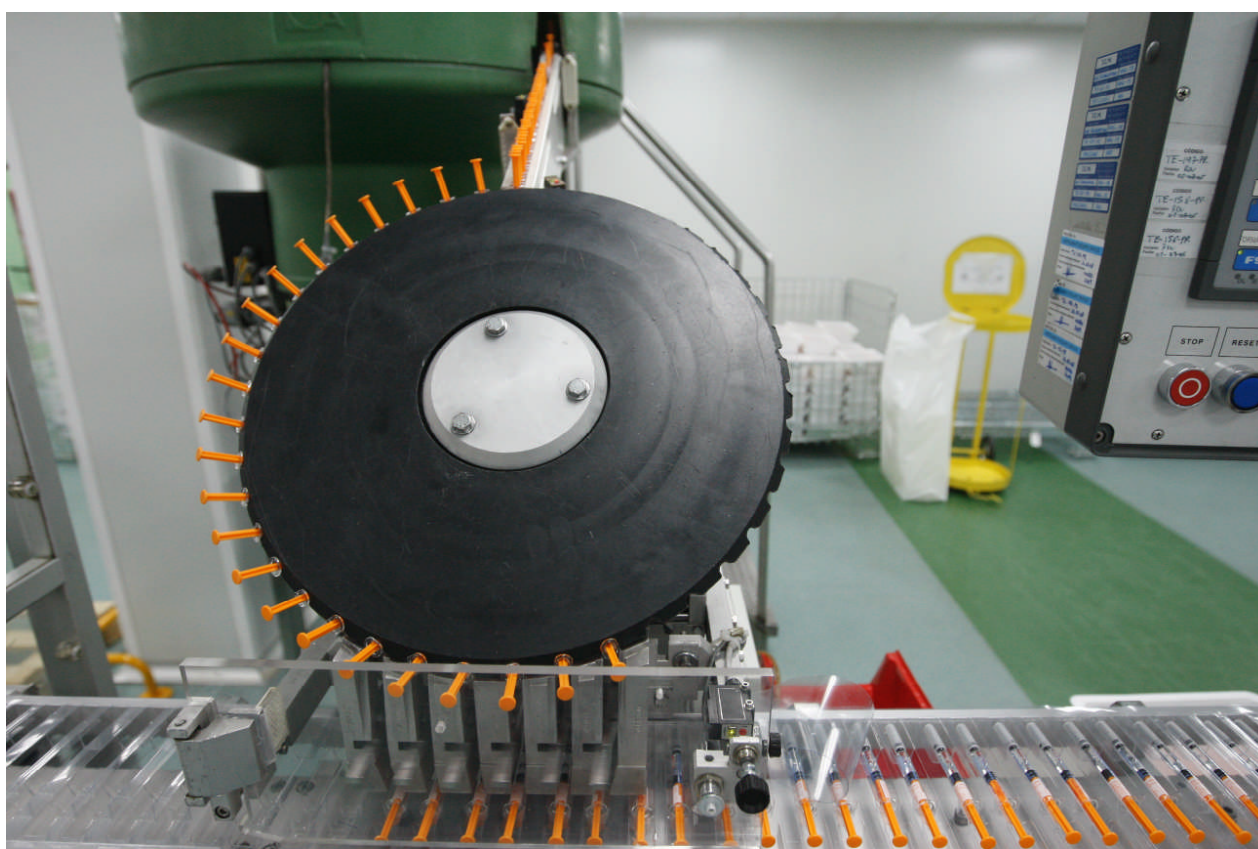




First Half 2011 Results

28 July 2011



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



ROVI – Six-month period ended 30 June 2011

ROVI reports an operating revenues growth of 32%, led by sales for pharmaceutical specialities and by the strength of the toll manufacturing business

- **Operating revenues increased by 32% to 95.9 million euros in the six-month period ended 30 June 2011, driven by the strength of the specialty pharmaceutical business, where sales rose 21%, and of the toll manufacturing business which grew by 84% in the first half of 2011.**
- **In January 2011, ROVI started the marketing of Absorcol®, whose active principle is ezetimibe, and Vytorin®, which combines two active principles, ezetimibe and simvastatin, the first of the five licenses of Merck Sharp & Dohme (MSD), in Spain for a period of 10 years. Sales of Absorcol® and Vytorin® reached 2.1 million euros in the first half of 2011.**
- **Sales of Bemiparin increased by 21% to 27.3 million euros and sales of Corlantor grew by 46% in the six-month period ended 30 June 2011. Sales of Thymanax, an innovative antidepressant from Servier that ROVI launched in March 2010, reached 3.8 million euros in the first half of 2011.**
- **In the second quarter of 2011, Fitoladius product was sold to a third part. This sale contributed with revenues of 5.6 million euros in the six-month period ended 30 June 2011.**
- **EBITDA decreased by 27% to 16.2 million euros in the six-month period ended 30 June 2011, compared to the same period of the previous year, mainly as a result of the impact of a one-off profit of 11.8 million euros, registered in the second quarter of 2010, caused by the difference between the fair value and the purchase price of the Frosst Ibérica assets.**
 - **Excluding the impact of this one-off profit, EBITDA increased by 58% in the first half of 2011.**
 - **This 58% increase includes the profit related to Fitoladius product sale. Excluding the impact of the Fitoladius sale, EBITDA increased by 3%, despite the impact of the measures, introduced in the second half of 2010, to reduce the pharmaceutical expenditure.**
- **Net profit decreased by 32% to 12.9 million euros in the six-month period ended 30 June 2011, impacted by the same factors as EBITDA.**



- **Confirmation of guidance for the full year 2011, of operating revenues rising low double digit and of recurrent net profit (excluding the 2010 one-off profit of 11.8 million euros) rising single digit.**

Madrid (Spain), 28 July 2011, 18:00 PM CET - ROVI released today its financial results for the six-month period ended 30 June 2011.

