

Barcelona, February 28, 2017

## RESULTS PREVIEW: YEAR 2016

Third consecutive quarter of growth, after a first quarter strongly affected by a decrease in the consumption of antibiotics and a weak evolution of the nutritional supplements segment.

### REIG JOFRE INCREASED 3% SALES AND 18% EBITDA BETWEEN THE MONTHS OF OCTOBER TO DECEMBER.

- The good performance of the last three quarters of the year allowed to continue compensating the weak beginning of 2016, and Reig Jofre ended the year with sales growth of 2.7%, up to 161.1 M€, thanks to the positive evolution of its two business areas.
- RJF Pharma (marketing and manufacturing of own developments - approx. 80% of total company sales) grew by 2.0% and RJF CDMO (specialized contract development and manufacturing- approx. 20% of annual sales) evolved 5.3% over the previous year.
- Throughout 2016, the company carried out a firm investment policy to cope with ongoing industrial and commercial growth projects, which included an increase in the workforce, expansion of productive capacity and increased investments in R&D, all partially accounted in higher operating costs in the profit and loss account.
- Following this increase in operating expenses, Reig Jofre's EBITDA at the close of 2016 stood at 15.7 M€, compared to 17.1 M€ at the end of 2015, as the company had anticipated throughout the year.
- To finance part of these investments, Reig Jofre increased its net financial debt in 2016 to 29.6 M€ (1.8 times EBITDA).
- Regarding the net result, the effect of the Royal Decree of December 2016 on the limitation of the use of tax credits led to a depreciation of 2.7 M€, which brought Reig Jofre's net profit to 7.7 M€ compared to 8.7 M€ in 2015.



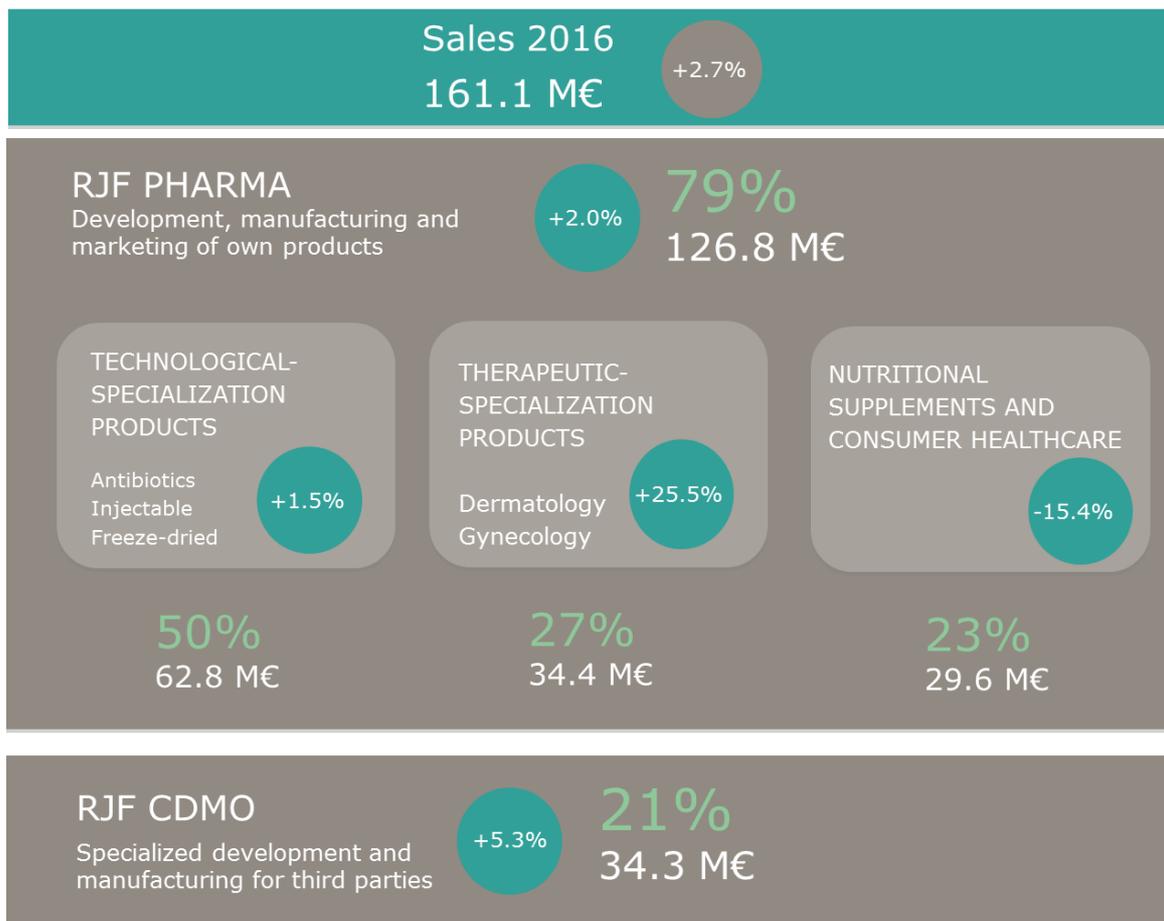
- Although the company is firmly committed to its expansion projects, the Board of Directors of Reig Jofre is willing to propose at the next Shareholders' Meeting a dividend distribution against unrestricted reserves of around 3.5 euro cents per share, to be decided if it is paid as scrip dividend or in cash.

