



Rovi

First Half 2011 Results



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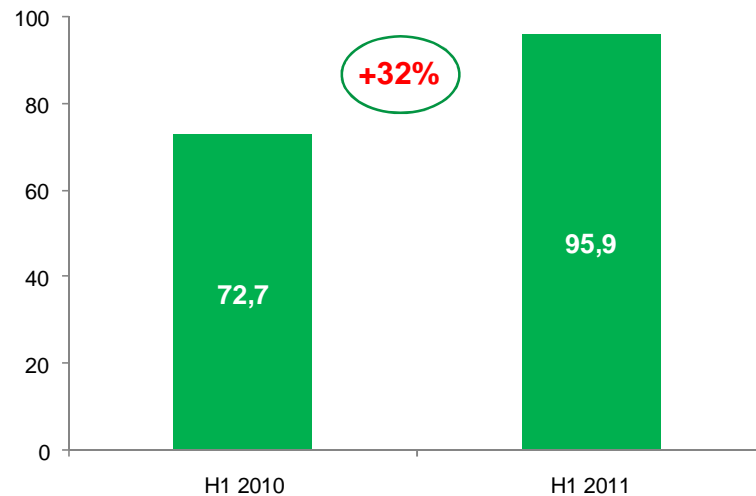
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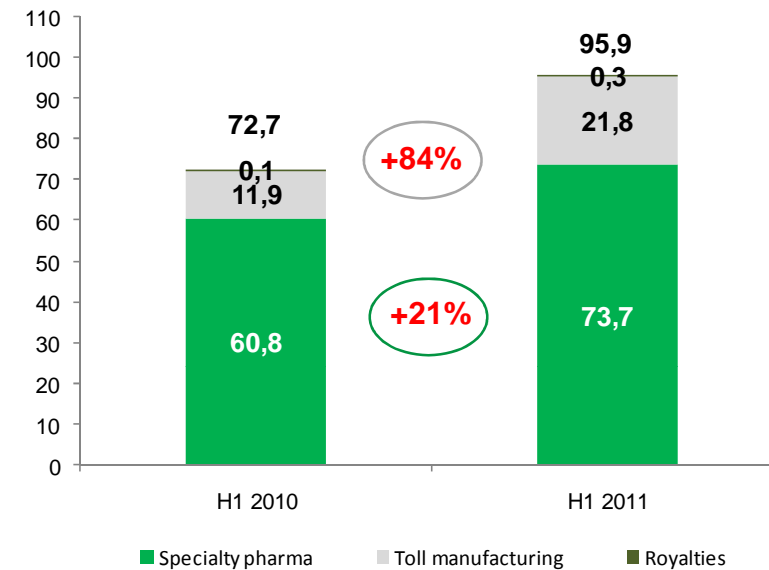
Growth driven by recent launches and toll manufacturing business strength



Total operating revenues (€m)



Operating revenues growth by category (€m)

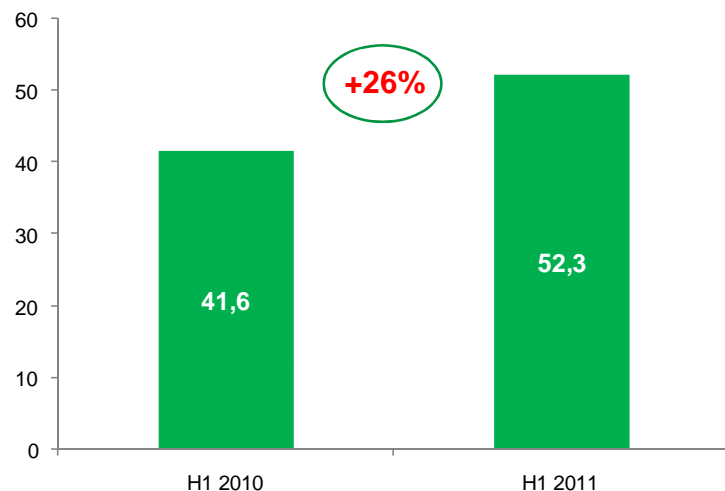


- **Operating revenues** increased by 32% in H1 2011 driven by the strength of:
 - ✓ The specialty pharmaceutical business, where sales rose 21%;
 - ✓ The toll manufacturing business, where sales increased by 84%.
- **Forecast low double digit operating revenues growth for 2011.**

