



Rovi

First Quarter 2013 Financial Results



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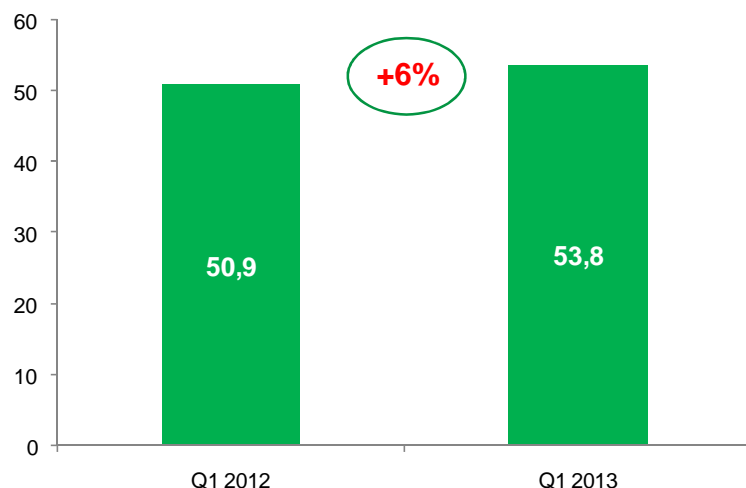


Operating results

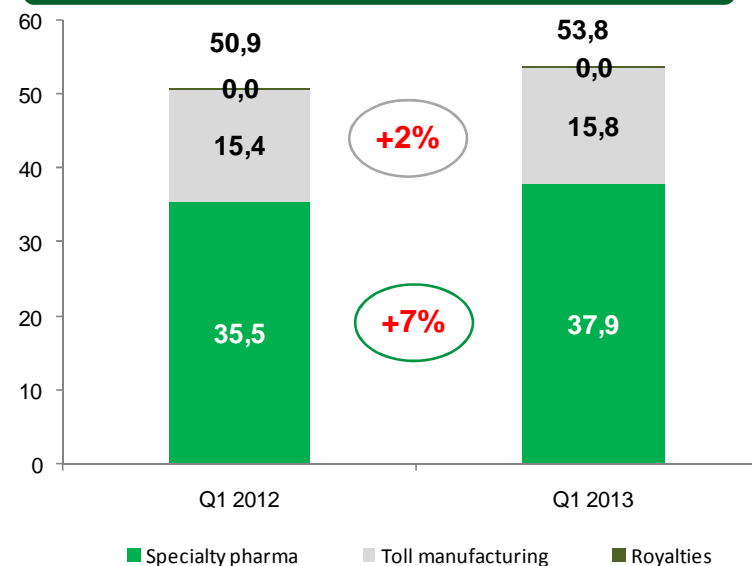
Growth driven by recent launches and toll manufacturing business strength...



Total operating revenue (€m)



Operating revenue growth by category (€m)



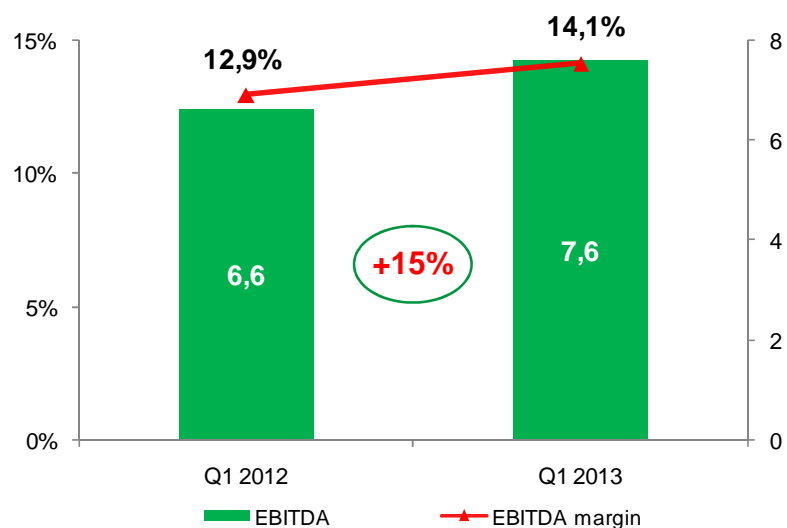
- **Operating revenue** increased by 6% in Q1 2013 driven by the strength of:
 - ✓ the specialty pharmaceutical business, where sales rose 7%, despite the drop of 13% and 18% experienced by the Spanish pharmaceutical market in January and February 2013 respectively; and
 - ✓ the toll manufacturing business, where sales increased by 2%.
- Despite the difficult situation that the Spanish pharmaceutical industry is going through and the 13% fall of this market expected for 2013, according to Farmaindustria¹, ROVI forecasts to continue growing.