## 1. TURNOVER EVOLUTION

Reig Jofre closed 2016 with a turnover of 161.1 million euros, a growth of 2.7% over year 2015.

RJF Pharma, the division of own development, manufacturing and marketing, accounted for 79% of sales and grew by 2.3%, driven by its two business areas.

RJF CDMO, the contract development and manufacturing contributed 21% of the turnover and grew by 5.3%.





## 2. RESULTS PRESENTATION

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Reig Jofre will present 2016 results at Madrid Stock Exchange on Thursday, March 2 at 10.00 hours CET. RSVP to: [investors@reigjofre.com](mailto:investors@reigjofre.com)

The event will be live broadcasted via webcast, which can be accessed through the home page of Reig Jofre's web site: [www.reigjofre.com](http://www.reigjofre.com)

The presentation document will also be available on the CNMV website and in the section "Investors/Presentations" on the company website ([www.reigjofre.com](http://www.reigjofre.com)) a few minutes before the webcast.

## 3. 2016 PROFIT AND LOSS ACCOUNT

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<i>(in euro)</i>	2015	2016
<b>Turnover</b>	<b>156,909,656</b>	<b>161,134,290</b>
Changes in inventories	-1,610,542	3,657,720
Work carried out for fixed assets	0	342,806
Procurements	-57,523,146	-65,024,011
Other operating income	1,566,784	3,780,539
Personnel expenses	-42,190,845	-45,977,794
Other operating expenses	-40,044,452	-42,227,135
<b>EBITDA</b>	<b>17,107,455</b>	<b>15,686,414</b>
Depreciation and amortization	-5,398,214	-5,946,362
Government grants for non-financial assets and others	42	42
Impairment and results on disposals	0	1,965,542
<b>Operating income</b>	<b>11,751,604</b>	<b>11,747,957</b>
Financial income	211,121	164,745
Financial expenses	-1,075,634	-1,238,683
Variation in fair value of financial instruments	145	173
Impairment and results from disposal of financial instruments	-301	1,410,880
Exchange differences	321,278	-296,669
<b>Financial result</b>	<b>-699,110</b>	<b>213,161</b>
Impairment losses from entities accounted by the equity method	0,000	0,000
Results from entities accounted by the equity method	-45,538	0,000
<b>Profit before taxes</b>	<b>11,006,956</b>	<b>11,961,118</b>
Income tax	-2,257,325	-4,294,278
<b>Net result</b>	<b>8,749,631</b>	<b>7,666,840</b>
Profit attributable to parent company	8,749,701	7,676,288
Profit attributable to non-controlling interests	-70	-9.448