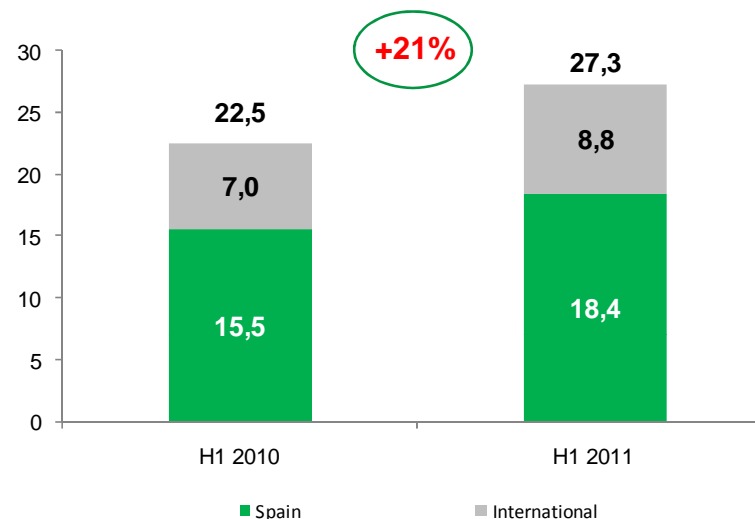


Bemiparin, leading the growth

Prescription-based pharma products sales (€m)



Bemiparin sales (€m)

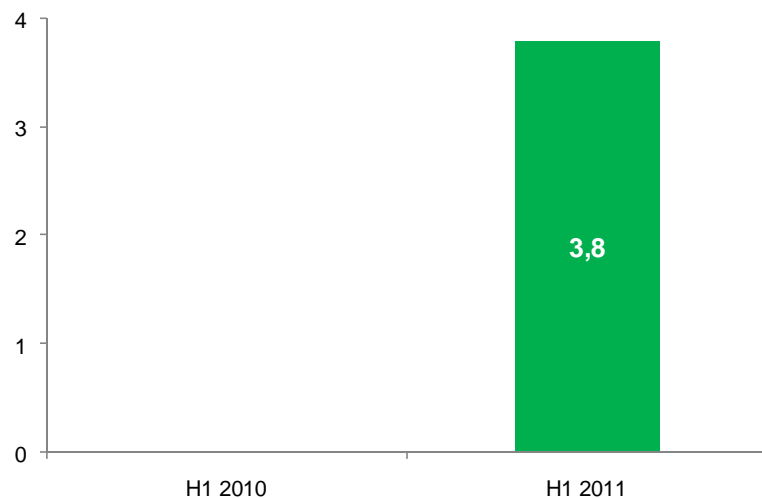


- **Sales of prescription-based pharmaceutical products** increased by 26% in H1 2011.
 - ✓ Excluding the impact of the new measures to reduce pharmaceutical expenditure on H1 2011 sales, sales of prescription-based pharmaceutical products increased by around 10 additional percentage points.
- **Bemiparin sales** increased by 21% in H1 2011.
 - ✓ Sales in Spain rose 19%.
 - ✓ International sales rose by 26% due to the increased presence in countries where it was already present and by the launch of the product in three new country: Bolivia, Byelorussia and Russia.

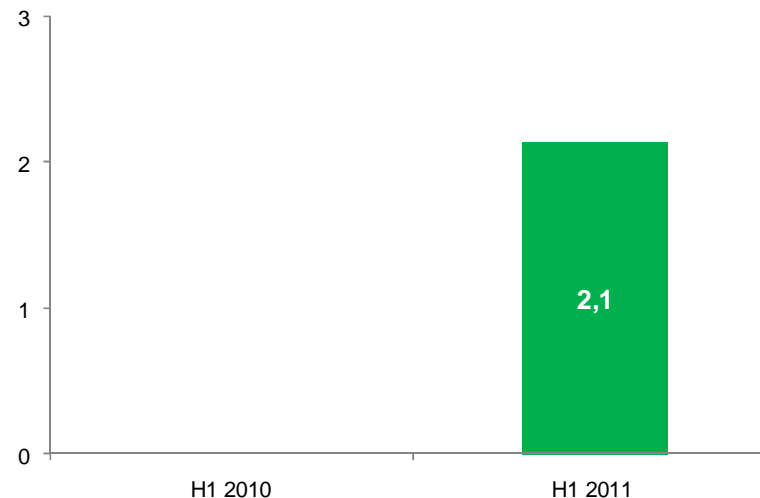


Recent launches sales

Thymanax sales (€m)



Absorcol and Vytorin sales (€m)