Juan López-Belmonte Encina, Chief Executive Officer of ROVI, said that *"in the first half of 2011, we reached an excellent 32% operating revenues growth driven by the strength of two of our pillars of growth, our specialty pharmaceutical area and our toll manufacturing area. We continued to record sales growth in our specialty pharmaceutical business despite the negative impact related to the measures introduced by the government in the second half of 2010 for the rationalisation of the pharmaceutical expenditure, estimated at 8 million euros on 2011 sales. Once again Bemiparin led the growth with a 21% increase in sales. Bemiparin sales in Spain rose 19% and outside Spain grew by 26%, highlighting the continued internationalisation of our flagship product as one of the Company's growth engines in the medium term. Furthermore, the agreement with MSD allows us to strengthen our toll manufacturing area, as we have already reflected in the 2010 results and in the first quarter and the first half 2011 results, as well as our specialty pharmaceutical area, as we have recently shown with the launch, in January 2011, of Vytorin and Absorcol, the first of the five licenses from MSD that will contribute to our growth in the coming years. This launch required a significant investment effort in human capital in order to address new prescribers, among them a selection of primary care prescribers. Our investment effort will impact 2011 net result but we expect to achieve strong sales growth and operating leverage in the coming years. In addition, the MSD agreement will allow us to launch four additional new products in the next 10 years, underpinning our belief in the sustainability of the long term outlook for the company. ROVI's R&D pipeline continues to hold strong potential to drive the company's growth in future years. We are very excited with the potential of the ISM projects, especially with the Risperidone-ISM® development, whose positive results have been recently announced"*.



1. Financial highlights

€ million	H1 2011	H1 2010	Growth	% Growth
Operating revenues	95.9	72.7	23.2	32%
Other income	1.2	0.5	0.8	158%
Total revenue	97.1	73.2	23.9	33%
Raw materials used and changes in inventories	-36.1	-26.9	-9.3	34%
Gross profit	61.0	46.3	14.7	32%
% margin	63.6%	63.7%		-0.1pp
R&D expenses	-4.4	-4.7	0.3	-6%
Other SG&A	-40.4	-31.4	-9.0	29%
Other income		11.8		
EBITDA	16.2	22.0	-5.8	-27%
% margin	16.9%	30.2%		-13.4pp
EBIT	13.9	20.3	-6.4	-31%
% margin	14.5%	27.9%		-13.4pp
Net profit	12.9	18.9	-6.1	-32%

Note: certain numerical figures included in this document have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.

The consolidated financial statements of Grupo ROVI for the first half of 2011 and the comparative information for 2010 (balance sheet) and for the first half of 2010 (income statement and cash flow statement) are attached to this report (see Appendix 1).

2. Performance of the Group

Operating revenues increased by 32% to 95.9 million euros in the six-month period ended 30 June 2011, driven by the strength of the specialty pharmaceutical business, where sales rose 21%, and the toll manufacturing business which increased by 84% in the first half of 2011.

Sales of prescription-based pharmaceutical products rose by 26% to 52.3 million euros in the six-month period ended 30 June 2011. Excluding the impact of the measures to reduce the pharmaceutical expenditure, sales of prescription-based pharmaceutical products rose by around ten additional percentage points in the first half of 2011.

ROVI's low molecular weight heparin (LMWH), **Bemiparin**, maintained a growth rate, with sales up 21% to 27.3 million euros. Sales of **Bemiparin** in Spain (**Hibor®**) increased by



19% to 18.4 million euros, while international sales rose by 26% from last year supported by the increased presence of Bemiparin, through strategic alliances, in countries where it was already present, and by the launch of the product in three new countries, Bolivia, Byelorussia and Russia, during the first half of 2011.

Sales of **Corlontor®**, a specialty product for stable angina from Laboratoires Servier, rose by 46% in the six-month period ended 30 June 2011, to 3.4 million euros. In August 2010, the results of the SHIFT (Systolic Heart Failure Treatment with the If Inhibitor Ivabradine Trial) study were published. SHIFT, the largest-ever morbi-mortality study of treatments for chronic heart failure showed that adding the specific heart rate lowering agent Ivabradine (Corlontor®) to standard therapy significantly reduces the risk of death and hospitalisation for heart failure. Currently, Ivabradine is immersed in the regulatory process to obtain the new indication.

