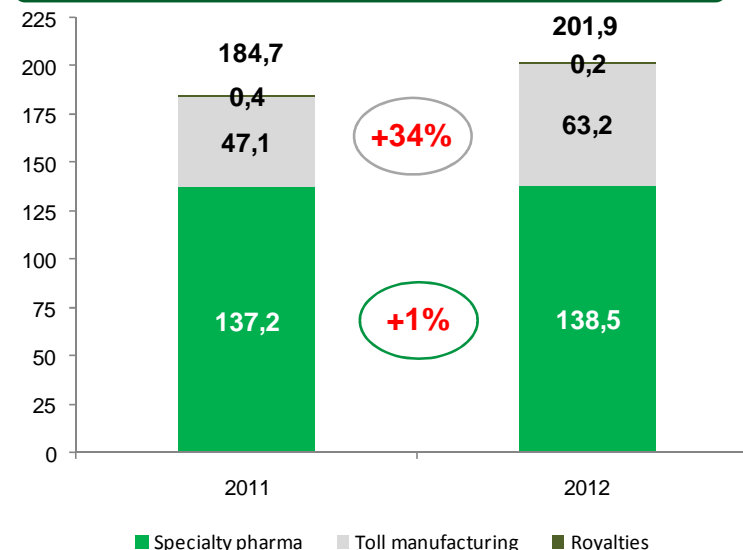
Growth driven by recent launches and toll manufacturing business strength...



Total operating revenue (€m)



Operating revenue growth by category (€m)



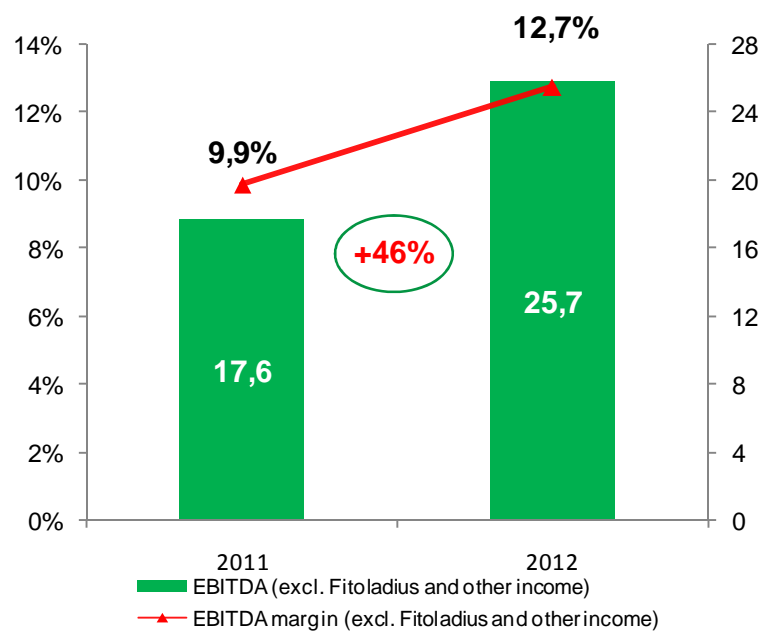
- **Operating revenue** increased by 9% in 2012 driven by the strength of:
 - ✓ The toll manufacturing business, where sales increased by 34%; and
 - ✓ The specialty pharmaceutical business, where sales rose 1%.
- In Q2 11, Fitoladius was sold to a third party (one-off revenue of €5.6m). Excluding the impact of Fitoladius in 2011:
 - ✓ Operating revenue increased by 13% in 2012; and
 - ✓ Sales of specialty pharmaceutical business increased by 6% in 2012.
- Limited impact of the austerity measures approved in August 2011: < €1m in 2012.
- The introduction of the latest measures (Apr. 12) meant a monthly market fall >20% on average from Jul. to Dec12. ROVI forecasts these measures as well as the market¹ decrease expected for 2013 (13%) could slow down its growth.

Note: The exclusion of the Fitoladius impact considers the sale of Fitoladius to a third party (€5.6m) and the revenue from its distribution in 2011.
¹ Source: Farmaindustria, the Spanish Pharmaceutical Association.

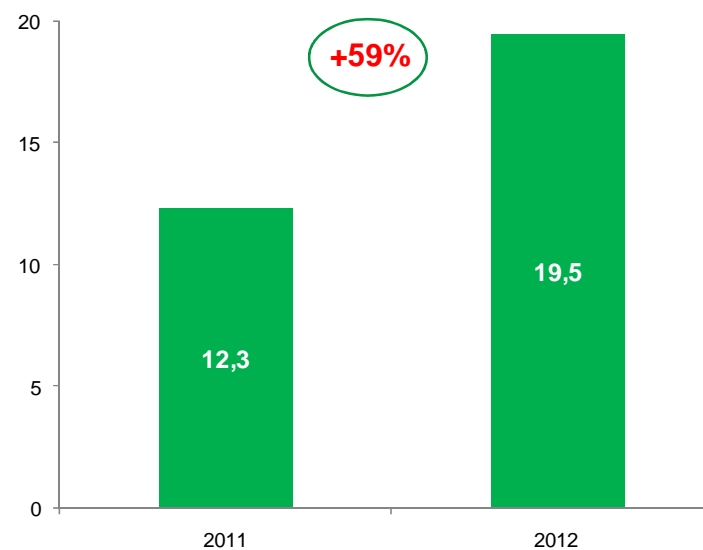


...with high profitability

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



Net profit (€m) (excl. Fitoladius)