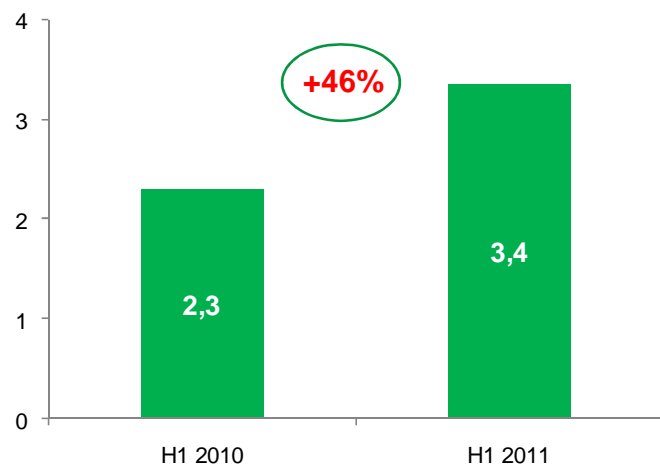


- **Sales of Thymanax**, an innovative antidepressant from Servier, launched in March 2010, reached **€3.8m**.
- **Sales of Absorcol and Vytorin**, the first of the five licenses of MSD launched in January 2011, reached **€2.1m** in H1 2011.



Good performance of the product portfolio

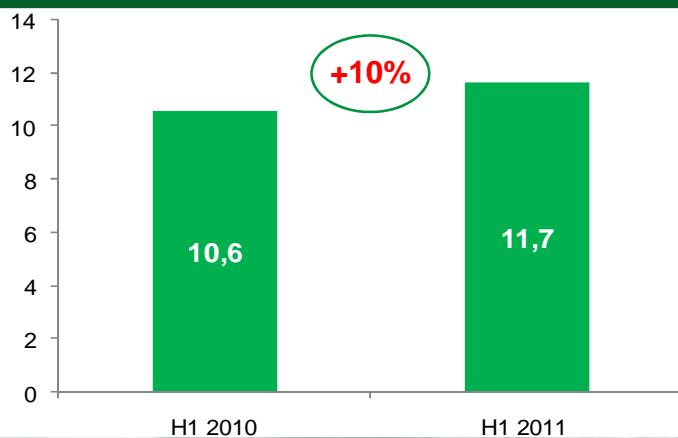
Corlentor sales (€m)



Exxiv sales (€m)



Contrast imaging agents (€m)

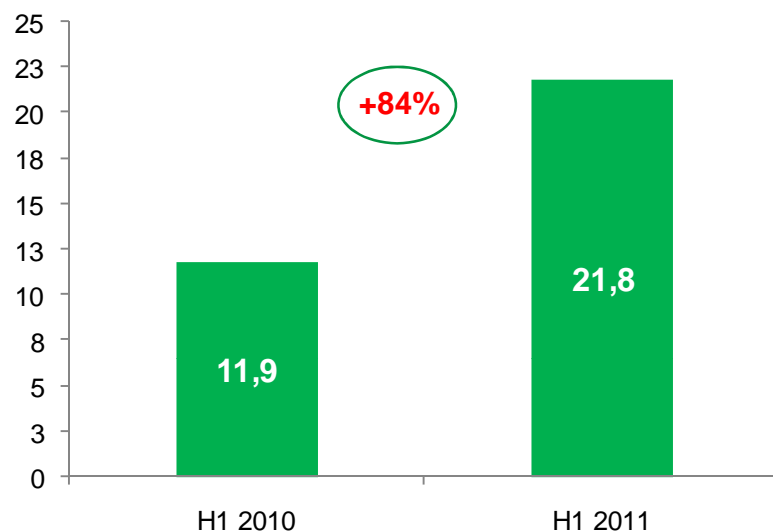


- Very positive results of the **SHIFT study** which will allow Ivabradine (Corlentor) to obtain a new indication for heart failure.