Sales of **Exxiv®**, a selective COX-2 inhibitor from Merck Sharp & Dohme (MSD), remained stable at 4.2 million euros in the six-month period ended 30 June 2011.

Sales of **Thymanax®**, an innovative antidepressant from Laboratoires Servier, launched in March 2010 and for which ROVI has a co-marketing agreement covering Spain, reached 3.8 million euros in the first half of 2011.

Sales of **Vytorin®** and **Absorcol®**, the first of the five licenses of MSD, launched in January 2011, reached 2.1 million euros in the first half of 2011.

The impact of the measures approved to reduce the pharmaceutical expenditure (section 7.5) in the first half of 2011 was in line with the impact expected of 8 million euros on 2011 sales, published in the earnings release for the first half of 2010.

On 21st of July of 2011, the Spanish government announced a new measures package to reduce the pharmaceutical expenditure. (see <http://www.msps.es/gabinetePrensa/notaPrensa/desarrolloNotaPrensa.jsp?id=2165>). It is too soon to issue a value judgement on this measures package and to quantify its impact on the accounts of the company.

In the second quarter of 2011, Fitoladius product was sold to a third part. This sale contributed with revenues of 5.6 million euros in the six-month period ended 30 June 2011. This profit was already included in the 2011 operating revenues guidance (see section 4), then no change is considered with regards to the operating revenues growth guidance published for the year.

Sales of **contrast imaging agents** and other hospital products increased by 10% in the six-month period ended 30 June 2011 to 11.7 million euros. The sales of **over-the-counter pharmaceutical products** declined by 2% to 3.9 million euros in the first half of 2011 compared to the same period of the previous year. This was mainly as consequence of ROVI



divestiture strategy in this area. Sales of **aesthetic medical products** decreased by 77% to 0.3 million euros as a result of the termination of the distribution contract of implants for use in plastic and reconstructive surgery with Pérouse, which was effective on 31 March 2010.

Toll manufacturing sales increased by 84% in the first half of 2011, to 21.8 million euros, compared with same period of the previous year, as a result of the implementation of the MSD manufacturing and packaging agreement, which was effective on 31 March 2010 (see section 7.6). Revenues from the MSD manufacturing and packaging agreement amounted to 17.5 million euros in the six-month period ended 30 June 2011 due to the advance of some production to this first half. The Frosst Ibérica plant has current manufacturing capabilities of 3 billion of capsules and 100 million of boxes. ROVI counts on a spare capacity of 50% in this plant which will allow it to acquire new customers in order to maximise the potential of the acquired infrastructure. In January 2011, ROVI signed an agreement with Farmalíder, a pharmaceutical company specialised in the development of branded, OTC, value-added, and traditional generic products, for the manufacturing, research and conditioning of pharmaceutical specialties based on Ibuprofen and Paracetamol. Farmalíder has undertaken to work towards providing ROVI with annual manufacturing that will represent an increase in the production of the plant of Frosst Ibérica by 10% to 15% (see section 7.2).

Gross profit increased by 32% in the six-month period ended 30 June 2011 to 61.0 million euros, reflecting a stable gross margin at 63.6% in the first half of 2011. Excluding the impact of the Fitoladius sale, gross margin decreased to 61.3% in the first half of 2011 from 63.7% in the first half of 2010 mainly due to:

- the increase in the Bemiparin raw material prices, despite the 9.5% Bemiparin price increase in Spain, from December 2010, which partially offset the fall. The positive trend of the Bemiparin raw material price, as well as the Bemiparin price increase, could impact positively on the second half 2011 gross margin; and
- the measures to reduce the pharmaceutical expenditure (see section 7.5).
- The implementation of the MSD agreement, which was effective on 31 March 2010, had a positive impact on the 2011 first half gross margin.

Research and development expenses decreased by 6% to 4.4 million euros, reflecting ROVI investments in products that are under development, and the search for greater cost efficiency.

Selling, general and administrative expenses increased by 29% to 40.4 million euros in the first half of 2011 compared with the same period of the previous year, as a result of the MSD manufacturing and packaging agreement implementation, which was effective on 31 March 2010, and the launch of Vytorin and Absorcol, the first of the five licenses of MSD. Excluding the impact of the MSD agreement in the first quarter of 2011, selling, general and administrative expenses increased by 16%. This 16% increase reflected ROVI investment effort in human capital to address primary care, main target of Vytorin and Absorcol products.



EBITDA decreased by 27% to 16.2 million euros in the six-month period ended 30 June 2011, compared to the same period of the previous year, as a result of the impact of a one-off profit of 11.8 million euros, registered in the second quarter of 2010, caused by the difference between the fair value and the purchase price of the Frosst Ibérica assets.

- Excluding the impact of this one-off profit, EBITDA increased by 58% in the first half of 2011.
- This 58% increase includes a profit of 5.6 million euros related to Fitoladius product sale to a third part, registered in the second quarter of 2011.
- Excluding the impact of the Fitoladius sale, EBITDA increased by 3%, despite the Vytarin and Absorcol launch, the increase in raw material costs for Bemiparin and the impact of the measures, introduced in the second half of 2010, to reduce the pharmaceutical expenditure.
- Excluding the impact of the measures to reduce the pharmaceutical expenditure, EBITDA increased by more than 40% in the first half of 2011.