- **EBITDA** increased by 46% to €25.7m in 2012, excluding the impact of Fitoladius in 2011 and other income of €1.3m registered in 2012 as a result of Frosst Ibérica tax inspection.
- **Net profit** increased by 59% to €19.5m in 2012, excluding the impact of Fitoladius.

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

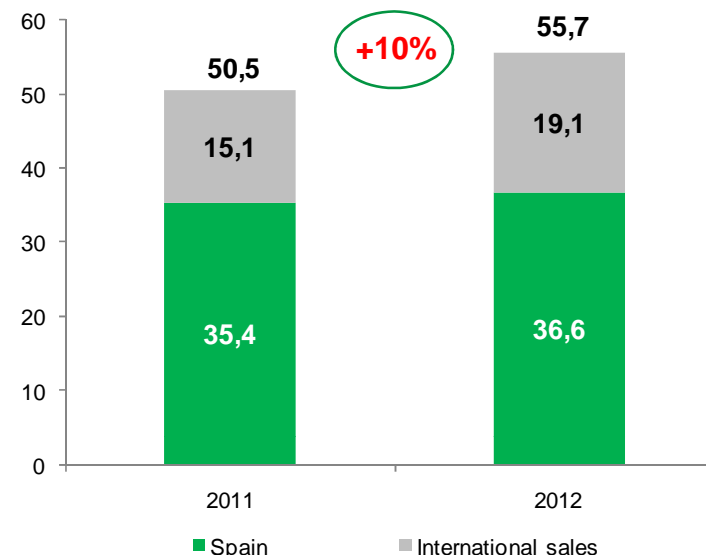


Bemiparin, leading the growth

Prescription-based pharma products sales (€m)



Bemiparin sales (€m)

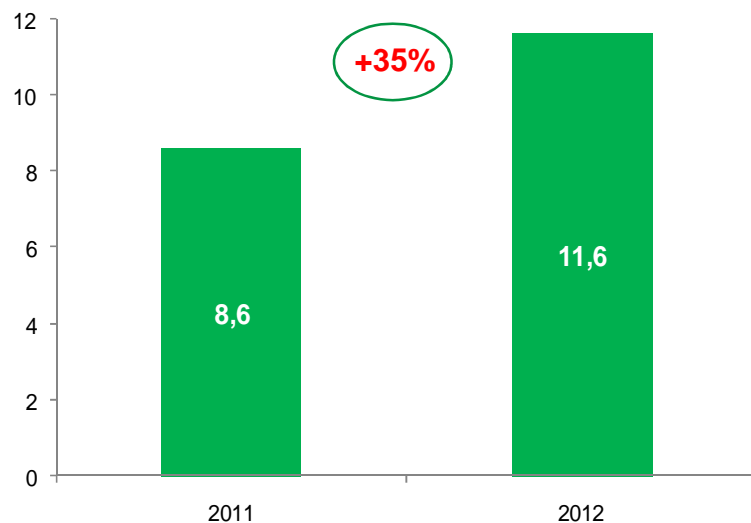


- **Sales of prescription-based pharmaceutical products** increased by 10% in 2012.
 - ✓ In Q2 2011, Fitoladius was sold to a third party and, in June 2011, EMLA, was stopped to be marketed and started to be only promoted.
 - ✓ Excluding the impact of the Fitoladius and EMLA distribution in 2011, sales of prescription-based pharmaceutical products increased by 14% in 2012.
- **Bemiparin sales** increased by 10% in 2012.
 - ✓ Sales in Spain grew by 3%.
 - ✓ International sales rose 26% due to the increased presence in countries where it was already present and by the launch of the product in 6 new countries: Mexico, Venezuela, Saudi Arabia, Iraq, Syria and Oman.