¹ Source: <http://www.coib.org/uploadsBO/Generica/Documents/24-10.PDF>

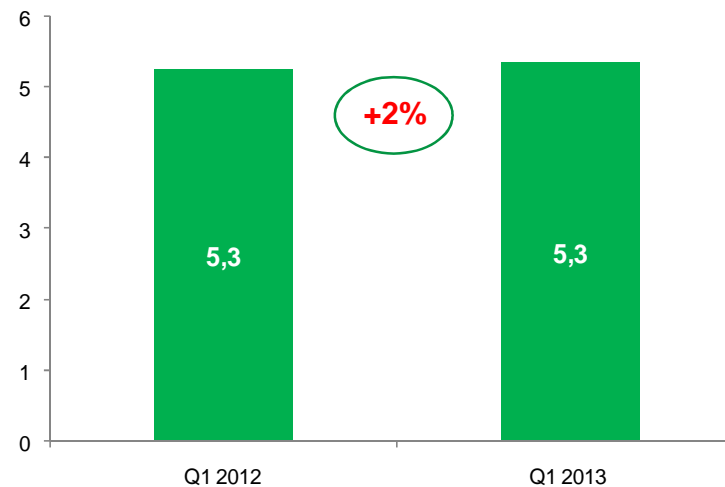


...with high profitability

EBITDA (€m) and EBITDA margin (%)



Net profit (€m)

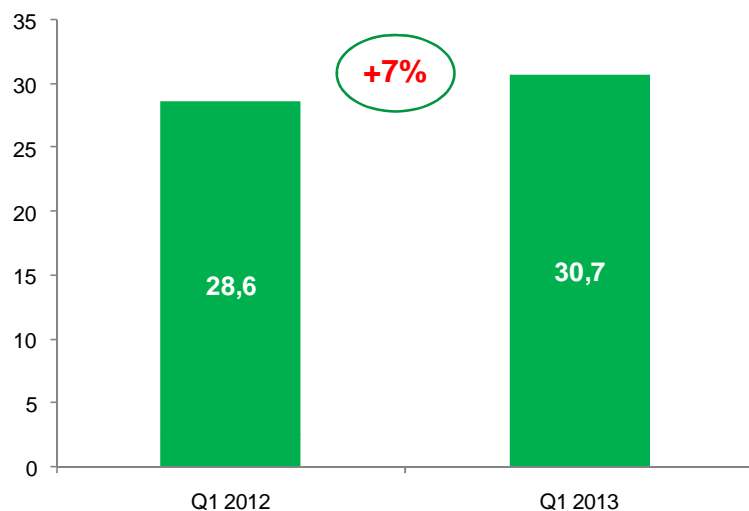


- **EBITDA** increased by 15% to €7.6m in Q1 2013, reflecting a 1.2 pp rise in the EBITDA margin to 14.1% in Q1 2013 up from 12.9% in Q1 2012.
- **Net profit** increased by 2% to €5.3m in Q1 2013.

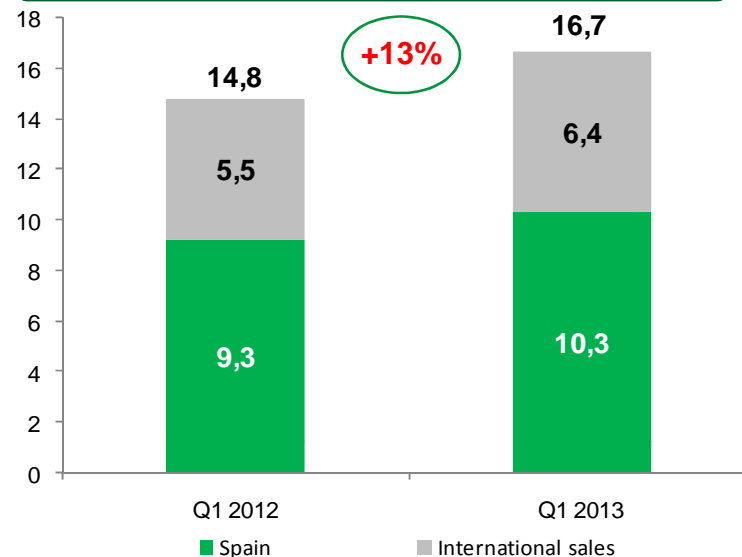


Bemiparin, leading the growth

Prescription-based pharma products sales (€m)



