



H1 2015
Audio webcast

RESULTS PRESENTATION

July 30, 2015

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Past performance is not a reliable indication of future performance.



1.
HALF YEAR HIGHLIGHTS

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P&L

- +2.6% turnover to 81.5 M€ following general growth of RJF Pharma despite sales decrease of RJF CDMO
- +5.5% EBITDA to 10.6 M€ and 13.0% EBITDA margin
- +6.3% profit before taxes to 8.2 M€
- +16.6% net profit to 7.2 M€

BUSINESS SEASONALITY

- Significant seasonality of the food supplements business.
- Not lineal EBITDA generation throughout the year due to marketing expenses in Q2 and Q4 and yearly maintenance stop of production sites in Q3 (August).
- Estimated EBITDA evolution at 2015 year end: +15% versus 2014

BALANCE SHEET

- NFD at 10.5 M€, less than 1 time EBITDA
- Reduction of 6.1 M€ in gross financial debt in the first six months of the year, while keeping cash position stable

INVESTMENTS

- Capex in H1 2015: 3.97 M€
 - Maintenance: 0.86 M€
 - Expansion: 3.11 M€
- Total investments in R&D: 3.03 M€; 90% on P&L and 10% on the balance sheet

THE SHARE

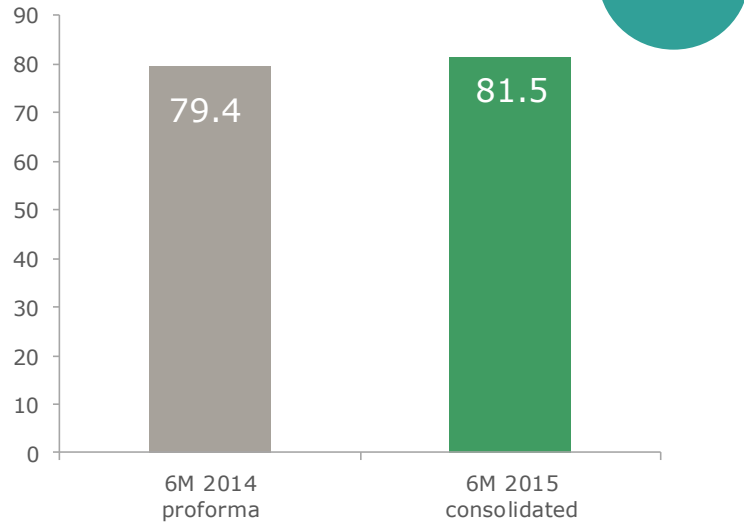
- +39.7% YTD increase, compared to +18.8% of Spanish small cap index
- Reverse split of 1x20 approved by the GSM and to be executed in September 2015