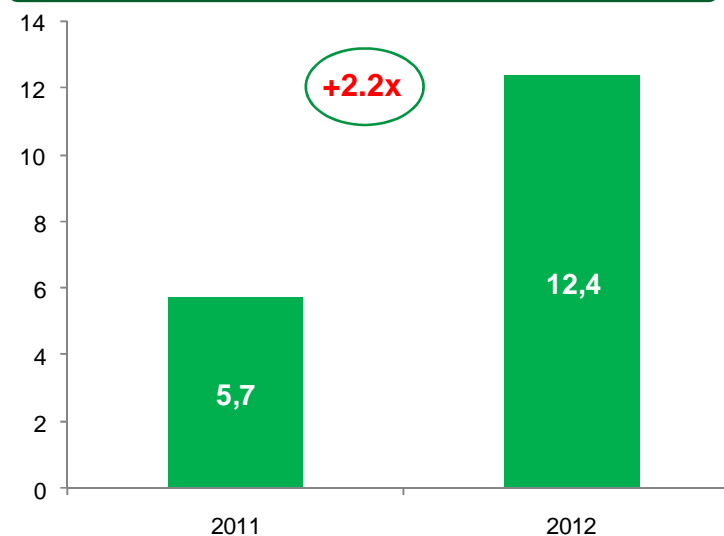


Good performance of the product portfolio (1/2)

Thymanax sales (€m)



Absorcol and Vytorin sales (€m)



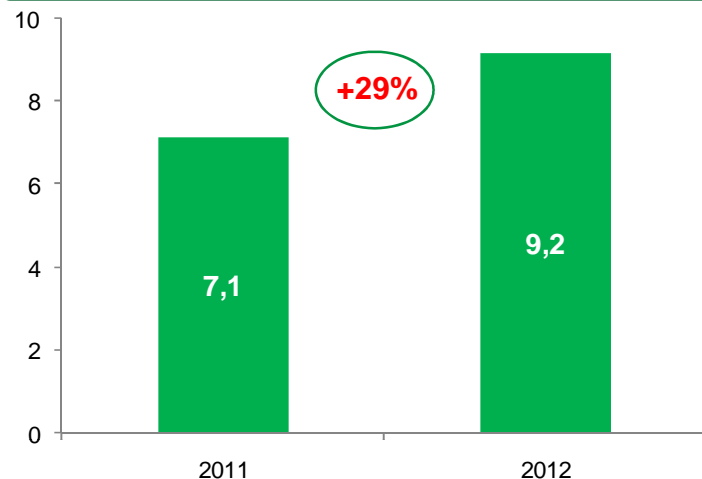
- Sales of **Thymanax**, an innovative antidepressant from Servier, launched in March 2010, increased by 35% to €11.6m in 2012.
- Sales of **Absorcol and Vytorin**, the first of the five licenses of MSD launched in January 2011, increased by 2.2 times to €12.4m in 2012.

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

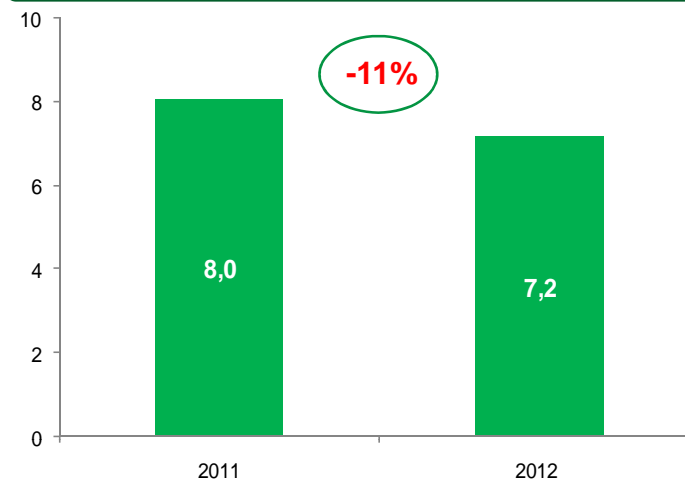


Good performance of the product portfolio (2/2)

Corlentor sales (€m)



Exxiv sales (€m)



Contrast imaging agents (€m)



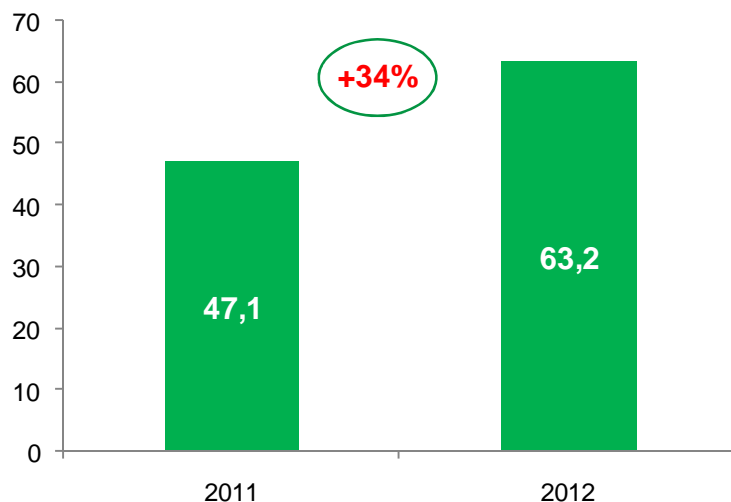
- In February 2012, **Corlentor** was approved by the European Commission for the treatment of patients with chronic heart failure¹.
- Sales of **Osseor**, a specialty product for the treatment of postmenopausal osteoporosis from Laboratoires Servier, decreased by 14% to €6.1m in 2012.