Bemiparin sales (€m)

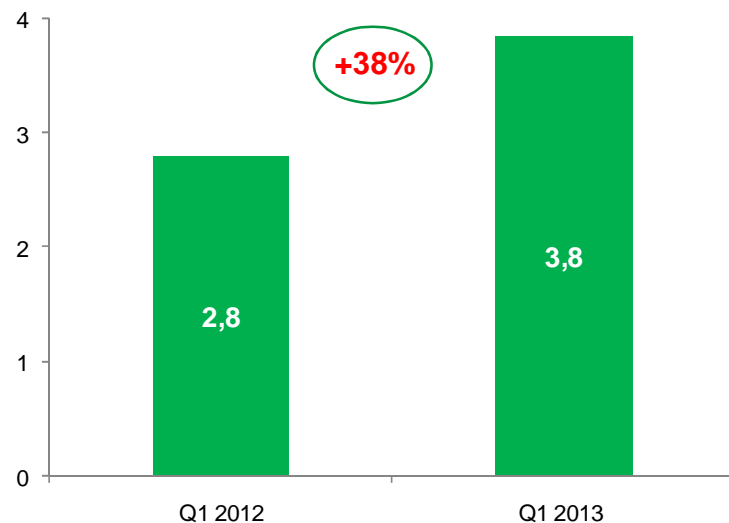


- Sales of **prescription-based pharmaceutical products** increased by 7% in Q1 2013.
 - In Sept. 2012, ROVI and UCB reached an agreement under which they ended their commercial relationship with regards to Cimzia. Since 15th of June 2010, Cimzia had been jointly co-promoted in Spain by ROVI and UCB.
 - Excluding the impact of Cimzia co-promotion in Q1 2012, sales of prescription-based pharmaceutical products increased by 9% in Q1 2013.
- **Bemiparin** sales increased by 13% in Q1 2013.
 - ✓ Sales in Spain grew by 11%.
 - ✓ International sales rose 15% due to the increased presence in countries where it was already present and by the launch of the product in 2 new countries, South Korea and Lebanon.

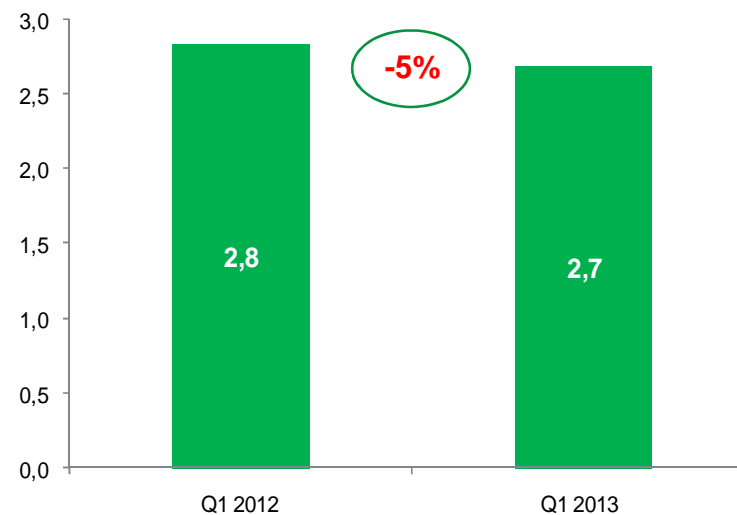


Good performance of the product portfolio (1/2)

Absorcol and Vytorin sales (€m)



Thymanax sales (€m)



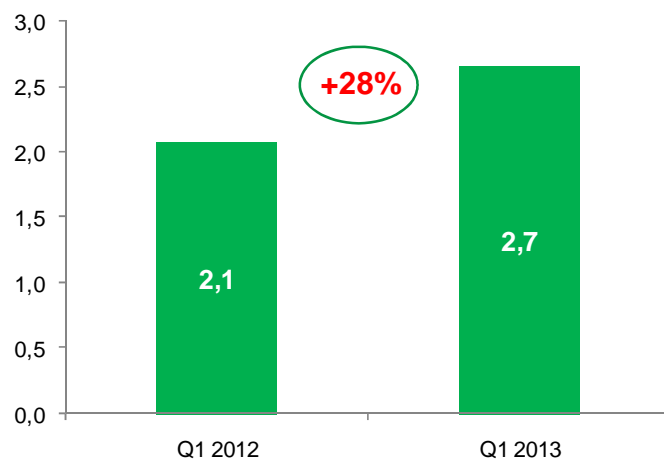
- Sales of **Absorcol and Vytorin**, the first of the five licenses of MSD launched in January 2011, increased by 38% to €3.8m in Q1 2013.
- Sales of **Thymanax**, an innovative antidepressant from Servier, launched in March 2010, decreased by 5% to €2.7m in Q1 2013, impacted by the last measures package introduced by the Spanish Government in April 2012.

