

Sant Joan Despi (Spain), February 26, 2015

Results release: **Second half of 2014**

Following Natraceutical's closing of 2013 at 31.37 M€ sales and 2.09 profit before taxes

The merger with Reig Jofre sets the new company at 152.49 M€ sales and 9.23 profit before taxes in 2014

- The reverse merger conducted between Reig Jofre and Natraceutical with effect December 31, 2014 addressing the accounting standards makes the new company to disclose as profit and loss account for the second half of 2014 and full year 2014 the results corresponding only to the months of October to December 2014 of the former Reig Jofre. Due to a lack of comparability with previous and future years, these results are not attached to the present results note and will be submitted to the public registers of the Spanish Stock Exchange Commission (CNMV).
- Due to this fact, and for a better understanding of the new perimeter, Reig Jofre reports hereafter a proforma profit and loss account of the merged companies for the period 2012-2014. These data have not been audited.
- According to these proforma scenario, the new Reig Jofre would have closed the calendar year 2014 with turnover of 152.49 M€ (versus 152.94 M€ in 2013 proforma), EBITDA of 14.97 M€ (versus 18.22 M€) and net profit before taxes of 9.23 M€ (versus 12.01 M€). The year was marked mainly by the merger costs and new investments in R&D and in a new logistic center. Despite the extraordinary items in 2014, proforma combination of both businesses shows a very positive interannual evolution for the period 2012-2014, with sales increase of 6.2%, 14.1% in EBITDA and 83.7% in profit before taxes.
- The balance sheet of the resulting company sets the net financial debt at 14.86 M€, which implies a debt /EBTDA ratio of 1 time.



2012-2014 proforma results

Prior to the merger, former Reig Jofre closed its accounting years on September 30, so that all information published within the framework of the merger shows the evolution of the former Reig Jofre's business between the months of October to September and the evolution of Natraceutical between January and December. Main figures disclosed up-to-date under these criteria are available, among others, in the presentation of the new company from last October, uploaded on the investors' section of www.reigjofre.com

However, following the merger, as of January 1, 2015 the new company will close its financial year following the calendar year, that is, December 31.

According to legal deadlines, Reig Jofre will file annual financial statements of 2014 before March 30, 2015. These accounts will be audited and the annual report will contain a specific note on the proforma results of the merged companies for the period January to December 2014.

As a preview, It is presented below the non-audited joint evolution of the income statement of Natraceutical and the former Reig Jofre, from January to December.

Following Natraceutical's closing of 2013 at 31.37 M€ sales and 2.09 profit before taxes, the merger with Reig Jofre turned the new company into the fifth Spanish pharma company publicly traded, with sales of 152.49 million euro and profit before taxes of 9.23 million euro in 2014

According to proforma figures of the combined companies, the new Reig Jofre closed 2014 with turnover of 152.49 million euro (versus 152,94 million euro in proforma 2013), EBITDA of 14.97 million euro (versus 18.22 million euro) and profit before taxes of 9.23 million euro (versus 12.01 million euro). The year was marked mainly by the merger costs and new investments in R&D and in a new logistic center. Despite the extraordinary items in 2014, proforma combination of both businesses shows a very positive interannual evolution for the period 2012-2014, with sales increase of 6.2%, 14.1% in EBITDA and 83.7% in profit before taxes.

Reig Jofre will make a detailed presentation of these results, its business structure and strategic pillars in the second half of March 2015, as part of the publication of the audited financial statements. The date and format of this presentation will be duly communicated by a Relevant Fact to the Spanish Stock Exchange Commission in the coming days.



<i>(in thousand euro)</i>	2012	2013	2014	CAGR 12/14
Ordinary income	135,080	152,936	152,492	6,2%
Change in inventories	326	670	3,349	
Procurements	-54,328	-60,196	-58,613	
Gross margin	81,078	93,410	97,228	9,5%
% sales	60%	61%	64%	
Other operating income	934	603	68	
Headcounts	-38,250	-40,680	-41,339	
% sales	28%	27%	27%	
Other operating expenses	-32,258	-35,115	-40,982	
% sales	24%	23%	27%	
EBITDA	11,504	18,218	14,975	14,1%
% sales	9%	12%	10%	
Amortization	-5,240	-5,132	-4,943	
Impairment and result from disposals	4	328	0	
Operating result	6,268	13,414	10,032	26,5%
Financial income	250	322	300	
Financial expenses	-6,296	-1,306	-927	
Results on the disposal of financial assets	-25	-42	0	
Changes in the fair value of non-current assets	3,353	-49	99	
Impairment losses	0	0	0	
Changes in the fair value of financial assets	-504	4	-127	
Exchange differences	-31	-233	-144	
Results of equity-method associated companies	-278	-99	0	
Profit before taxes	2,737	12,011	9,233	83,7%
Taxes	134	-3,421	-2,376	
Net result	2,871	8,590	6,857	54,5%