Value added toll manufacturing services

Toll manufacturing sales (€m)

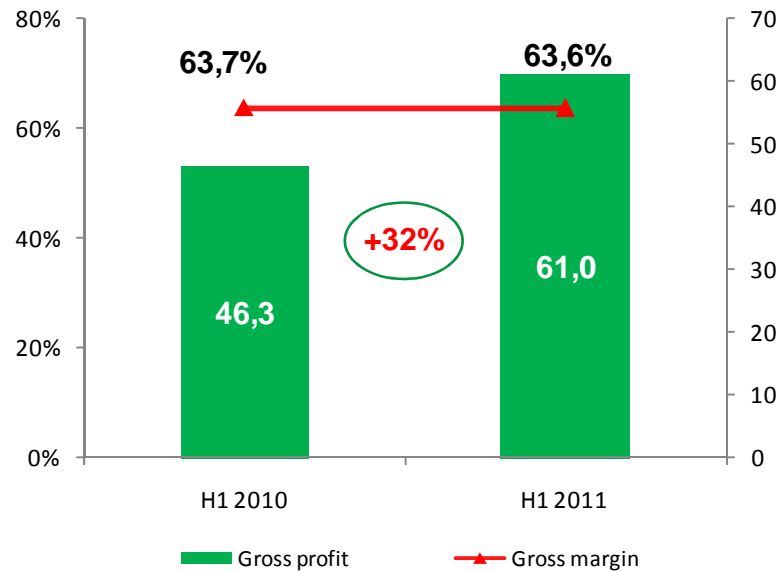


- **Toll manufacturing sales** increased by 84% in H1 2011 as a result of the implementation of the MSD manufacturing and packaging agreement.
 - ✓ Revenues from the MSD amounted to €17.5m in H1 2011, as a result of some production advanced to this half.
- **50% of spare capacity** in the Frosst Ibérica plant.
 - ✓ New contract with Farmalíder, signed in January 2011.

Gross margin impacted by the increase in the Bemiparin raw material prices



Gross profit (€m) & Gross margin (%)



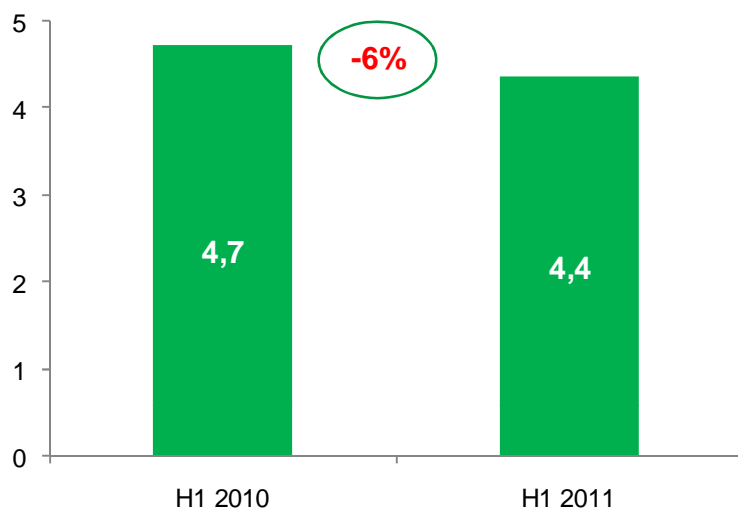
➤ H1 2011 gross margin impacted by:

- ✓ Fitoladius product sale to a third part.
 - Excluding Fitoladius sale impact, gross margin decreased to 61.3%.
- ✓ Bemiparin raw material price increase.
- ✓ Measures to reduce pharmaceutical expenditure.
- ✓ The implementation of the MSD agreement had a positive impact on the H1 2011 gross margin.

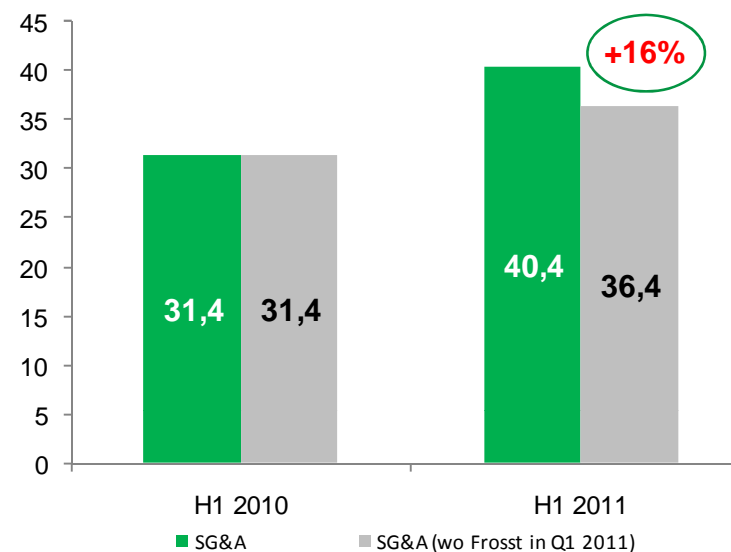
Investment effort in human capital to generate growth



R&D expenses (€m)