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

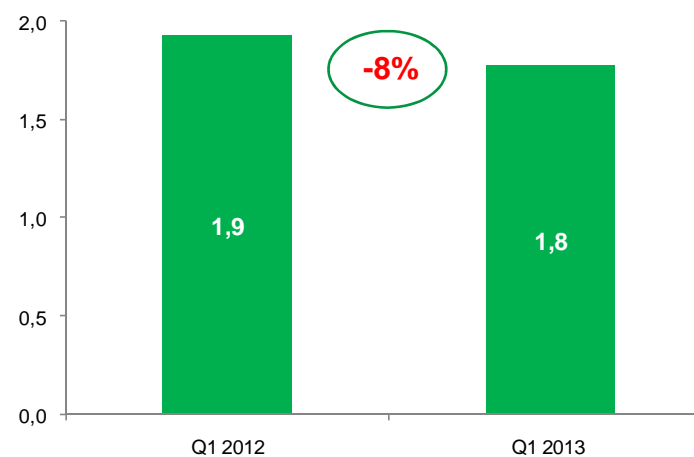


Good performance of the product portfolio (2/2)

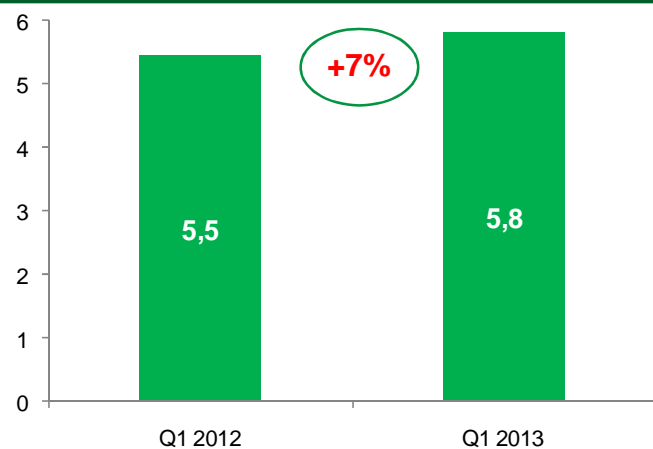
Corlantor sales (€m)



Exxiv sales (€m)



Contrast imaging agents (€m)



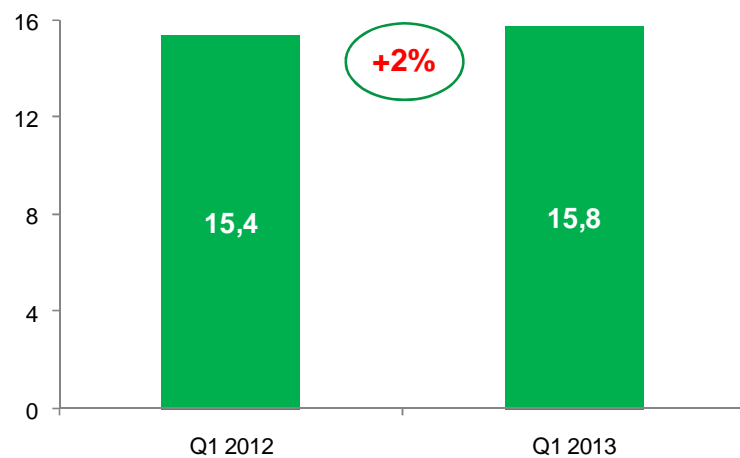
- Sales of **Osseor**, a specialty product for the treatment of postmenopausal osteoporosis from Laboratoires Servier, decreased by 26% to €1.3m in Q1 2013.

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



Value added toll manufacturing services

Toll manufacturing sales (€m)



- **Toll manufacturing** sales increased by 2% to 15.8 million euros in Q1 2013, mainly as a result of the contribution of the injectables plant whose revenue more than doubled in Q1 2013.
- **< 20% of spare capacity** in the Frosst Ibérica plant.
- **45% of spare capacity** in the injectables plant.