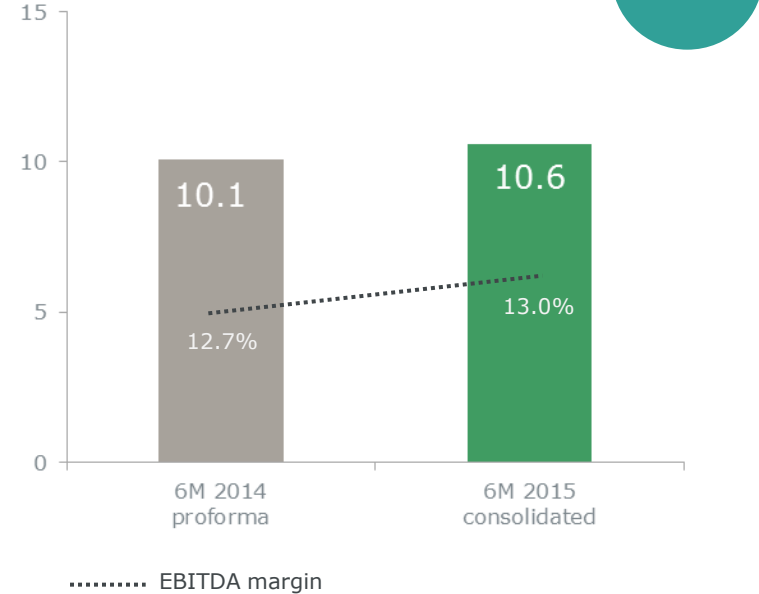
2. BUSINESS PERFORMANCE

TURNOVER AND EBITDA

TURNOVER. *In million euro*



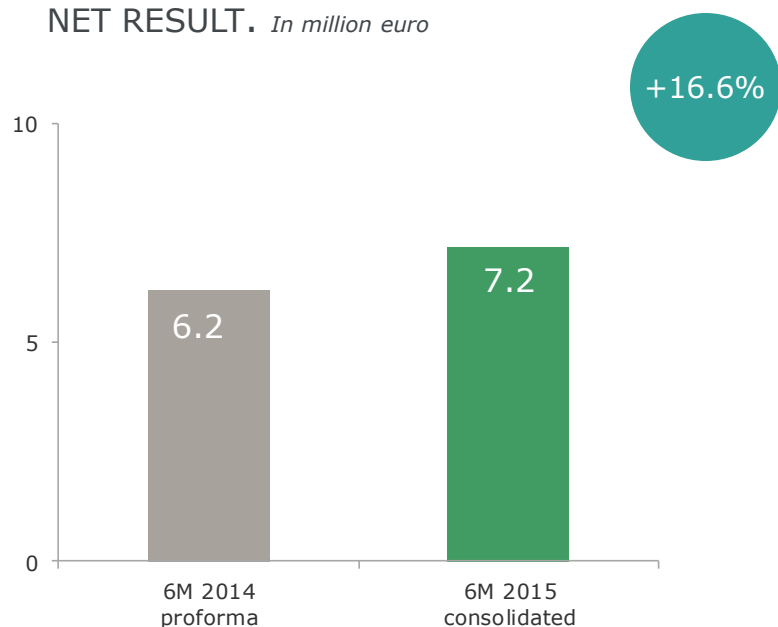
EBITDA. *In million euro*



- **Turnover** in H1 2015 grew by 2.6% to 81.5 M€ driven by RJF Pharma business unit, which accounted for 80% of the total turnover and grew 6.6%.
- **Total operating expenses** stood almost flat from H1 2014 and so did R&D expenses, which amounted to 2.7 M€ in H1 2015 versus 2.8 M€ in H1 2014 and accounted for 3.3% of total turnover. Additional 0.32 M€ investments in R&D on the balance sheet
- **EBITDA** progressed 5.5% up to 10.6 M€, following the sales increase.

FINANCIAL RESULTS

NET RESULT. *In million euro*



(in euro)	H1 2014 proforma	H1 2015 consolidated	Evol.
Turnover	79,446,149	81,493,618	2.6%
Gross margin	51,159,420	51,577,635	0.8%
Operating expenses	-41,097,381	-40,961,578	0.3%
EBITDA	10,062,039	10,616,057	5.5%
% sales	12.7%	13.0%	
Amortization, impairments and provisions	-1,898,130	-2,288,214	-20.6%
Operating income	8,163,909	8,327,843	2.0%
Financial result	-428,946	-105,842	75.3%
Profit before taxes	7,734,963	8,222,001	6.3%
Income tax	-1,576,796	-1,043,660	33.8%
% PBT	20.4%	12.7%	
Net result	6,158,167	7,178,341	16.6%

- **Amortizations** in the first half of the year stood at 2.3 M€ versus 2.7 M€ in the 1H 2014. Annual amortizations are estimated at 5.0 M€
- **Impairments and provisions** contain the extraordinary effect of 0.8 M€ in H1 2014 from the disposal of a real estate asset by previous RJF.
- **Financial result** improved 75.3% due to debt reduction and also to the positive effect of exchange differences in H1 2015, which contributed 0.3 M€ following the appreciation of GBP.
- Reduction of **effective tax rate** from 20.4% to 12.7% due to tax credits from Natraceutical prior to the merger with Reig Jofre.
- **Net result** +16.6% up to 7.2 M€.
- **Gross financial debt** stood at 20.0 M€ at end of June 2015, 15% engaged with public administrations.
- **Cash position** and high-liquid assets amounted to 9.6 M€.
- **Net financial debt** in H1 2015 stood at 10.5 M€, which made **NFD/EBITDA ratio** stand at less than 1 time.