Non-audited proforma figures. Net result is not taken as a reference in this results note as taxes are not yet adjusted to the new consolidation perimeter.



Balance sheet of the new Reig Jofre on December 31, 2014

The following balance sheet of the new Reig Jofre on December 31, 2014 contains the definitive perimeter after the merger.

<i>(in euros)</i>	31/12/2014
ASSETS	
Non-current assets:	
Goodwill	25,405,979
Other intangible assets	32,453,457
Property, plant and equipment	24,045,938
Non-current financial assets	9,962,273
Deferred tax assets	16,527,753
TOTAL NON-CURRENT ASSETS	108,395,400
Current assets:	
Inventories	23,839,539
Trade and other receivables	29,870,526
Current tax assets	958,294
Other current financial assets	4,338,579
Other current assets	4,991,922
Cash and cash equivalents	8,349,509
TOTAL CURRENT ASSETS	72.348.369
TOTAL ASSETS	180,743,769



EQUITY AND LIABILITIES

Equity:	
Capital	126,426,841
Reserves	(6,790,195)
Treasury shares	(4,901,950)
Interim dividend paid during the year	-
Profit attributable to the parent company	2,308,394
Exchange differences	1,057,767
Other comprehensive income for assets available for sale	43,331
Equity attributable to parent company	118,144,188
Non-controlling interests	27,516
TOTAL EQUITY	118,171,704
Non-current liabilities:	
Capital grants	144,859
Provisions	969,762
Financial liabilities with credit institutions	5,805,594
Financial lease liabilities	6,408,506
Derivative financial instruments	419,457
Other financial liabilities	2,679,845
Deferred tax liabilities	4,829,060
TOTAL NON-CURRENT LIABILITIES	21,257,083
Current liabilities:	
Provisions	419,308
Financial liabilities with credit institutions	10,181,723
Financial lease liabilities	596,388
Other financial liabilities	753,210
Trade and other payables	24,805,199
Tax assets and liabilities	1,426,954
Other current liabilities	3,132,200
TOTAL CURRENT LIABILITIES	41,314,982
TOTAL EQUITY AND LIABILITIES	180,743,769

Notes

- **Non-current financial assets:** It includes 8.6 M€ from the receivable of the sale of Natraceutical Industrial, due in June 2017.
- **Deferred tax assets:** Tax credit that will reduce the tax burden on future profits
- **Other current financial assets:** It includes 3.22 M€ of time deposits, considered as highly liquid assets
- **Net financial debt:** 14.86 M€
- **Ratio Debt/EBITDA 2014:** 1x EBITDA



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www.reigjofre.com

About Reig Jofre

The new Reig Jofre is a pharmaceutical company whose business is divided into two major areas: one main for the development, manufacture and marketing of own products (approximately 73% of sales) and one of specialized manufacturing for thirds (27% of sales). At its core activity, the company specializes in the development of prescription and non-prescription pharmaceutical products, generics based on specialized technologies, medical devices, nutritional supplements and cosmetics. The company directs its R&D to develop new indications and/or dosage forms of known active principles, generics with special focus on beta lactam and lyophilized injectable antibiotics, topical dermatological products, OTCs and nutritional supplements as well as the development of new innovative molecules in partnership with start-ups and research centers.

Reig Jofre trades on the Spanish stock exchange under the ticker RJF. Total outstanding shares: 1,264,284,408

For more information

Media

Ricardo Franco
Inforpress
Tel. +34 93 419 06 30
rfranco@inforpress.es

Investors and analysts

Gloria Folch
Head of Investor Relations
Reig Jofre
Tel. +34 93 584 81 85
gloria.folch@reigjofre.