#### 4. BALANCE SHEET ON DECEMBER 31, 2016

<i>(in euro)</i>	<b>31/12/2016</b>	<b>31/12/2015</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	27,946,893	25,165,817
Other intangible assets	32,084,385	32,606,879
Property, plant and equipment	37,000,425	28,645,914
Available-for-sale assets	1,167,058	1,185,232
Non-current financial assets	591,049	9,088,104
Deferred tax assets	11,795,175	15,351,894
<b>TOTAL NON-CURRENT ASSETS</b>	<b>110,584,985</b>	<b>112,043,840</b>
<b>Current assets</b>		
Inventories	33,008,585	24,892,981
Trade and other receivables	36,048,884	34,318,332
Current tax assets	1,770	0
Other current financial assets	11,144,454	2,382,742
Other current assets	6,662,284	3,975,557
Cash and cash equivalents	8,181,654	9,440,170
<b>TOTAL CURRENT ASSETS</b>	<b>95,047,631</b>	<b>75,009,782</b>
<b>TOTAL ASSETS</b>	<b>205,632,616</b>	<b>187,053,622</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	31,607,110	126,428,441
Reserves	95,829,378	-4,533,840
Treasury shares	-2,092,374	-4,917,032
Interim dividend paid during the year	0	0
Profit attributable to the parent company	7,676,288	8,749,701
Exchange differences	-330,066	436,893
Other comprehensive income for assets available for sale	-19,039	8,978
Other items of equity	638,193	0
<b>Equity attributable to parent company</b>	<b>133,309,490</b>	<b>126,173,141</b>
Non-controlling interests	-16,964	1,344
<b>TOTAL EQUITY</b>	<b>133,292,526</b>	<b>126,174,485</b>
<b>Non-current liabilities</b>		
Capital grants	210,254	102,496
Provisions	613,531	1,070,453
Financial liabilities with credit institutions	11,989,392	4,520,937
Financial lease liabilities	5,244,334	5,828,683
Derivative financial instruments	0	273,998
Other financial liabilities	6,880,690	4,761,639
Deferred tax liabilities	3,346,745	3,768,083
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>28,284,946</b>	<b>20,326,289</b>
<b>Current liabilities</b>		
Provisions	314,339	400,748
Financial liabilities with credit institutions	12,692,240	6,720,668
Financial lease liabilities	592,771	586,042
Short-term derivative financial instruments	101,110	0
Other financial liabilities	402,345	889,281
Trade and other payables	25,787,514	27,034,509
Current tax liabilities	1,652,749	2,321,162
Other current liabilities	2,512,076	2,600,438
<b>TOTAL CURRENT LIABILITIES</b>	<b>44,055,144</b>	<b>40,552,848</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>205,632,616</b>	<b>187,053,622</b>



Get timely updates of Reig Jofre news by registering in the company's **subscription centre** on the corporate website: **[www.reigjofre.com](http://www.reigjofre.com)**

## **About Reig Jofre**

Founded in Barcelona in 1929, Reig Jofre is a multinational pharmaceutical company with activity structured around two major axes: the main one, own-product manufacture and marketing (RJF Pharma, 80% of total sales) and a complementary one, development and manufacture for third parties (RJF CDMO, 20% of total sales). In its main activity, the company focuses on developing specialised technological products (antibiotics and solutions for injection); specialised therapeutic products for the dermatology, gynaecology and respiratory fields; and dietary supplements and consumer healthcare. The company focuses its R+D activity on developing new indications and/or pharmaceutical forms using known active substances, generic medicines with a particular focus on beta-lactam antibiotics and solutions for injection, topical dermatological products, OTCs and dietary supplements, and in addition develops new innovative molecules in partnership with start-ups and research centres.

Reig Jofre has 900 employees, 4 development centres and 3 production centres in Europe, direct sales in 6 European countries and over 130 business partners in 58 countries across the world. The company closed 2015 with a turnover of 157 million euros.

Reig Jofre is listed on the Spanish Stock Exchange under the ticker RJF. Reig Jofre is listed on the Spanish Stock Exchange under the ticker RJF. Share capital: 63,214,220 shares.

## **For further information:**

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### **Investors and analysts**

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