Depreciation and amortisation expenses increased by 33% in the six-month period ended 30 June 2011, compared with the same period of previous year, mainly as a result of the implementation of the MSD agreement and the new property plant and equipment and intangible assets purchases made during 2010 and 2011.

EBIT decreased by 31% to 13.9 million euros in the six-month period ended 30 June 2011 compared with the same period of the previous year, impacted by the same factors as EBITDA.

The **financial expense** line doubled in the six-month period ended 30 June 2011, compared with the same period in the 2010 financial year, mainly as a result of the implied interests increase related to the new reimbursable loans collected from 1 July 2010 to 30 June 2011 and to the debt from purchase of Frosst Ibérica shares, registered as of 1 April 2010.

Financial income increased by 39% in the six-month period ended 30 June 2011 compared with the same period of the previous year as a result of higher returns on financial investments.

The **effective tax rate** was 3.1% in the first half of 2011 compared with 6.3% in the first half of 2010. ROVI has not paid taxes on Frosst Ibérica 2011 first half profits as this company has negative tax bases, which amounted to 56.3 million euros as of 31 December 2009. This figure would be significantly increased by the negative tax bases generated in 2010. ROVI expects not to pay taxes on Frosst Ibérica profits in the coming years.

As a result of the factors noted above, the **net profit** of ROVI decreased by 32% to 12.9 million euros in the six-month period ended 30 June 2011 compared with the same period of the previous year.



Javier López-Belmonte Encina, Chief Financial Officer of ROVI, said that, *"we are satisfied with the results for the first half of 2011. Operating revenues increased by 32% despite the difficulties in the economic and regulatory environments. We attribute this out-performance to the strength of our leading products, which continue to gain share in their various market segments, and to the contribution of the MSD manufacturing and packaging agreement. Margins have continued to be affected in the first half of 2011, mainly because of the rise in the Bemiparin raw material costs and of the impact of the measures introduced by the government to reduce pharmaceutical expenditure. It is difficult to be definitive on raw material pricing for our heparin products but we continued to buy Bemiparin raw material under peak price in the first half of 2011 and we expect that this positive trend continues and, together with Bemiparin sale price increase, has a positive impact on 2011 gross margin. In addition, we are working to increase efficiencies in the manufacturing process and this should off-set some of the gross margin erosion caused by higher raw material cost. We also expect that the spare capacity in the MSD manufacturing facility, that has been already started to be used, will allow us to reverse over time the erosion of profit margins. It is very gratifying to witness the growth in the strength of our balance sheet and our excellent capacity to generate cash, which allow us to finance organic growth through the launch of new products, such as Vytorin and Absorcol, and to be in a strong position to benefit in the current operating environment as we will pay attention to potential opportunities to expand our sales base and better the utilisation of our asset base. In addition, I would like also to highlight a 22% increase of the dividend paid on 2010 earnings, which shows our financial strength in a difficult environment and our commitment with investors."*

3. Balance Sheet items

3.1 Capital expenditure

ROVI invested 2.8 million euros in the first half of 2011, compared to 1.0 million euros in the first half of 2010. Of this amount, 0.7 million euros correspond to investment capex related to Granada facility, 0.5 million euros correspond to investment capex related to Alcalá facility (Frosst Ibérica) and the rest to expenditure on maintenance versus 1.0 million euros of maintenance capex in the first half of 2010.

3.2 Debt

As of 30 June 2011, ROVI had total debt of 52.3 million euros. Debt with public administration represented, as of 30 June 2011, 65% of total debt and 88% of total debt is 0% interest rate debt.



<i>In thousand euros</i>	30 June 11	31 December 10
Loans from banks	5,936	6,891
Debt with public administration	34,200	28,441
Liabilities from financial leases	341	676
Debt from purchase of shares	11,819	15,896
Total	52,296	51,904

The debt from purchase of shares registered as of 30 June 2011 corresponds to the outstanding payment related to the Frosst Ibérica acquisition, which includes the payment of 2.1 million euros for the Frosst Ibérica shares acquisition (the first two payments of 0.7 million euros each one were executed on 31 March 2010 and on 31 March 2011) and the payment of 9.7 million euros for the Frosst Ibérica working capital (the first payment of 3.2 million euros was executed on 31 March 2011). The payments of this debt of 11.8 million euros will be executed annually, starting on 31 March 2012 and ending on 31 March 2014.

3.3 Free cash flow

Free cash flow decreased by 21% to 14.0 million euros in the first half of 2011 compared to the same period of the previous year, mainly due to:

- 2.8 million euros of capex invested in the first half of 2011, compared to 1.0 million euros of capex invested in the first half of 2010;
- 3.4 million euros of investment in financial assets in the first half of 2011, compared to 2.1 million euros of collection from financial assets (Novavax shares sale) in the first half of 2010; and
- -10.9 million euros of working capital variation in the first half of 2011, compared to 5.2 million euros of working capital variation, in the first half of 2010, impacted significantly by the Frosst Ibérica integration into the ROVI Group in the second quarter of 2010.
- The sale of 14.0 million euros of short term deposits had a positive impact in the first half of 2011 free cash flow.