Note: Corlentor is a specialty product for stable angina and chronic heart failure¹ from Laboratoires Servier.
Exxiv is a selective COX-2 inhibitor from Merck Sharp & Dohme (MSD).
1. EMA announcement



Value added toll manufacturing services

Toll manufacturing sales (€m)



- **Toll manufacturing sales** increased by 34% to €63.2m in 2012 mainly as a result of the contribution of the Frosst Ibérica plant, whose revenue amounted to €44.1m in 2012.
- ROVI is using the spare capacity of Frosst Ibérica plant which has been reduced by more than 30% since its acquisition.
- **< 20% of spare capacity** in the Frosst Ibérica plant.
 - ✓ New contract with Farmalíder, signed in January 2011.



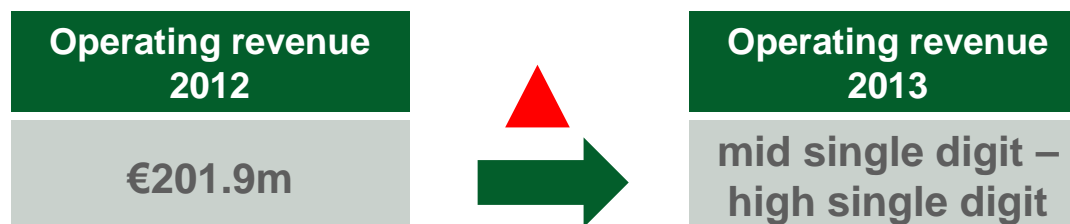
Focus on drug release platform

Platform	Product	Potential indication	Current situation				Expected milestones
			Pre-Clinical	I	II	III	
ISM	Risperidone, monthly	Schizophrenia	████████████████████				• Disclosed Ph I results Phase 2 start in 1H 2013
	Paliperidone, monthly	Schizophrenia	██████				• Phase 1 start 2H 2013
	Letrozole, quarterly	Breast Cancer	██████				• Phase 1 start 2H 2014
Glycomics	Bemiparin (LMWH)	Small Cell Lung Cancer (*)	████████████████████				• Phase 2 finalised. Disclosed Ph II results

* Currently looking for a strategic partner to go on further clinical development



Guidance 2013



Our main strategic pillars to lead growth

Specialty pharma

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

Toll manufacturing

- 50% of spare capacity in the injectable plant
- < 20% of spare capacity in the oral compounds plant
- New customers to be acquired in both plants



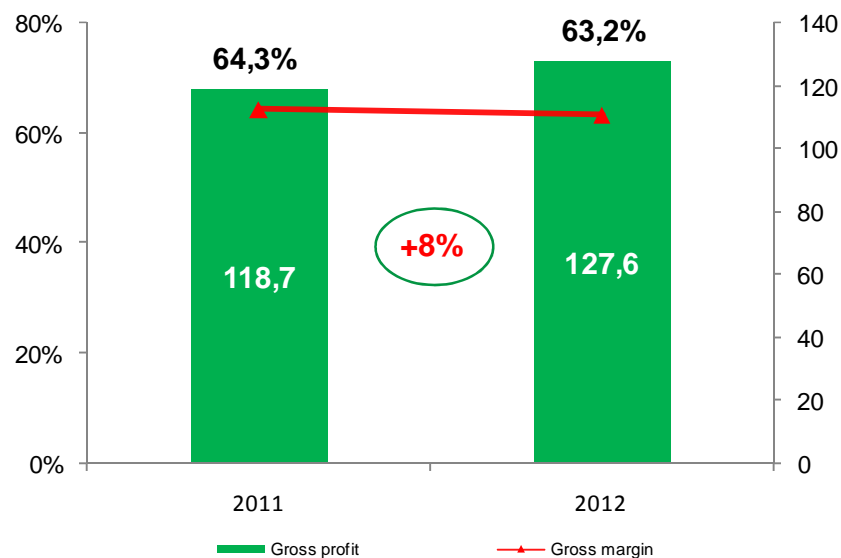
Financial results

Javier López-Belmonte
Chief Financial Officer

Gross margin negatively impacted by the Fitoladius sale and other income



Gross profit (€m) & Gross margin (%)



➤ 2012 gross margin impacted by:

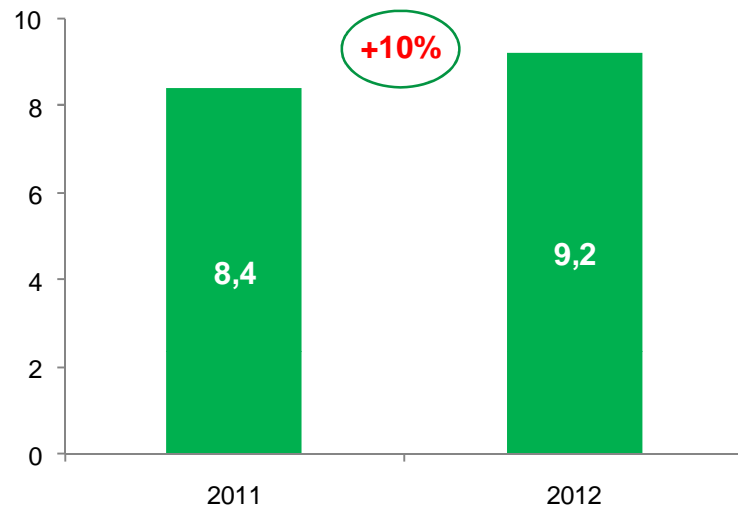
- ✓ Fitoladius product sale to a third party;
 - Excluding the Fitoladius impact, gross margin remained stable at 63.2% in 2012.
- ✓ Other income (subsidies).
 - Excluding the impact of Fitoladius and the impact of other income, gross margin increased by 1.4 p.p. to 62.6% in 2012 from 61.2% in 2011.
- ✓ The decrease of the Bemiparin raw material cost impacted positively in 2012 gross margin.
- ✓ In 2012, ROVI continued to buy Bemiparin raw material for less than €40 per million of international units and it expects this stable trend to continue in 2013.

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

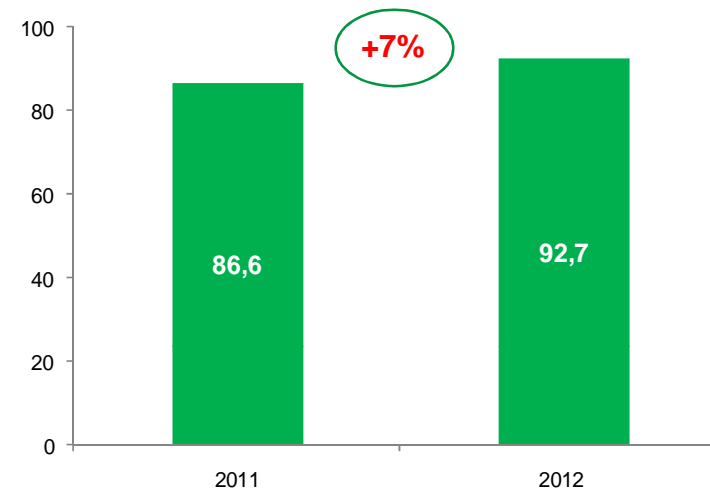
Investment effort in the toll manufacturing area to generate growth



R&D expenses (€m)



SG&A expenses (€m)

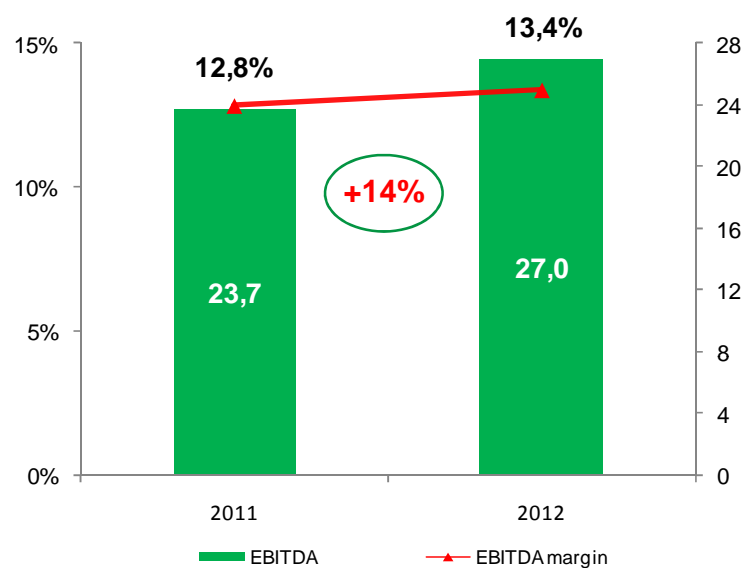


- **R&D expenses** increased by 10% reflecting ROVI investments in products that are under development.
- **SG&A expenses** increased by 7% to €92.7m in 2012 mainly due to:
 - ✓ The increase in the toll manufacturing volumes; and
 - ✓ The preparation of the injectables facility for a FDA inspection.