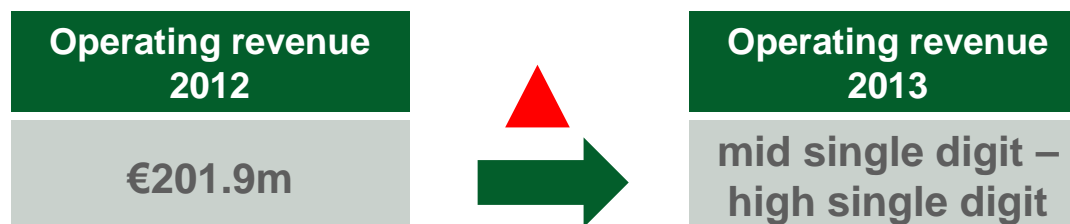
Focus on drug release platform

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 2H 2013
	Paliperidone, monthly	Schizophrenia	████████				• Phase 1 start 1H 2014
	Letrozole, quarterly	Breast Cancer	████████				• Phase 1 start 2H 2014
Glycomics	Bemiparin (LMWH)	Small Cell Lung Cancer (*)	████████████████████				• Phase 2 finalised. Disclosed Ph II results in 2H 2011

* 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

- 45% of spare capacity in the injectable plant
- < 20% of spare capacity in the oral compounds plant
- New customers to be acquired in both plants

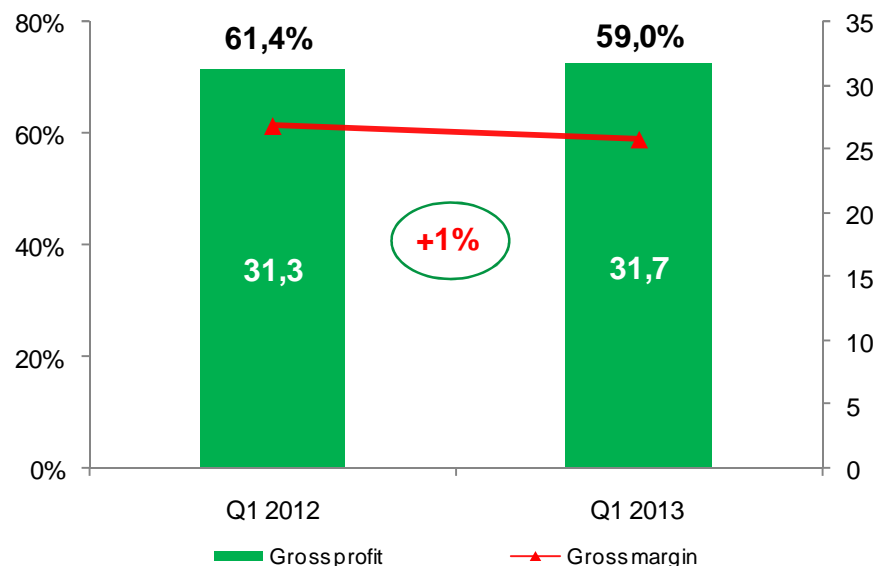


Financial results

Gross margin negatively impacted by the increase of the production of third clients in Frosst Ibérica



Gross profit (€m) & Gross margin (%)

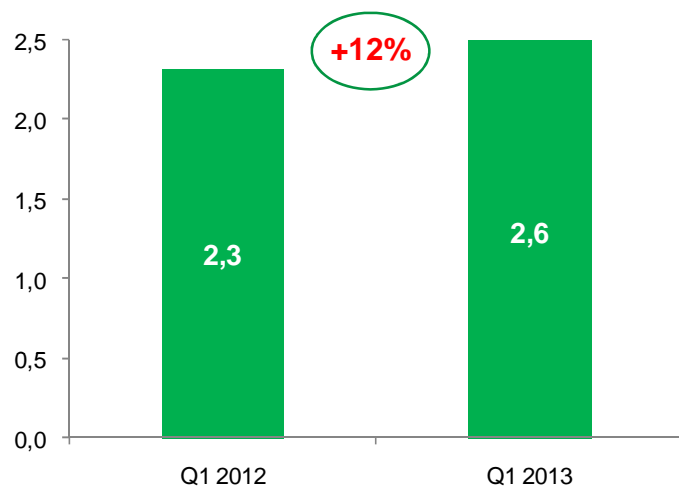


- **Q1 2013 gross margin** negatively impacted by:
 - ✓ the increase of the production from other clients in the Frosst Ibérica facility which contributed lower margins than MSD;
 - ✓ the price reduction of the contrast imaging agents and other hospital products that did not impede the achievement of higher sales as consequence of higher volume sold; and
 - ✓ a change in the guidelines for the assignment of indirect costs to the stock.
- The decrease of the Bemiparin raw material cost impacted positively in Q1 2013 gross margin.
- In Q1 2013, ROVI continued to buy Bemiparin raw material for around €35 per million of international units and it expects this stable trend to continue in 2013.
- ROVI expects to maintain 2013 gross margin in line with 2012, mainly supported by the Bemiparin raw material cost decrease and a higher contribution of the injectables toll manufacturing business.