3.4 Net and gross cash position

As of 30 June 2011, ROVI had a gross cash position of 67.9 million euros, compared to 59.8 million euros as of 31 December 2010, and a net cash position (financial assets and cash minus short term and long term debt) of 15.7 million euros, compared to 7.9 million euros as of 31 December 2010, providing it with a high level of financial flexibility.

3.5 Working capital

The positive trend in working capital in the first half of 2011 is mainly due to an increase in cash of 19.0 million euros and a decrease in the "inventories" line of 3.9 million euros. The



“trade and other receivables” item increased by 3.0 million euros and the “trade and other payable” item declined by 0.1 million euros.

3.6 Tax credit

Because of the impairment registered in the Frosst Ibérica accounts as of 31 December 2009 and the losses registered by the company in the last years, on the acquisition date, Frosst Ibérica had negative tax bases (tax credit) of 56.3 million euros.

From the acquisition of Frosst Ibérica, which was effective on 1 April 2010, to 31 December 2010, the company registered a net income of 5.6 million euros. Nevertheless, from 1 January to 31 December 2010, Frosst Ibérica generated losses which would significantly increase the tax credit registered as of 31 December 2009.

As of 30 June 2011, ROVI had 3.6 million euros of tax savings generated by the Frosst Ibérica acquisition, considering a tax rate of 30% over negative tax bases of 12.1 million euros.

4. Guidance for 2011

Despite the impact estimated at 8 million euros on 2011 sales, published in ROVI 2010 first half results, and the double digit decrease expected for the Spanish pharmaceutical market in 2011, as a result of the measures for the rationalisation of the pharmaceutical expenditure, ROVI expects to grow operating revenues in low double digit. ROVI expects its growth drivers to be Bemiparin, its existing portfolio of specialty pharmaceuticals, recent launches such as Vytorin, Absorcol, Thymanax and Bertanel and the MSD agreement which was implemented at the end of the first quarter of 2010. The strength of these areas could be offset by lower growth or declines in sales in injectable toll manufacturing and in the OTC line. ROVI forecasts that the combination of all of these factors should result in a low double digit growth of operating revenues and in a single digit growth of recurrent net profit (excluding the 2010 one-off profit of 11.8 million euros) for the full year 2011.

5. Research and Development update

After the latest results of the clinical trials that were published during the past months and the progress of the pre-clinical developments, ROVI R&D strategy has been redeployed and these are the highlights:

- ISM® platform for antipsychotics: in September 2010, the clinical testing stage began for the first Phase I trial of Risperidone-ISM® on healthy volunteers and finished by the end of 1Q 2011. This first trial aimed mainly to evaluate the pharmacokinetics and the tolerability of a single intramuscular administration of Risperidone in an ISM formulation. The results have just been announced in July this year, and are confirming



the expected pharmacokinetic profile of this innovative long-acting intramuscular formulation for the monthly administration of risperidone, a widely used antipsychotic. In addition, this study is also serving as proof of concept for validating ISM technology for the development of other candidates, such as other second generation antipsychotics or antiestrogens drugs (see section 7.1).

- Letrozole-ISM®: ROVI is also dedicating its efforts for the development of a novel formulation for a quarterly injection of a well-recognised aromatase inhibitor, letrozole. The project is already in pre-clinical phase under animal testing. Letrozole is currently considered as a key therapy for the treatment of the hormone-dependent breast cancer and the ISM technology may provide better compliance and additional benefits to those patients who are suffering from this type of cancer.
- In December 2010, ROVI announced to refocus the wound healing research line on the development of glycosaminoglycan compounds for topical application. Preclinical studies are progressing as planned and the beginning of human testing is expected by first half 2012.

6. New product launches

In January 2011, ROVI launched Absorcol® and Vytorin®, the first of the five marketing licenses for its products that MSD awarded to ROVI as part of the strategic marketing and manufacturing agreement of 23 July 2009. Absorcol®, whose active principle is ezetimibe, and Vytorin®, which combines two active principles, ezetimibe and simvastatin, are marketed in Spain, from January 2011, in a co-marketing regime with Ezetrol® and Inegy® respectively, for a period of 10 years. Although they are two different products, ROVI and MSD have agreed to consider them as one product in terms of the marketing rights granted to ROVI by MSD, as Vytorin® is a combination of ezetimibe, the selected active principle, and simvastatin (see section 7.3). In addition, the strategic agreement reached with MSD, implemented on the 31 March 2010, will allow ROVI the launch of four additional new products during the next 10 years.

