

JANUARY - JUNE 2012 RESULTS

<i>Thousands of €</i>	06/2012	06/2011	
Total revenue	97,276	113,753	
Ministry of Health discounts	3,917	5,153	
Commercial costs	30,969	31,560	
Other operating expenses	47,735	60,874	
Amortization and depreciation	4,248	4,685	
EBIT	10,407	11,481	
Financial results	(1,268)	(1,191)	
Profit before tax	9,139	10,290	
Income tax	177	124	
Net profit	9,316	10,414	-10.5 %

Appreciable improvement in results

The Group has appreciably improved its results during this second quarter, minimizing the drop presented in the first quarter. In March, the situation was significantly influenced by the cuts approved by the Government in order to reduce public deficit, but our correct diversification strategy has allowed us to improve the comparative in the semester, cutting the fall of the Net profit by half.

In the preceding table we notice the commented improvement in results, with a moderate 10% fall, against the 24% decrease of the first quarter, which is a great achievement among this sector whose margins have suffered constant price cuts, commercialization of generics and sales discounts.

And during the coming months the present drop will be surmounted due, not only to the growth of the traditional areas, but also and with strength, due to new Bilastine's licence agreements.

Sales of new products are growing strongly, animal nutrition's profitability remains stable and internationalization progresses firmly by means of the establishment of own commercial resources in Latin America.

In parallel, we have been working on expense accounts and the cuts that have been carried out have provided the P&L account with a margin, which added to the margin obtained by the new products and new markets, will presumably lead us to grow in 2012 over the previous exercise.

Bilastine and Japan

We have previously commented the advanced situation of negotiations on Bilastine's licence agreement in Japan, the world's leading antihistamine market. It is increasingly close and we can be optimistic about a near agreement, with satisfactory conditions, which will strongly push the P&L account, not only this first year with the signing of the agreement, but also in the coming years with the fulfilling of milestones and later commercial launch.

Bilastine and other countries

Bilastine progresses positively in commercialization and regulatory approvals in relevant markets, such as Brazil, Mexico and Colombia; it will also soon receive regulatory consent in Venezuela and other Latin American countries.

Latest news about new licence agreements of our star molecule are very positive. Agreements already closed during the first semester are; for 21 Latin American countries granted to Pfizer, world's leading laboratory, and for 17 Asia-Pacific countries, including China and Australia signed with Invida (Menarini Group). This way, we have strengthened our relation with these two multinationals which already had licences for equally important markets, such as Mexico and Europe, respectively.

17th July 2012.