SG&A expenses (€m)

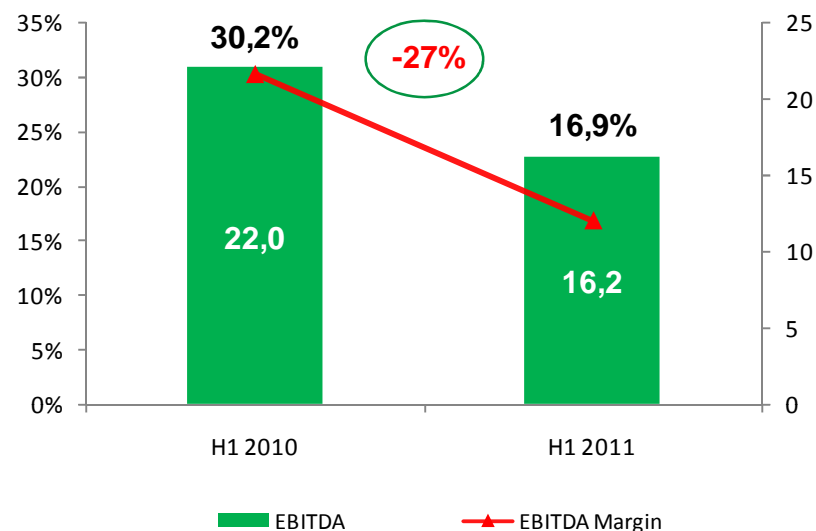


- **R&D expenses** decreased by 6% as a result of our search for greater cost efficiency.
- **SG&A expenses increased by 29% in H1 2011** as a result of:
 - ✓ MSD agreement implementation, which was effective on 31 March 2010; and
 - ✓ Launch of Vytorin and Absorcol.
- **SG&A expenses increased by 16% in H1 2011**, excluding the impact of the MSD agreement in Q1 2011.
 - ✓ This 16% SG&A increase reflected ROVI investment effort in human capital to address primary care, main target of Vytorin and Absorcol products.

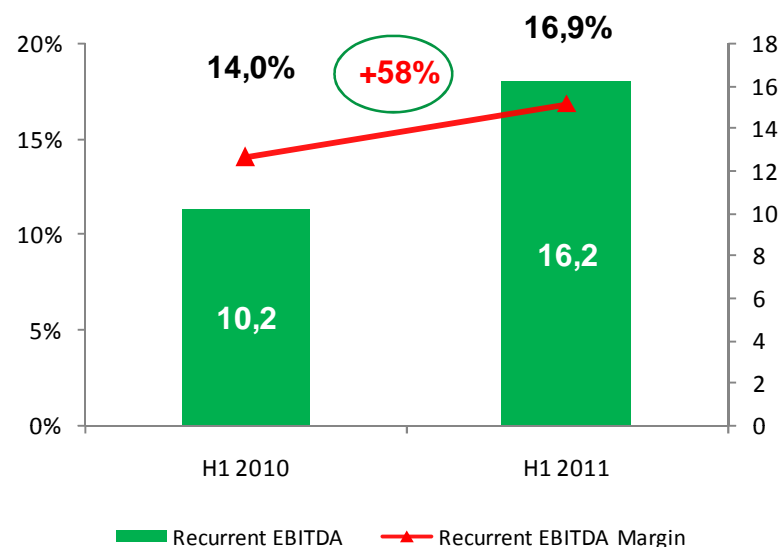


EBITDA

EBITDA (€m) and EBITDA margin (%)



Recurrent EBITDA (€m) and EBITDA margin (%)