Iván López-Belmonte Encina, Deputy CEO and Head of Corporate Development of ROVI, said that, *"we are very excited with the potential of Absorcol® and Vytorin®. These drugs provide coronary and diabetic patients with the best and simplest therapeutic option for reaching LDL-c targets and lowering cardiovascular risks, and they reflect ROVI's commitment to improving the quality of life of patients. Winning licenses for new products will continue to be one of the cornerstones of our plans for future growth, and this will be complemented by our own internal R&D efforts. We are currently analysing various opportunities to obtain licenses, and our aim continues to be to market one or two new products per year. In addition, the launch of four new products from MSD during the next 10 years will contribute to a sustained growth of the company for the long term."*



7. Key operating and financial events

7.1 Positive results of the Risperidone-ISM Phase I study

In July 2011, ROVI disclosed the positive results obtained from a Phase I clinical trial for the once-monthly injectable formulation of Risperidone-ISM. The trial has been developed with a long-acting formulation of this antipsychotic and the analysis of the data shows that ISM technology enables the sustained delivery of Risperidone from the first day, which will allow for once-monthly administration without the need for supplementary oral Risperidone in the first weeks. These characteristics will facilitate the adherence with treatment of schizophrenic patients, and represent an improvement on the Risperidone formulations that are currently available.

The clinical trial was carried out on 17 healthy volunteers and was designed to evaluate the pharmacokinetics, safety and tolerability of the intramuscular administration of Risperidone in escalating single doses (25 mg and 37.5 mg) using the ISM drug delivery system. The plasma concentrations of Risperidone and its active metabolite that were obtained up to 59 days confirm the expected pharmacokinetic profile, which had previously been demonstrated in studies carried out with animals. In general, Risperidone-ISM was well tolerated by the volunteers, and the adverse reactions that were recorded were expected and understood for this antipsychotic.

The full results will be presented on 30 September 2011 in Berlin, in an oral communication at the 3rd European Conference on Schizophrenia Research¹.

7.2 ROVI signs a contract with Farmalíder for the manufacturing of oral forms

ROVI signed a contract with Farmalíder, a pharmaceutical company that specialises in the development of branded products, OTC pharmaceutical products that are available without prescription, products with added value, and generic products, for the manufacturing, research and conditioning of pharmaceutical specialties based on Ibuprofen and Paracetamol.

ROVI has been authorised by the Spanish Agency for Medicines and Medical Devices (AEMPS) for the manufacturing of these products.

According to the terms of the contract, ROVI will provide manufacturing, research and conditioning services to Farmalíder for a period of eight years. In addition, Farmalíder has undertaken to work towards providing ROVI with annual manufacturing that could represent an increase in the production of the plant of Frosst Ibérica by 10% to 15%.

¹ 3rd European Conference on Schizophrenia Research. Berlin (Germany) 29 Sept.-1 Oct. 2011.
<http://www.schizophrenianet.eu/>



7.3 Marketing of Absorcol and Vytorin, the first of the five licenses from MSD

ROVI announced the marketing of Vytorin® and Absorcol® in Spain, the first of the five marketing licenses for its products that Merck Sharp & Dohme (MSD) awarded to ROVI as part of the strategic marketing and manufacturing agreement of 23 July 2009, stated to the Comisión Nacional del Mercado de Valores on 24 July 2009 as Relevant Fact number 111.707.

Absorcol®, whose active principle is ezetimibe, is indicated, combined with another statin, for the treatment of primary hypercholesterolemia and homozygous familial hypercholesterolemia in patients who are not adequately controlled with one single statin. Absorcol®, as a monotherapy, is indicated for patients with primary hypercholesterolemia for whom one statin is considered to be inadequate or which is not tolerated, and for patients with homozygous familial sitosterolemia. Absorcol® is a drug of choice for diabetic and coronary patients, who following their treatment with a statin have not reached indicated LDL-c levels, thanks to its single and unique action mechanism, which is able to inhibit, simultaneously with the statin, intestinal absorption and hepatic synthesis.

Vytorin® is an innovative drug which combines two active principles, ezetimibe and simvastatin, recently marketed by MSD under the brand of Inegy®. It is indicated for the treatment of patients with primary hypercholesterolemia or mixed hyperlipidemia, in those cases in which the prescription of a statin together with ezetimibe is necessary.

Vytorin® and Absorcol® are marketed in Spain from January 2011 in a co-marketing regime with Ezetrol® and Inegy® respectively, for a period of 10 years. Although they are two different products, ROVI and MSD have agreed to consider them as one product in terms of the marketing rights granted to ROVI by MSD, as Vytorin® is a combination of ezetimibe, the selected active principle, and simvastatin.

7.4 Results of the Phase I trial of oral Bemiparin based on the OCAP technology

In January 2011, ROVI announced the results of the Phase I trial of oral Bemiparin in which healthy volunteers were treated with six oral formulations of Bemiparin using Oral Carbohydrate And Protein (OCAP®) technology.

The levels of anticoagulant (anti-factor Xa) of the various formulations and doses of sodic Bemiparin administered orally were below the detection limit (0.1 IU/mL) or slightly above it, and hence it was concluded that there had not been sufficient gastrointestinal absorption. Nevertheless, the formulations were tolerated well by the volunteers, with maximum doses of up to 50,000-80,000 IU of Bemiparin.

The clinical trial consisted of a parallel open-label test of increasing single doses in a course of two doses separated by 24 hours and administered orally, and the administration of a single



prophylactic dose of Bemiparin administered subcutaneously, on a total of 102 healthy volunteers of both sexes. The main aim of the trial was to assess the anti-factor Xa activity profile of Bemiparin when administered orally in six different formulations (pills and capsules). In addition, the secondary aims of the trial included the gaining of an understanding of the safety and tolerability of these formulations of Bemiparin, and also the comparison of the bioavailability obtained from the doses administered orally with the information from the subcutaneous administration of Bemiparin in prophylactic doses for venous thromboembolism (2,500 IU).