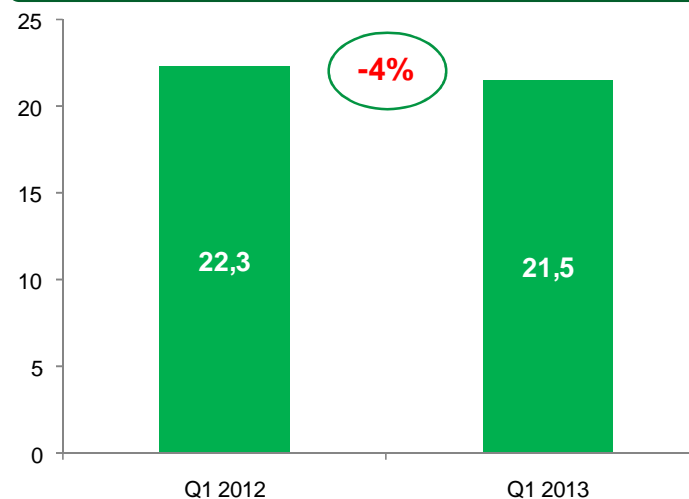


Strict cost control

R&D expenses (€m)



SG&A expenses (€m)

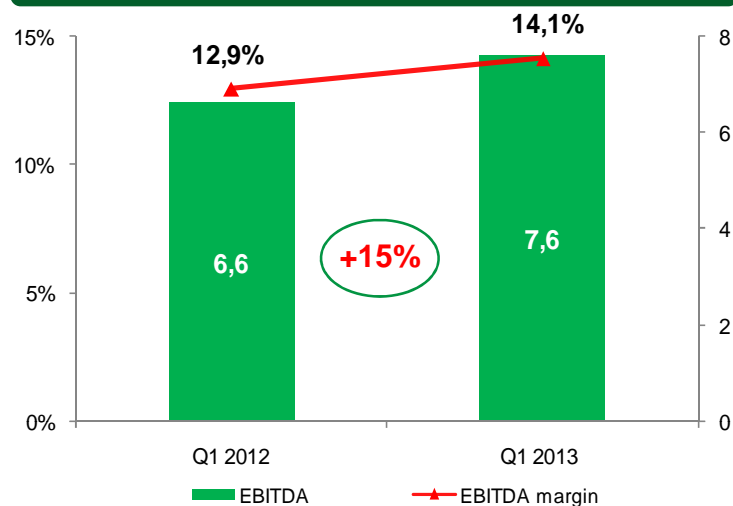


- **R&D expenses** increased by 12% reflecting ROVI investments in products that are under development.
- **SG&A expenses** decreased by 4% to €21.5m in Q1 2013 mainly due to:
 - ✓ the reduction of the ROVI sales team due to the end of the commercial relationship with UCB regarding Cimzia in September 2012; and
 - ✓ ROVI's strict cost control.

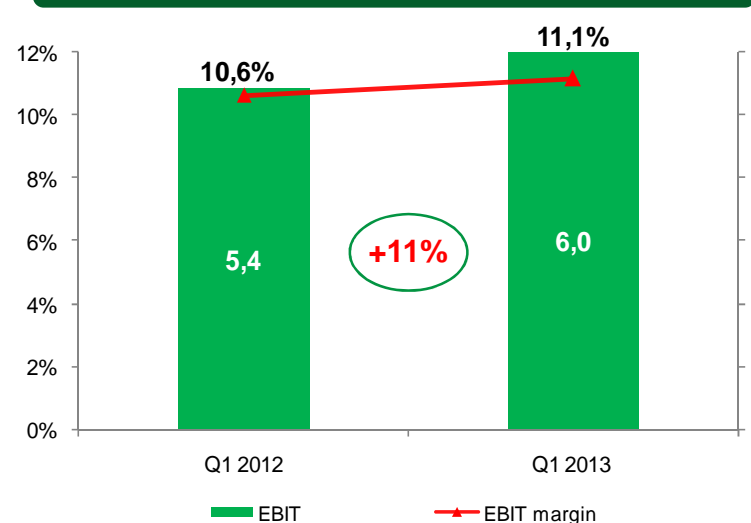


EBITDA & EBIT

EBITDA (€m) and EBITDA margin (%)



