

JANUARY – DECEMBER 2011 RESULTS.

P&L Account

<i>Thousands of €</i>	12/2011	12/2010	
Total revenues	204,364	218,842	
Ministry of Health discounts	7,823	5,542	
Commercial costs	62,788	57,944	
Other operating expenses	108,299	121,775	
Amortization and depreciation	10,607	11,041	
EBIT	14,847	22,540	
Financial results	(2,465)	(3,085)	
Profit before tax	12,382	19,455	
Income tax	1,799	547	
Net profit	14,181	20,002	- 29.1 %

Under the circumstances of crisis, results are acceptable and prospects are optimistic.

Results given in previous quarters already anticipated, quite exactly, the negative figure for the end of the year in the consolidated P&L account.

The sector has been gripped by the important official decisions taken in order to reduce public deficit, decreasing strongly our revenues with significant discounts, as well as with an unfavourable pharmaceutical regulation. Adjustments due to Royal Decree-law 8/2010 and 9/2011 alone, have meant, along this exercise a **total margin reduction of 14.7 million Euros**, amount which would have meant an important injection in profits and liquid assets.

On the other hand and following our diversification policy, there has been a significant increase of commercial costs. The launch of new products with great potential, which have already been described in previous communications (Bilaxten, Ristaben, Ristfor, Hirobriz) and the considerable impulse of exportations, have meant an increase of almost **5 million Euros in commercial costs**, which also affect the comparative with the previous exercise.

This growth strategy will bear its fruits in the near future, as we extensively explained in the recent analyst's meeting in November, with outstanding increases in sales and profits. So, therefore, even in a situation of general crisis and with important restrictive measures of public expense, we are optimistic about the Group's future.

Bilastine, as a self developed product, deserves a special mention for its growth in a double way: in the first place, by means of the satisfactory and increasing sales in markets in which commercialization has already started; and in the second place, by obtaining revenues from agreements of new licences, like the one we have recently signed with Pfizer for 21 additional Latin American countries. There are still countries with very relevant markets which we hope to cover soon with new agreements very interesting for the future.

28th February 2012.