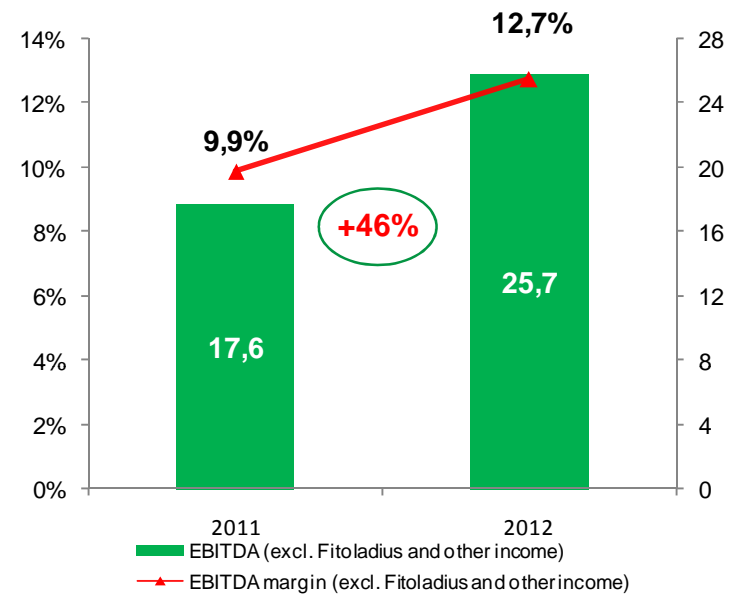


EBITDA

EBITDA (€m) and EBITDA margin (%)



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



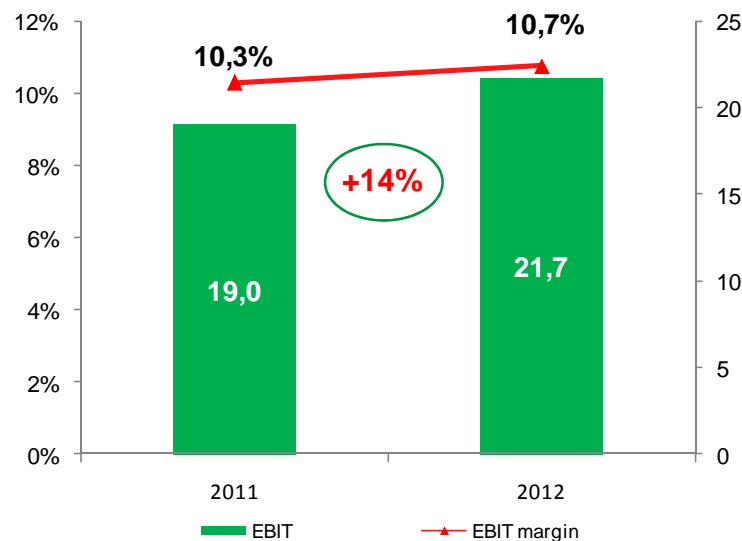
- **EBITDA** increased by 14% in 2012, impacted by the Fitoladius sale to a third party in Q2 2011, which contributed revenue of €5.6m, and other income (€1.3m) registered in 2012 as a result of Frosst Ibérica tax inspection.
 - ✓ Excluding the impact of Fitoladius in 2011 and the impact of Frosst Ibérica tax inspection in 2012, EBITDA increased by 46% in 2012.

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

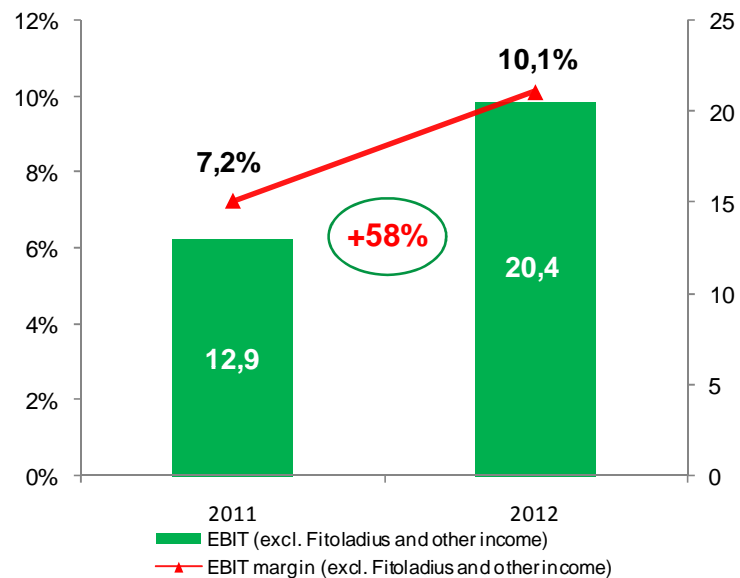


EBIT

EBIT (€m) and EBIT margin (%)