BUSINESS AREAS

Acceleration of RJF PHARMA by leveraging on R&D

H1 2015
turnover:
81.5 M€

+2.6%

RJF PHARMA

(Own development's manufacture
and sale)

80%
65.6 M€

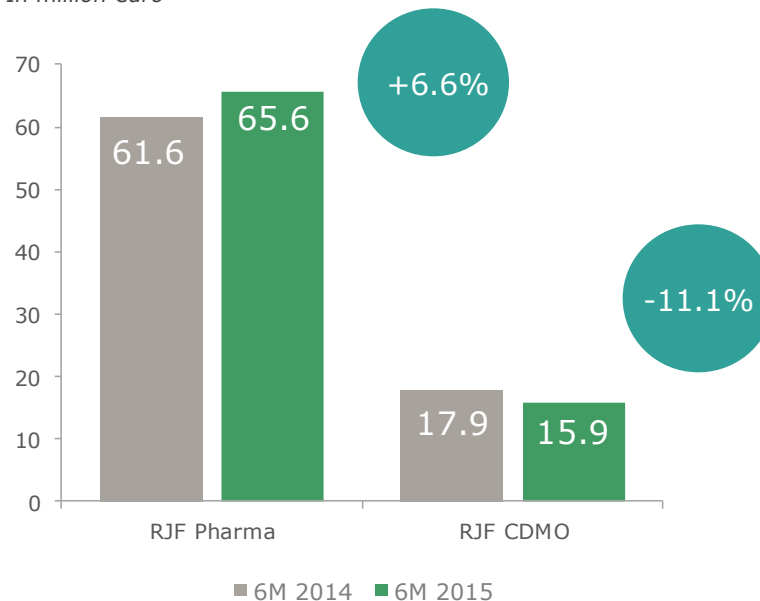
RJF CDMO

(Specialised contract development and
manufacturing)

20%
15.9 M€

TURNOVER BY BUSINESS AREAS

In million euro



RJF PHARMA

- Sales increase in all 3 product categories

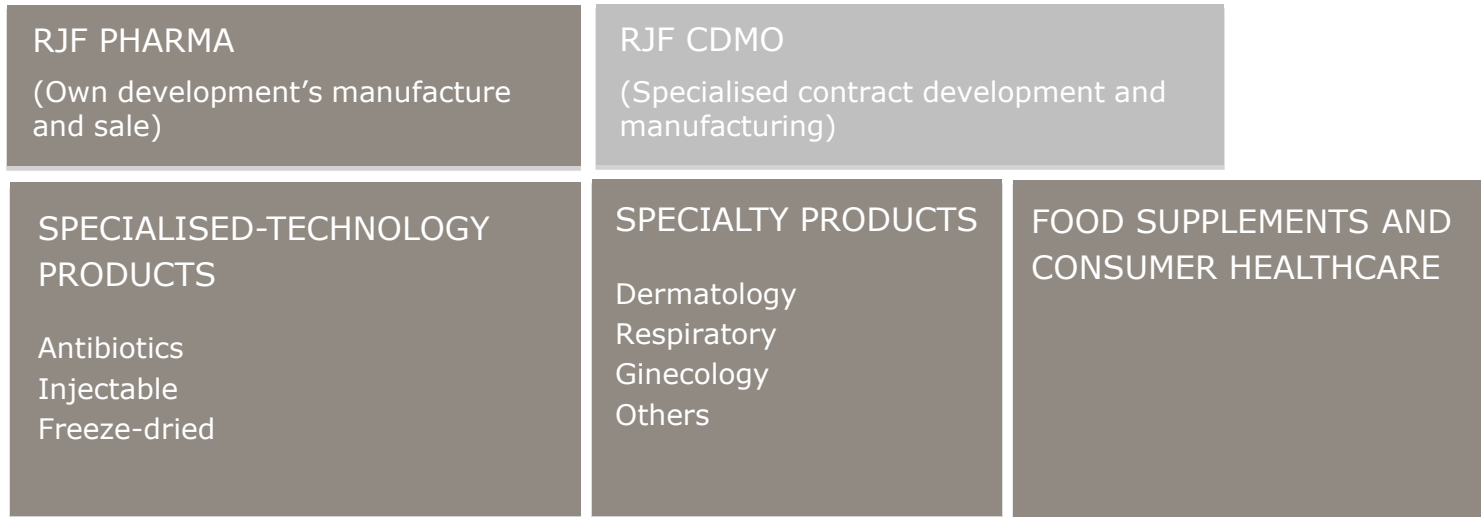
RJF CDMO

- Sales decrease resulting from direct API procurement of a CDMO customer (less turnover but no negative effect on gross margin) and some orders shifted to H2