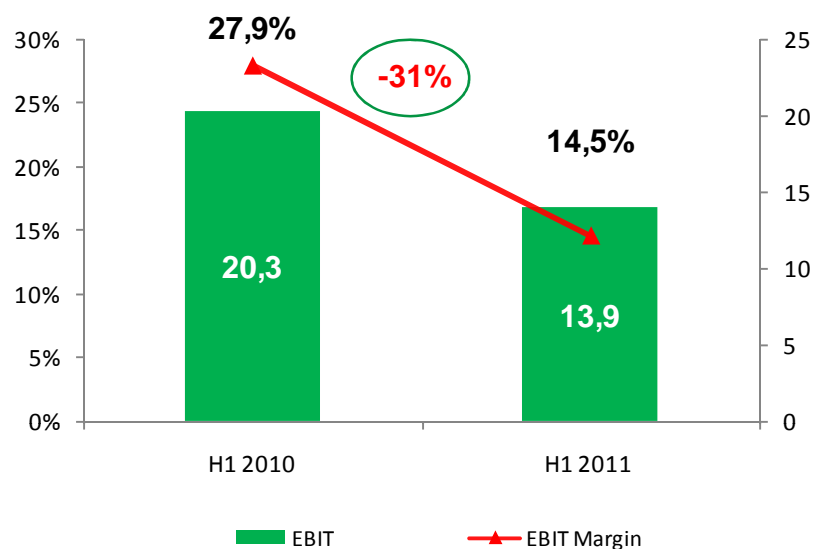
- **EBITDA** impacted by a one-off profit of €11.8m in Q2 2010 caused by the Frosst Ibérica integration.
- Excluding one-off profit in 2010, **EBITDA** increased by 58% in H1 2011 vs H1 2010.
- This 58% increase includes a profit of €5.6m related to Fitoladius sale, registered in Q2 2011. Excluding this €5.6m in 2011, EBITDA increased by 3% in H1 2011 vs H1 2010 despite:
 - ✓ The launch of Absorcol an Vytorin;
 - ✓ The increase in raw material costs for Bemiparin; and
 - ✓ The measures approved to reduce the pharmaceutical expenditure.
- **EBITDA** increased by >40% in H1 2011, excluding the impact of the measures to reduce pharma expenditure.

Note: Recurrent EBITDA excludes the one-off profit of 11.8 million euros, registered in the first half of 2010.

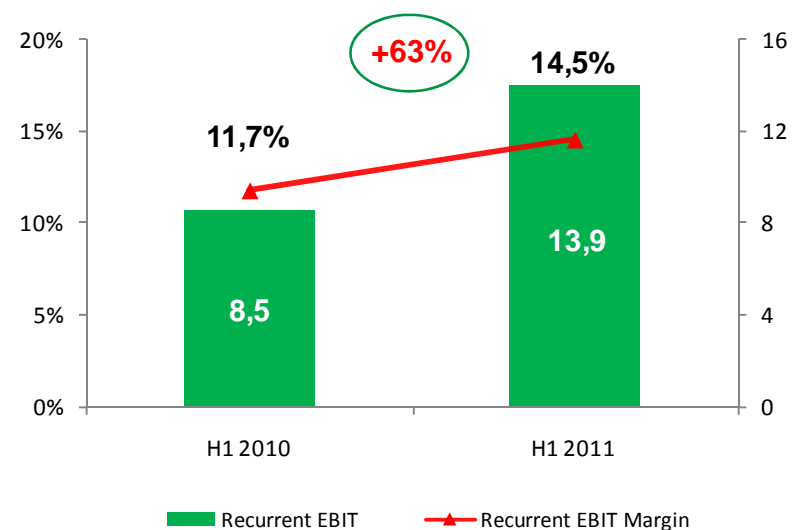


EBIT

EBIT (€m) and EBIT margin (%)



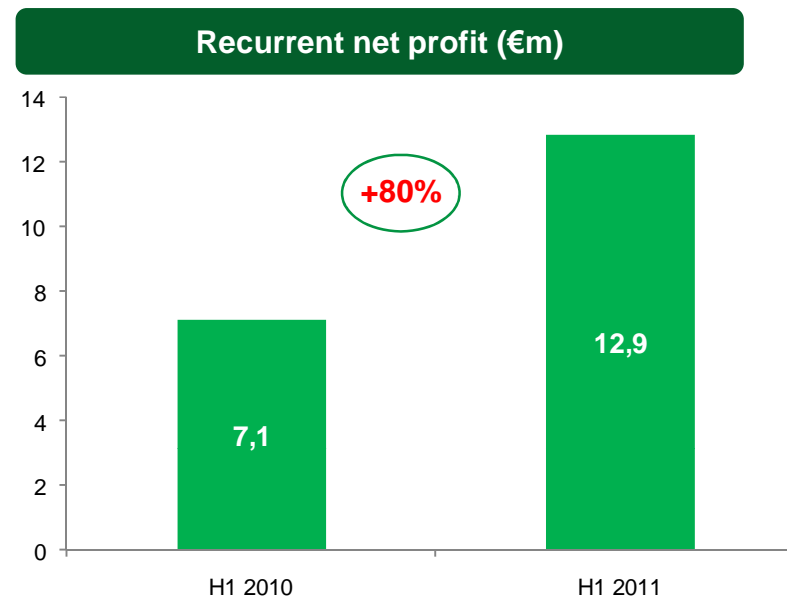
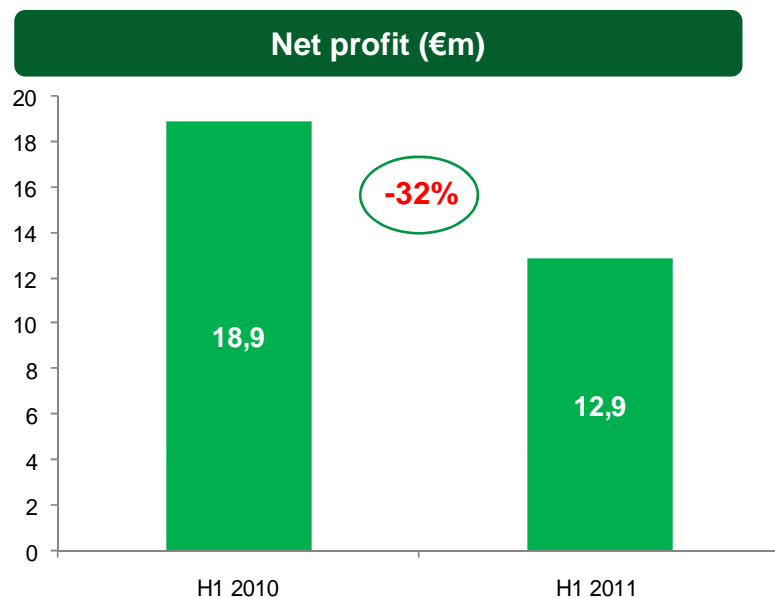
Recurrent EBIT (€m) and EBIT margin (%)