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



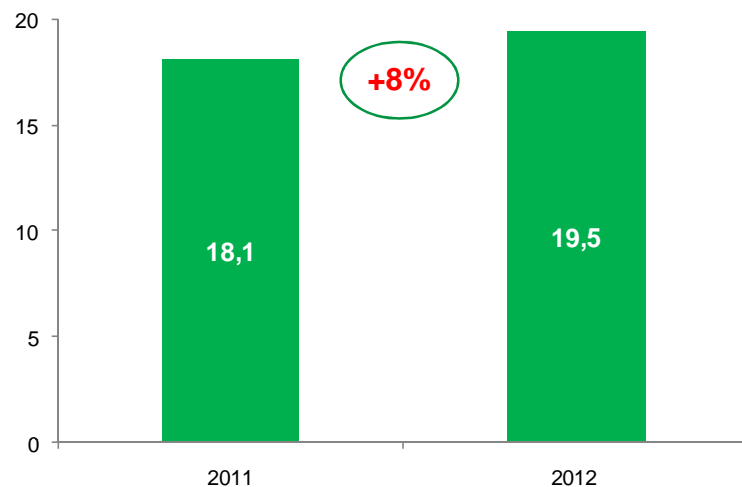
- **Depreciation and amortisation expenses** increased by 13% in 2012 as a result of the new PP&E and intangible assets purchases made during the last twelve months.
- **EBIT** increased by 14% in 2012, impacted by (i) the Fitoladius sale to a third party in Q2 2011 and (ii) other income registered in 2012 as a result of Frosst Ibérica tax inspection.
 - ✓ Excluding the impact of Fitoladius in 2011 and the impact of Frosst Ibérica tax inspection in 2012, EBIT increased by 58% in 2012.

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

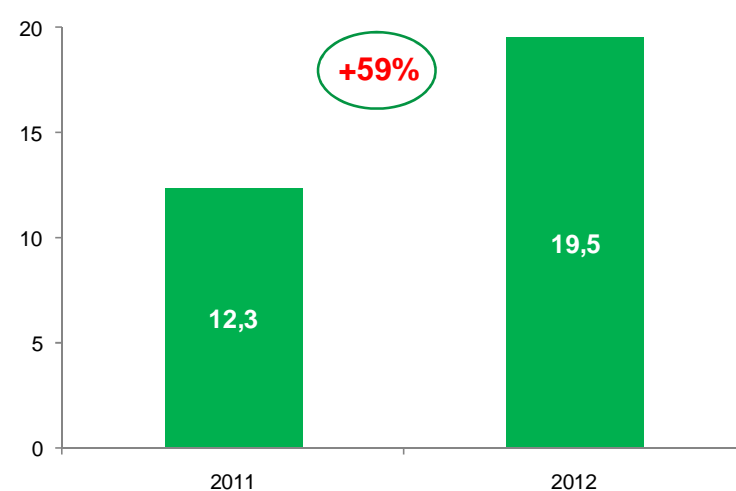


Net profit

Net profit (€m)



Net profit (€m) (excl. Fitoladius)



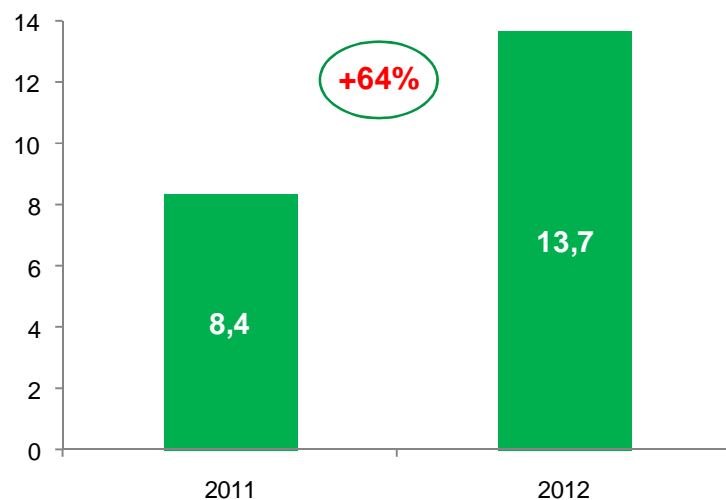
- **Net profit** increased by 59% to €19.5m in 2012, excluding the impact of Fitoladius in 2011.
- **Effective tax rate** of 6.4% in 2012 vs 4.2% in 2011.
 - ✓ Frosst Ibérica has negative tax bases of €62.8m; €5.3m will be used in the 2012 income tax.
 - ✓ According to the tax measures introduced in Mar. 2012, these measures had an impact on 2012 P&L and will affect tax payable rate:
 - ✓ Elimination of the freedom of depreciation; and
 - ✓ Reduction of the deductions limits.
 - ✓ According to the tax measures introduced in Jul.12, these measures will have an impact on tax payable rate:
 - ✓ Limitation of the negative tax bases to be offset; and
 - ✓ Tax rate increase for the payment on account as well as the minimum disbursement for this payment.
 - ✓ Tax payable rate in the range of high single to low double digit over the profit before income tax expected for 2012.