OCAP® technology is based on the incorporation of active substances, with low levels of bioavailability when administered orally, into polymeric vehicles that enable their systemic absorption in the intestinal lumen. OCAP® formulations that are administered orally enable the active substance to be protected from the luminal environment, and provide a vehicle for it to reach the area where absorption takes place. Preclinical results on various animal models (rabbits, dogs and monkeys) were positive and led to approval for this first test on humans.

In light of these Phase I results of oral Bemiparin, ROVI has decided to discontinue the development of OCAP® technology for the oral administration of Bemiparin, and to concentrate its efforts and resources on the ISM® drug delivery platform. As ROVI recently announced, in September 2010 it began the experimental stage of the first Phase I trial on healthy volunteers of the anti-psychotic drug Risperidone-ISM®. This clinical trial will also serve as a proof of concept for validating ISM® technology as a base platform for other developments, some of which are already in advanced pre-clinical phases.

7.5 Impact of the measures for the reduction of the pharmaceutical expenditure

The Spanish government approved a reduction of the pharmaceutical expenditure of 2.8 billion euros through the introduction of two pieces of pricing legislation. The first one was approved in March 2010 and was focused on the generic products. With regards to these products, which are those out of patent, the reduction was 25% on average applied to the sale price to laboratories. The second package, which was approved in May 2010 and applied from June 2010, was addressed to the pharmaceutical products under patent. A discount of 7.5% has been applied to the sale price to the public for these products. The impact of the measures approved in March was minimal in 2010 and continue to be insignificant in 2011 for ROVI because the majority of its products are under patent. Nevertheless, the impact of the measures approved in May was significant in 2010 and will continue to impact strongly ROVI sales during 2011, mainly affecting the specialty pharmaceutical area. The impact on 2010 sales was around 3.5 million euros and we estimate that the impact on 2011 sales will probably amount to 8 million euros. In order to offset the impact of the sales reduction, ROVI is working on an internal saving plan to try to improve the efficiency of its internal and external operating processes, without affecting the marketing, sales and R&D areas.



7.6 ROVI implements the Strategic Pharmaceutical Manufacturing and Marketing Agreement in Spain reached with MSD

ROVI implemented the strategic agreement for the marketing and manufacturing of pharmaceuticals reached by ROVI and MSD in Spain on 23 July 2009, which was communicated the following day 24 July 2009 as a Relevant Fact, with number 111.707, to the Comisión Nacional del Mercado de Valores.

The implementation of this strategic agreement resulted in the transfer of the manufacturing and packaging plant at Alcalá de Henares, Frosst Ibérica, to ROVI Imaging, S.L., a subsidiary of Laboratorios Farmacéuticos Rovi, S.A. (ROVI), and the implementation, with effect from 31 March 2010, of the main agreements reached on 23 July 2009. These agreements include: (i) the manufacturing by ROVI of the pharmaceutical products of MSD that are currently produced at the plant, and their packaging for worldwide supply for a period of five years, and packaging for Spain for a period of seven years, and (ii) the granting of distribution rights in Spain, in a co-marketing regime, for five products of MSD, which can be selected by ROVI over the course of the next 10 years.

In addition, as of 23 July 2009, ROVI transferred into its marketed portfolio two MSD products for sale in Spain, Tryptizol™ (amitriptyline) and Ameride™ (amiloride & hydrochlorothiazide), and from 1 January 2010, Prinivil® and Prinivil® Plus were transferred thereby completing the MSD product transfers to ROVI.

On the other hand, ROVI has started the marketing in Spain of Vytorin® and Absorcol®, the first of the five marketing licenses for its products that MSD awarded to ROVI as part of the Strategic Agreement (see section 7.3).

All these actions have been implemented in accordance with the terms of the agreement reached on 23 July 2009, with no major deviation in terms of timing and cost which is a testament to the strength of the working relationship between the two companies.

7.7 Dividend payment

The ROVI General Shareholders Meeting, on 14 June 2011, approved the payment of a gross dividend of 0.17208 euros per share on 2010 earnings. This dividend was paid on 6 July 2011 and meant an increase of 22% compared to the dividend on 2009 earnings. In addition, this dividend implied the pay-out of 35% of consolidated net profit for 2010.

About ROVI

ROVI is a fully integrated Spanish specialty pharmaceutical company engaged in the research, development, in-licensing, manufacturing and marketing of small molecule and specialty biologic drugs. The Company has a diversified portfolio of products that it markets in Spain



through its specialized sales force, calling on specialist physicians, hospitals and pharmacies. ROVI's portfolio of 27 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 addressing currently unmet medical needs by developing new LMWH-based products and expanding applications for its existing LMWH-based products. 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. Additional information about ROVI is available on the company's website: www.rovi.es

For further enquiries, please contact:

Juan López-Belmonte Encina
Chief Executive Officer
913756235
jlopez-belmonte@rovi.es
www.rovi.es

Javier López-Belmonte Encina
Chief Financial Officer
913756266
javierbelmonte@rovi.es
www.rovi.es

Marta Campos Martínez
Investor Relations
912444422
mcampos@rovi.es
www.rovi.es

Forward-looking statements

This news release contains forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance, or achievements of ROVI or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward looking statements. The statements in this press release represent ROVI's expectations and beliefs as of the date of this press release. ROVI anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while ROVI may elect to update these forward-looking statements at some point in



the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing ROVI's expectations or beliefs as of any date subsequent to the date of this press release.