- **Depreciation and amortisation expenses** increased by 33% in H1 2011 as a result of the MSD agreement implementation and the new PP&E and intangible assets purchases made during 2010 and 2011.
- **EBIT** impacted by the same factors as EBITDA.

Note: Recurrent EBIT excludes the one-off profit of 11.8 million euros, registered in the first half of 2010.

Net profit



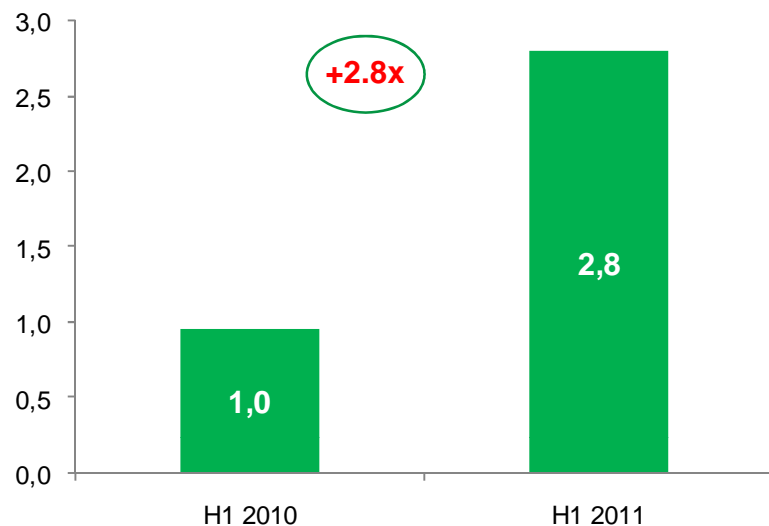
- **Net profit** impacted by the same factors as EBITDA.
- **Effective tax rate** of 3.1% in H1 2011 vs 6.3% in H1 2010.
 - ✓ No taxes paid on Frosst Ibérica H1 2011 profits as this company has negative tax bases (€56.3m as of 31.12.2009).
 - ✓ ROVI expects not to pay taxes on Frosst Ibérica profits in the coming years.
- **Forecast single digit recurrent net profit growth for 2011.**

Note: Recurrent net result excludes the one-off profit of 11.8 million euros, registered in the first half of 2010.