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

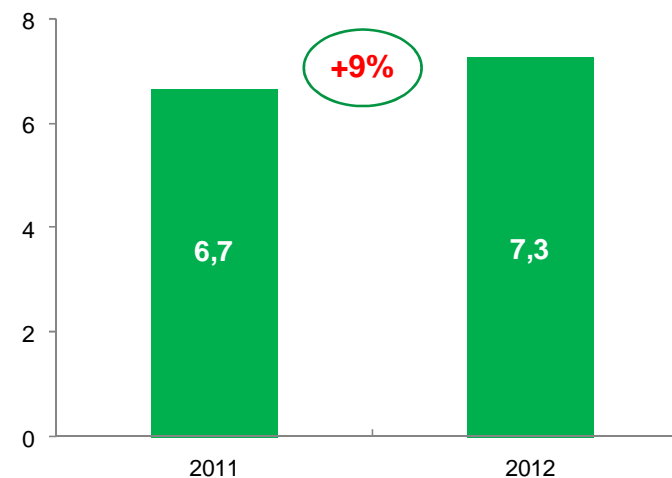


Capital expenditure and free cash flow

Capex (€m)



FCF (€m)

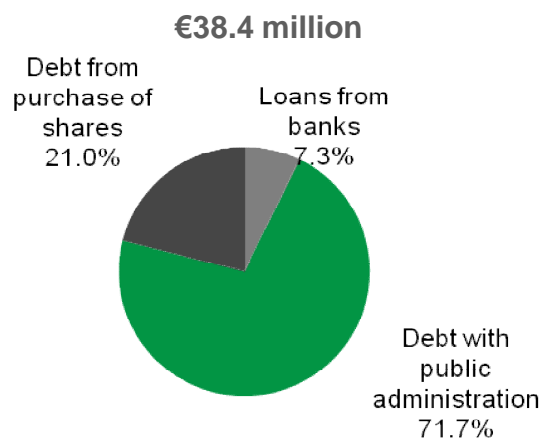


- €13.7m of **capex** invested in 2012.
 - ✓ €3.7m of investment capex related to the Alcalá facility (Frosst Ibérica) vs €2.4m in 2011;
 - ✓ €2.5m of investment capex related to the Granada facility vs €1.1m in 2011;
 - ✓ €3.9m of investment capex related to the injectables facility vs €1.3m in 2011; and
 - ✓ €3.6m of maintenance capex, in line with 2011.
- **FCF** (net cash generated (used) from operating activities +- property plant and equipment and intangible assets purchases/sales + interest received) increased by 9% to €7.3m in 2012, mainly as a result of:
 - ✓ Positive impact on the working capital of collections related to pending invoices of €13.5m from Spanish Public Administrations.



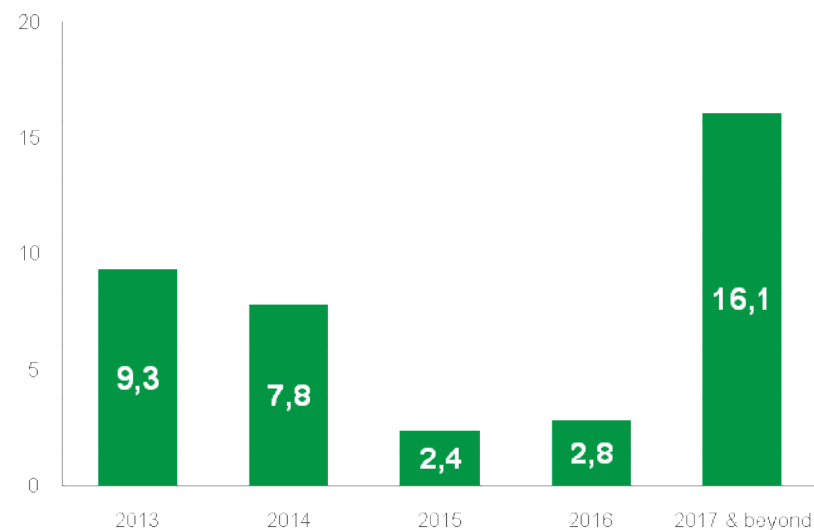
Financial debt

Debt breakdown by source (%)



Note: consolidated accounts under IFRS

Maturities by year (€m)



- 93% of the debt is 0% interest rate debt.
- Debt with public administration represented 72% of total debt.
- Gross cash position of €45.9m as of 31 December 2012 vs €61.7m as of 31 December 2011.
- Net cash position of €7.5m as of 31 December 2012 vs €11.0m as of 31 December 2011.
- High level of financial flexibility.
- ROVI will propose to the Shareholders General Meeting a dividend of €0.1366 per share on 2012 earnings. This proposed dividend would mean an increase of 8% compared to the dividend on 2011 earnings.



Specialty pharma

- Additional new in-licensing products to be launched

Toll manufacturing

- New contracts to be announced

R&D

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



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