APPENDIX 1

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2011 AND 31 DECEMBER 2010

(Thousand of euros)

	30 June 2011	31 December 2010
ASSETS		
Non-current assets		
Property, Plant and Equipment	42,842	42,659
Intangible assets	2,686	2,290
Deferred tax assets	3,847	3,851
Available-for-sale financial assets	3,278	70
Financial receivables	322	2,086
	52,975	50,956
Current assets		
Inventories	37,901	41,824
Trade and other receivables	62,112	59,084
Current income tax assets	1,331	2,388
Bank deposits	11,000	25,000
Cash and cash equivalents	52,593	33,635
	164,937	161,931
Total assets	217,912	212,887



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2011 AND 31 DECEMBER 2010

(Thousand of euros)

	30 June 2011	31 December 2010
EQUITY		
Capital and reserves attributable to shareholders of the company		
Share capital	3,000	3,000
Legal reserve	600	600
Treasury shares	(2,064)	(1,960)
Retained earnings and voluntary reserves	93,892	77,914
Profit for the year	12,874	24,582
Reserve for available-for-sale assets	(30)	(2)
Total equity	108,272	104,134
LIABILITIES		
Non-current liabilities		
Financial debt	43,718	43,089
Deferred income tax liabilities	1,832	1,633
Non-current deferred revenues	12,134	12,404
	57,684	57,126
Current liabilities		
Trade and other payables	37,174	37,238
Current income tax liabilities	171	-
Financial debt	8,578	8,815
Current deferred revenues	4,794	4,334
Provisions for other liabilities and charges	1,239	1,240
	51,956	51,627
Total liabilities	109,640	108,753
Total equity and liabilities	217,912	212,887



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE
2011 AND 30 JUNE 2010

(Thousand of euros)

	Six-month periods ended 30 June	
	2011	2010
Revenue	95,887	72,719
Changes in inventories	(3,923)	6,186
Raw materials and consumables used	(32,328)	(33,059)
Employee benefit expenses	(24,501)	(19,120)
Other operating expenses	(20,206)	(16,996)
Depreciation, amortisation and impairment charges	(2,221)	(1,673)
Recognition of government grants on non financial non-current assets and other	1,230	476
Others gains and losses - net	-	11,785
OPERATING PROFIT	13,938	20,318
Finance income	805	579
Finance costs	(1,452)	(701)
FINANCE COSTS - NET	(647)	(122)
PROFIT BEFORE INCOME TAX	13,291	20,196
Income tax	(417)	(1,267)
PROFIT FOR THE YEAR	12,874	18,929



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE SIX-MONTH PERIODS ENDED 30
JUNE 2011 AND 30 JUNE 2010

(Thousand of euros)

	Six-month periods ended	
	30 June	
	2011	2010
Profit before income tax	13,291	20,196
Adjustments of items not involving cash movements:		
Amortization	2,221	1,673
Interest income	(805)	(579)
Available-for-sale financial asset impairment charge	-	18
Gains on disposal of financial assets and liabilities	109	(45)
Interest expenses	1,452	683
Net changes on provisions	(1)	(19)
Gains on Frosst Ibérica acquisition	-	(11,785)
Grant for non-financial fixed assets and distribution license income	(1,235)	(538)
Changes in working capital:		
Trade and other receivables	(5,869)	13,314
Inventories	3,923	(5,115)
Trade and other payables	(8,966)	(2,972)
Other cash flows from the operating activities:		
Collection from distribution licenses	200	-
Interest paid	(80)	(89)
Income tax cash flow	1,026	(1,551)
Net cash flows generated (used) in operating activities	5,266	13,191
Purchases of property, plant and equipment	(2,238)	(936)
Purchases of intangible assets	(562)	(28)
Purchases of available-for-sale financial assets	(3,400)	-
Proceeds from available-for-sale financial assets	152	2,112
Proceeds from short term bank deposits	20,000	-
Contracting short term bank deposits	(6,000)	-
Purchases of other financial assets	(65)	(182)
Proceeds from the Frosst Ibérica acquisition	-	3,034
Interest received	805	579
Net cash flows generated (used) in investing activities	8,692	4,579
Repayment of borrowings	(6,182)	(3,630)
Proceeds of borrowings	11,286	16,031
Purchase of treasury shares	(104)	(1,267)
Reissue of treasury shares	-	684
Net cash flows generated in financing activities	5,000	11,818
Net variation in cash and cash equivalents	18,958	29,588
Cash and cash equivalents at beginning of period	33,635	35,939
Cash and cash equivalents at end of period	52,593	65,527