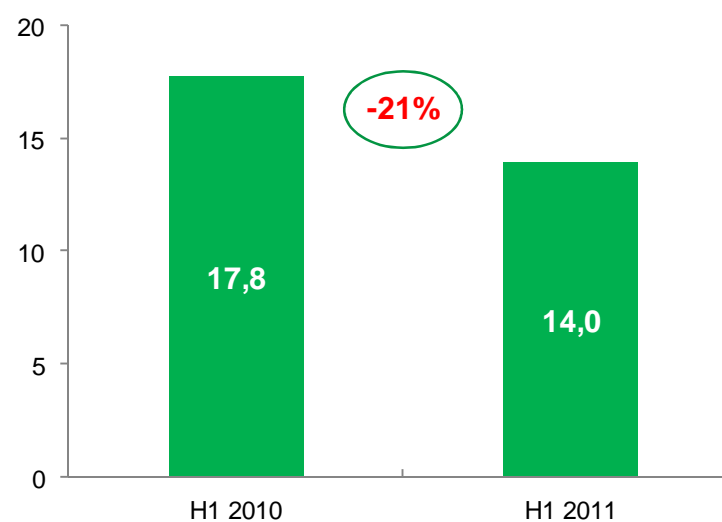


Capital expenditure

Capex (€m)



FCF (€m)

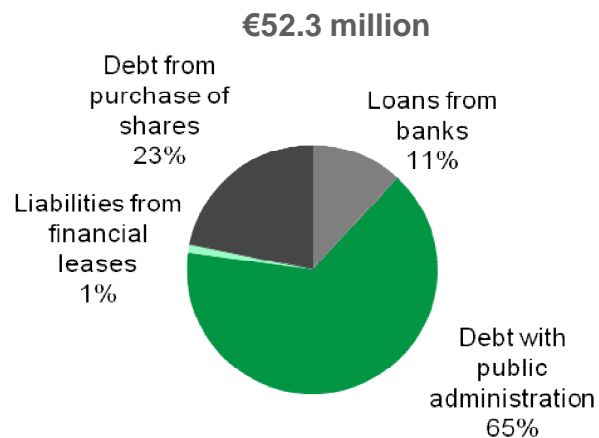


- €2.8m of **capex** invested in H1 2011.
 - ✓ €0.7m of investment capex related to Granada facility.
 - ✓ €0.5m of investment capex related to Alcalá facility (Frosst Ibérica).
 - ✓ €1.6m of maintenance capex vs €1.0m in H1 2010.
- **FCF** decreased by 21% in H1 2011 mainly due to:
 - ✓ €2.8m of capex invested in H1 2011 vs €1.0m in H1 2010.
 - ✓ €3.4 m of investment in financial assets in H1 2011 vs €2.1m of collection from financial assets in H1 2010.
 - ✓ €-10.9m of WC variation in H1 2011 vs €5.2m in H1 2010, impacted by Frosst Ibérica integration in Q2 2010.
 - ✓ Positive impact of €14.0m related to the sale of short term deposits.



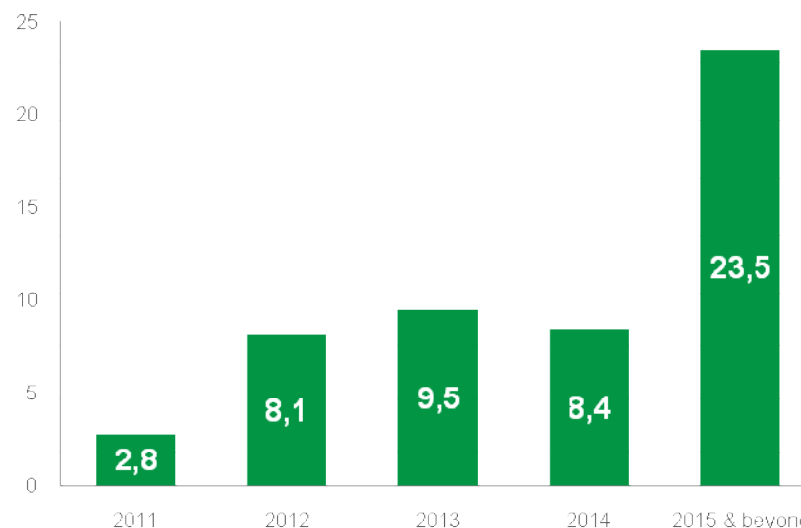
Financial debt

Debt breakdown by source (%)



Note: consolidated accounts under IFRS

Maturities by year (€m)



- 88% of the debt is 0% interest rate debt
- Debt with public administration represented 65% of total debt
- Gross cash position of €67.9m as of 30 June 2011 vs €59.8m as of 31 December 2010
- Net cash position of €15.7m as of 30 June 2011 vs €7.9m as of 31 December 2010
- High level of financial flexibility



Specialty pharma

- Additional new in-licensing products to be launched

Toll manufacturing

- New contracts to be announced
- Signature of the agreement with Novartis for the production and commercialisation of flu vaccines

R&D

- Phase II final results from the ABEL trial of Bemiparin in Small Cell Lung Cancer



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