BUSINESS AREAS

Good performance of all product categories of RJF PHARMA

80%
65.6 M€



51%
33.3 M€



- 3.9% sales increase despite price pressure in reimbursed antibiotics in Spain
- Top 10 products accounted for 84% of sales in this category.

16%
10.3 M€



- Strategic focus in this category in the coming years and main concentration of R&D investment
- Top 10 products accounted for 80% of sales in this category.

33%
22.0 M€



- 4.0% sales increase despite total slimming food supplements market in France down 13.4% Jan-May 2015 (main RJF market in this category)
- Top 10 products accounted for 56% of sales in this group.

MARKETS

94% of sales grow over 6%



DIRECT SALES

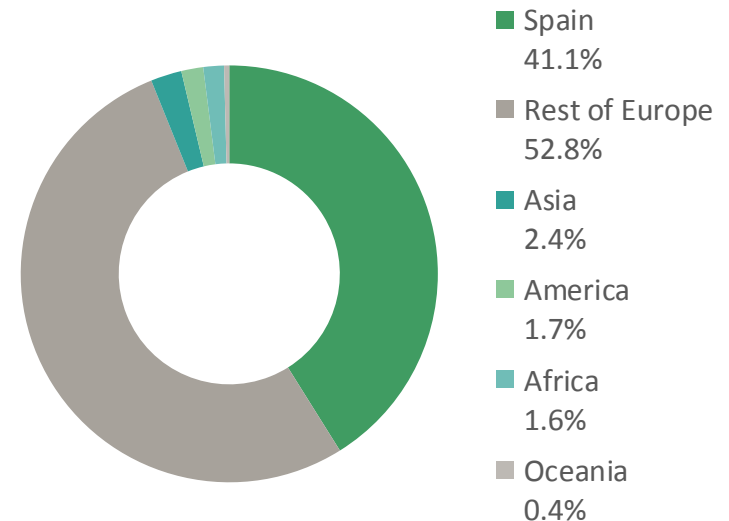
Spain
France
Nordic countries
Benelux
Portugal
UK

OVER 100 COMMERCIAL PARTNERS IN 50 MARKETS

International distributors

International licences

- RJF's **top-10 markets** outside Spain are: France, United Kingdom, Sweden, Germany, Belgium, Italy, Holland, Greece, Portugal and Saudi Arabia, which together account for 50.3% of the total turnover of the company.
- In H1 2015, sales in Spain and rest of Europe, accounting for 94% of total turnover grew 6.2%.
- 97.5% of sales directly to private customers (pharmacies, distributors and other pharma companies). Only 2.5% directly sold to public hospitals.



MARKETS

Recent progress in new markets



UNITED KINGDOM

- Acquisition of marketing authorisations of 4 derma products
- Investment: £3.6 M. Full-year recurring sales of aprox. £2.5 M
- Incorporation of RJ UK Ltd. to centralize all RJ's activity in the country
- Capital increase to get COFIDES into the project (Spanish agency for the financing of intl. Development)
- COFIDES gets 49% of RJ UK Ltd for £1.9 M
- Exit clause for COFIDES in 6-8 years

JAPAN

- Commercial agreement with Maruishi Pharma
- Product: Freeze-dried injectable pharmaceutical formulation of controlled substance for hospital treatments
- Expected launch: Q2 2016
- New agreements in Japan under negotiations

SOUTHEAST ASIA

- Creation of joint-venture in Singapore focus in high-growth regional markets (Burma, Cambodia, Laos). Name: Reig Jofre Europe Pte Ltd. Shareholders: 60% Reig Jofre; 40% Penta Labs, local partner
- Agreement with #1 anaesthesia company in Indonesia for local commercialisation of RJF innovative narcotic product
- Agreements signed in Philippines, Thailand, Malaysia and Vietnam
- Objective: Strengthening market penetration in ASEAN