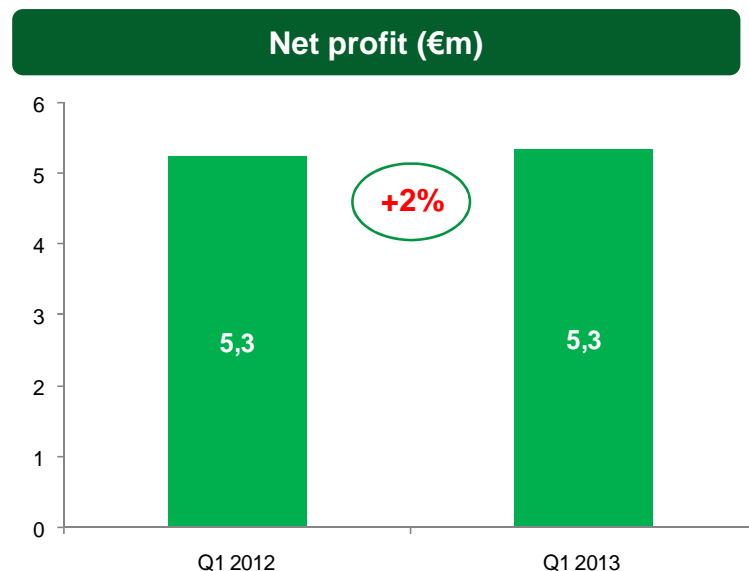
EBIT (€m) and EBIT margin (%)



- **EBITDA** increased by 15% to €7.6m in Q1 2013, reflecting a 1.2 pp rise in the EBITDA margin to 14.1% in Q1 2013 up from 12.9% in Q1 2012.
- **Depreciation and amortisation expenses** increased by 35% in Q1 2013 as a result of the new PP&E and intangible assets purchases made during the last twelve months.
- **EBIT** increased by 11% to €6.0m in Q1 2013, reflecting a 0.5 pp rise in the EBIT margin to 11.1% in Q1 2013 up from 10.6% in Q1 2012.



Net profit

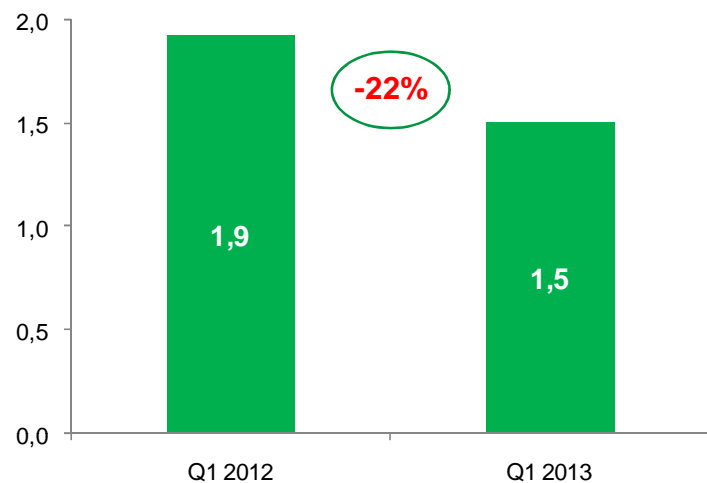


- **Net profit** increased by 2% to €5.3m in Q1 2013.
- **Effective tax rate** of 3.1% in Q1 2013 vs 0.5% in Q1 2012. This favourable effective tax rate is due to:
 - ✓ deduction of existing R&D expenses; and
 - ✓ capitalisation of existing negative tax bases resulting from the Frosst Ibérica integration.
 - ✓ Frosst Ibérica had negative tax bases of €62.8m as of 31.12.12; €5.3m will be used in the 2012 income tax and €1.5m to be used in Q1 2013.
 - ✓ According to the tax measures introduced in Mar. 2012, these measures had an impact on Q1 2013 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;
 - ✓ tax rate increase for the payment on account as well as the minimum disbursement for this payment.
 - ✓ Income tax expense of 109 thousand euros recorded in Q1 2013 from the tax inspection of ROVI group for 2007-2008.

