

JANUARY - MARCH 2011 RESULTS

May 12, 2011.

P&L Account

<i>Thousands of €</i>	03/2011	03/2010	Var.
Net sales	56,479	52,704	7.2%
Ministry of Health Discounts	2,592	295	778.6%
Other operating income	3,472	1,109	213.1%
Operating expenses	46,117	41,917	10.0%
Amortization and depreciation	2,310	2,198	5.1%
EBIT	8,932	9,403	-5.0%
Financial Results	(180)	(679)	73.5%
Profit before tax	8,752	8,724	0.3%
Income Tax	(563)	(316)	-78.2%
Net profit	8,189	8,408	-2.6%

Public deficit, marketing news and Bilaxten.

We already mentioned on past quarters that the strong restrictive measures approved by our Government with the objective of reducing our public deficit, would have a negative effect on our P&L account.

Nevertheless, the positive evolution of sales of our latest marketed products in Spain and Portugal, allows us to compensate by far the 7.5% discount and achieve a sales increase of 7.2%.

These discounts, that exaggeratedly grow 2.3 million Euro during this first quarter, are also neutralized by other income, mainly coming from Bilastine, which leads us to a Profit before tax slightly higher (0.3%) than in the same period of the previous year.

Bilaxten has fulfilled its target of being launched during this first quarter of the year, and provides “Other operating income” as it has reached milestones that have meant new entry of funds from our licensees.

Since January, we have added to the market launch of Bilaxten a new line of antidiabetics, licence from MSD, which joins the novelties announced along the previous year: Etoricoxib in Spain and Portugal. The success of all of them will contribute to compensate the aforementioned discounts.

If to the commercial expense attached to all these valuable launching operations, we add the recurrent and increasing cost due to the Group’s internationalization, we can explain the considerable increase of “Other expenses”, whose profits we will gather in the near future.

We slightly increase Profit before tax (0.3%), thanks to an improvement in the financial result. But a higher tax rate finally makes Net profit to decrease 2.6%.