3.
STRATEGIC FOCUS FOR
THE FUTURE

STRATEGIC FOCUS FOR THE FUTURE

Projects within at least two of the four strategic pillars

R&D

Development of:

- New indications and/or dosage forms of known active principles
- Generic products with special focus on beta lactam and freeze-dried injectable antibiotics
- Topical dermatological products
- OTCs
- Extension of Forte Pharma's range of food supplements
- Identification of collaboration projects with start-ups and biotech research centres

OWN BRANDS

Strengthening of own brands oriented to consumers (Forte Pharma) or medical, pharmaceutical and hospital channels.

Search for strategic opportunities to acquire international brands.



INTERNATIONALISATION

Agreements with licensees in markets where the company has no direct presence, for the marketing of in-house-developed prescription medicines, OTCs, medical devices, cosmetics and Forte Pharma's food supplements range (out licensing).

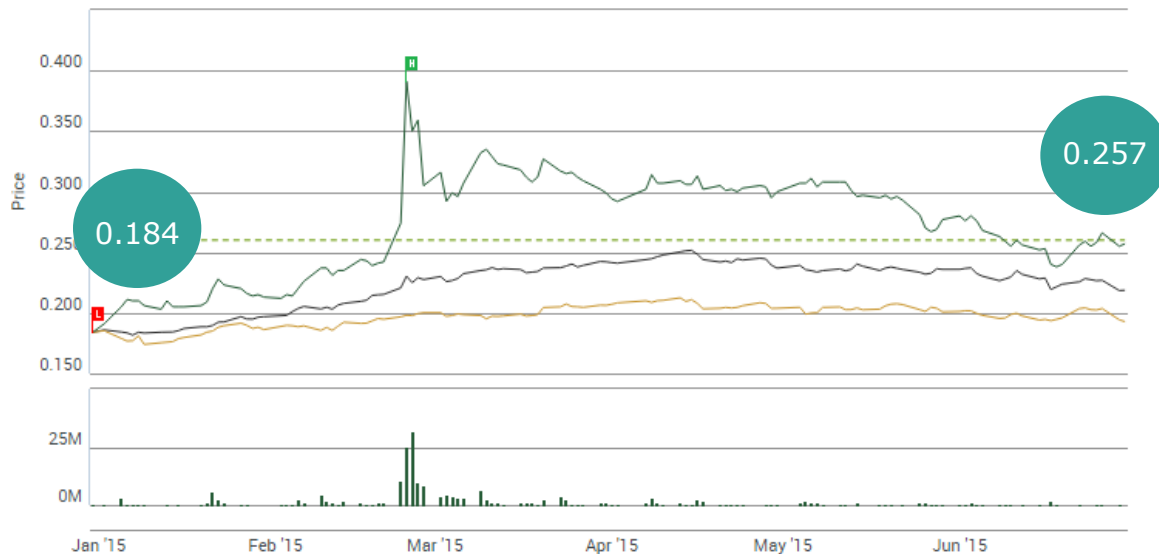
SPECIALISED DEVELOPMENT AND PRODUCTION TECHNOLOGIES

Specialized services in the areas of injectables, with outstanding approach in penicillin antibiotics in all dosage forms, cephalosporin antibiotics in vials, topical dermatological products, and especially, freeze-dried vials including biotech.



4. THE SHARE

SHARE PERFORMANCE AND REVERSE SPLIT



6M 2015

RJF: +39.7%
 SmallCap: +18.8%
 Ibex35: +4.8%

DAX (Germany): 12.1%
 CAC 40 (France): 12.6%
 Euro Stoxx 50: 9.1%
 Euro Stoxx Pharma: 15.1%

Q1 2015

RJF: +62.5%
 SmallCap: +31.6%
 Ibex35: +12.1%

Q2 2015

RJF: -14.0%
 SmallCap: -9.7%
 Ibex35: -6.5%

Market Cap: 325 M€

Average daily volume

H1 2014: 1.45 million shares
 H1 2015: 1.85 million shares

REVERSE SPLIT

- Reverse split of 1x20 approved by the GSM and to be executed in September 2015
- Par value from 0.10 € to 2.0 €
- Outstanding shares from 1,264,284,408 to 63,214,220



5. FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT

<i>(in euro)</i>	H1 2014 proforma	H1 2015 consolidated	Dif.
Turnover	79,446,149	81,493,618	2.6%
Cost of goods sold	-28,286,729	-29,915,983	
Gross margin	51,159,420	51,577,635	0.8%
Other operating income	-36,744	350,851	
Overheads	-20,253,276	-19,844,426	
R&D expenses	-2,824,417	-2,710,672	
Other operating expenses	-17,982,944	-18,757,331	
Depreciation and amortization	-2,694,988	-2,309,395	
Impairment and result on disposals	796,858	21,181	
Operating income	8,163,909	8,327,843	2.0%
Financial income	131,800	126,108	
Financial expenses	-491,700	-464,828	
Results from the disposal of financial instruments	0	0	
Results from asset impairment	0	0	
Changes in fair value of financial assets	-10,238	-84,494	
Exchange differences	-58,808	317,372	
Equity in the results of subsidiaries	0	0	
Profit before taxes	7,734,963	8,222,001	6.3%
Income tax	-1,576,796	-1,043,660	
Net result	6,158,167	7,178,341	16.6%

BALANCE SHEET

(in euro) 30/06/2015 31/12/2014

ASSETS

Non-current assets

Goodwill	25,147,584	25,405,979
Other intangible assets	32,487,672	32,453,457
Property, plant and equipment	25,804,315	24,045,938
Non-current financial assets	9,926,045	9,962,273
Deferred tax assets	15,408,680	16,527,753
TOTAL NON-CURRENT ASSETS	108,774,296	108,395,400

Current assets

Inventories	24,190,472	23,839,539
Trade and other receivables	32,360,529	29,870,526
Current tax assets	-	958,294
Other current financial assets	2,474,968	4,338,579
Other current assets	7,417,420	4,991,922
Cash and cash equivalents	8,350,856	8,349,509
TOTAL CURRENT ASSETS	74,794,245	72,348,369

TOTAL ASSETS	183,568,541	180,743,769
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(in euro) 30/06/2015 31/12/2014

EQUITY AND LIABILITIES

Equity

Share capital	126,428,441	126,428,441
Reserves	(4,483,401)	(6,791,795)
Treasury shares	(4,901,950)	(4,901,950)
Interim dividend paid during the year	-	-
Profit attributable to the parent company	7,172,942	2,308,394
Exchange differences	870,465	1,057,767
Other comprehensive income for assets available for sale	43,331	43,331
Equity attributable to parent company	125,129,828	118,144,188
Non-controlling interests	32,917	27,516
TOTAL EQUITY	125,162,745	118,171,704

Non-current liabilities

Capital grants	123,677	144,859
Provisions	1,874,368	969,762
Financial liabilities with credit institutions	5,166,643	5,805,594
Financial lease liabilities	6,124,862	6,408,506
Derivative financial instruments	419,457	419,457
Other financial liabilities	2,302,205	2,679,845
Deferred tax liabilities	3,578,785	4,829,060
TOTAL NON-CURRENT LIABILITIES	19,589,997	21,257,083

Current liabilities

Provisions	418,606	419,308
Financial liabilities with credit institutions	5,064,179	10,181,723
Financial lease liabilities	583,011	596,388
Other financial liabilities	806,789	753,210
Trade and other payables	27,983,789	24,805,199
Tax assets and liabilities	1,117,974	1,426,954
Other current liabilities	2,841,451	3,132,200
TOTAL CURRENT LIABILITIES	38,815,799	41,314,982

TOTAL EQUITY AND LIABILITIES	183,568,541	180,743,769
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6.
LINKS TO
COMPLEMENTARY INFO

LINKS TO COMPLEMENTARY INFORMATION

- Latest news: www.reigjofre.com/en/news
- Webcast on 2014 results: www.reigjofre.com/en/investors/webcasts
- Presentation to the Shareholders' General Meeting:
www.reigjofre.com/images/descargas/esp/inversores/presentaciones/2015-06-11-Presentacion-JGA-2015-esp.pdf
- Subscription center: www.reigjofre.com/en/subscription-center

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