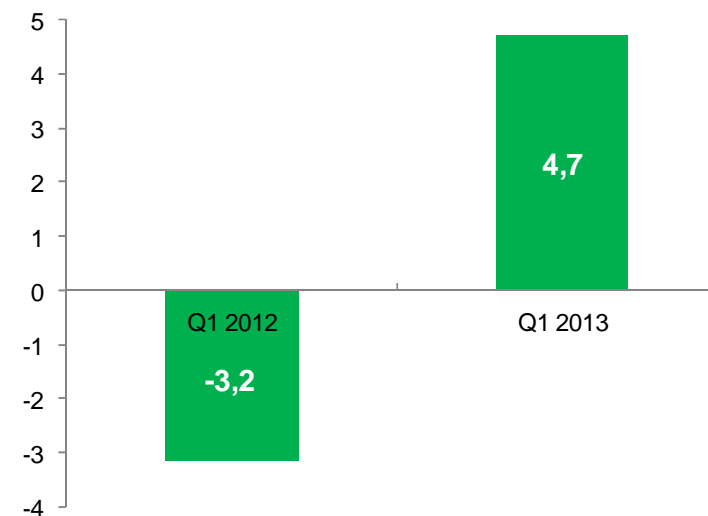


Capital expenditure and free cash flow

Capex (€m)



FCF (€m)

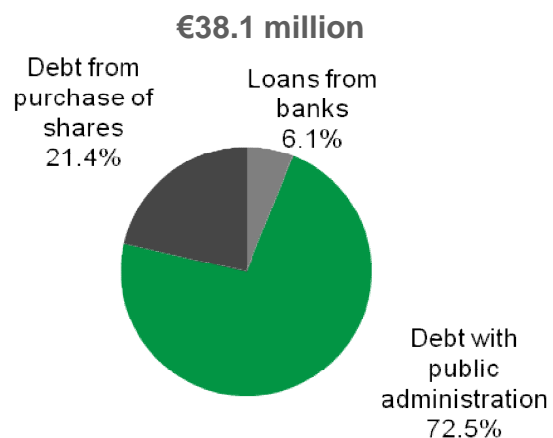


- €1.5m of **capex** invested in Q1 2013.
 - ✓ €0.5m of investment capex related to the injectables facility vs €0.3m in Q1 2012; and
 - ✓ €1.0m of maintenance capex vs €0.7m in Q1 2012.
 - ✓ €0.2m and €0.7m of investment capex related to the Alcalá (Frosst Ibérica) and Granada facilities respectively in Q1 2012.
- ROVI expects **capex for 2013** to be in line with the 2012 figure.
- **FCF** (net cash generated (used) from operating activities +- property plant and equipment and intangible assets purchases/sales + interest received) increased to €4.7m in Q1 2013 from €-3.2m in Q1 2012, mainly as a result of:
 - ✓ an inventories decrease of €4.7m in Q1 2013 vs an inventories increase of €3.2m in Q1 2012 mainly due to a lower amount of Bemiparin stock in Q1 2013 vs Q1 2012.



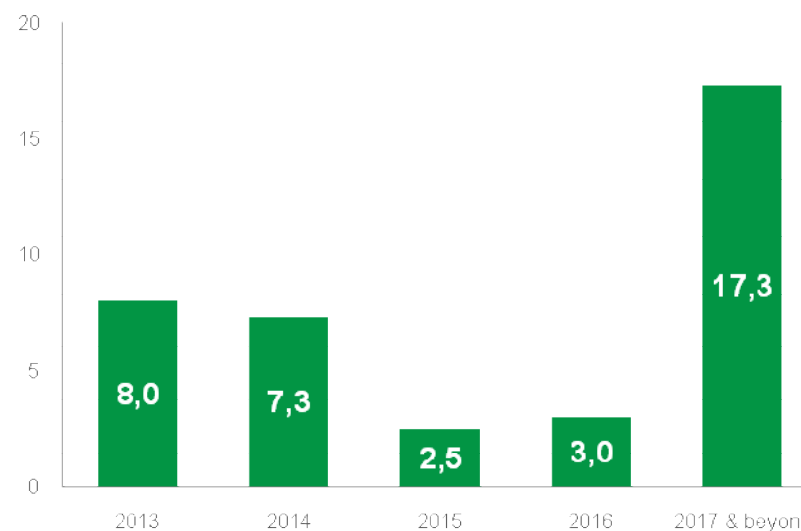
Financial debt

Debt breakdown by source (%)



Note: consolidated accounts under IFRS

Maturities by year (€m)



- 94% of the debt is 0% interest rate debt.
- Debt with public administration represented 72% of total debt.
- Gross cash position of €50.6m as of 31 March 2013 vs €45.9m as of 31 December 2012.
- Net cash position of €12.5m as of 31 March 2013 vs €7.5m as of 31 December 2012.
- 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



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