



2013 annual results

- › Current operating income : €30m (7.7% of consolidated sales)
 - › Net income : €20.5m (5.3% of consolidated sales)

- A successful transitional year
- Operating margin slightly above target
- Net debt reduction
- Confidence for 2014
- Dividend proposal of €0.50 per share

Villepinte, 13 March 2014 - Guerbet (FR0000032526 GBT), a specialised global provider of contrast agents for medical imaging, publishes its audited consolidated annual financial results for fiscal 2013.

Consolidated financial highlights (IFRS)

The financial statements for the period ended 31 December 2013 were approved by the Board of Directors on 12 March 2014.

In millions of euros – IFRS	2013	2012
Revenue	389.7	403.5
EBITDA (*)	52.1	54.9
Current operating income	30.0	31.7
<i>Current operating margin (%)</i>	<i>7.7%</i>	<i>7.9%</i>
Net income	20.5	20.4
<i>Net margin (%)</i>	<i>5.3%</i>	<i>5.1%</i>
Net debt	82.5	99.0

*Note : percentages are calculated on the basis of figures in thousands of euros
* Earnings before interests, tax, depreciation and amortisation*

Press release

Resilient annual sales, excluding currency effects

For the full year, sales came to €389.7 million, representing an overall decline of 3.4%. Excluding currency effects, quantified at €8.4 million and largely concentrated in the second half, this decline in sales comes to 1.3%.

In 2013, the **MRI** segment remained stable at €163.4 million (+0.7%) driven by continuing high sales registered from **Dotarem**. Sustained sales for **Xenetix** limited the **X-Ray** segment's decline (10.9%) to reach €181.1 million for the year. This decline, concentrated in the Europe region, reflects the exceptional impact of non-recurring sales at the end of 2012. The Group's growth platforms (two new segments **Interventional Radiology**, **Medical Devices** and two strong growth countries **USA, China**) grew 27.6%.

A steady operating margin

Guerbet made major strides in 2013 in developing its position in the United States. This was accompanied by important investments in terms of R&D expenditures (for FDA approvals) staff costs (commercial structure) and marketing.

At the same time, the Group has started to reap the benefits of measures taken to improve operating profitability : improvement in the gross margin (price effect and product/country mix), optimisation of industrial processes, reducing raw material costs and control over operating expenses.

In consequence, EBITDA for 2013 came to €52.1 million with the 2nd half making a larger contribution to the margin (14.1% of sales compared to 12.6% in H1 2013).

On that basis, current operating income reached €30 million, corresponding to a margin of 7.7% and slightly above the upper range of Group guidance.

Net income amounted to €20.5 million. This result benefited from lower financial expenses, in particular from the reduction in consolidated debt.

The Board will submit a proposal to the General Meeting of 23 May 2014 for payment of a dividend of €0.50 per share (or a payout ratio on net income of 30%).

Reducing debt and strengthening the balance sheet

Guerbet continued to reduce its debt in 2013. Despite substantial investments in 2013, and, through efficient working capital management, Guerbet improved free cash flow, thus lowering net debt by €16.5 million from the end of 2012.

With shareholders' equity of €238.3 million, the Group has a sound financial structure providing continuing support to its development based on solid fundamentals.

Press release

Positive outlook for its four growth drivers

In the highly competitive contrast agent market, **Guerbet** has significant advantages to support its development.

In 2014, Group sales in the US, the world's largest market for contrast agents, will cover the full year. The new IRT and Medical Devices segments, with in particular the commercial release of the FlowSens injector, are also expected to positively contribute to growth in 2014 sales.

Continuing gains in competitiveness as well as a return to a more normalized level for capital expenditure will in turn contribute to improved Group margins and free cash flow generation.

For 2014, Guerbet has set the following targets : renewed growth (at constant exchange rates) for sales of €412 million, plus or minus 2%, and further improvement in the operating margin expected to be within the 8%-9% range.

Yves l'Epine, Chief Executive Officer of **Guerbet**, commented : *"These results are promising for the Group's future. In 2013, the Group completed a very large-scale investment cycle for nearly €200 million over five years. The Group is thus now prepared to advance forward to a new phase in its development with profitable growth starting in 2014."*

Note : The consolidated financial statements have been audited and the corresponding Auditors' report will be issued after the completion of their specific verifications and other procedures required for the registration document's filing with the French securities regulator (Autorité des Marchés Financiers).

Upcoming events :
Publication of 2014 1st quarter sales, 29 April 2014 after the close of trading

About Guerbet

A pioneer in the field of contrast agents with more than 80 years of experience, Guerbet is the only pharmaceutical group fully dedicated to medical imaging worldwide. As such, it has a complete offering of contrast products for x-ray, MRI and interventional radiology, along with a range of injectors and related medical equipment to provide improved diagnosis and treatment of patients. To promote the discovery of new products and assure future growth, Guerbet devotes significant resources to research and development every year (approximately 10% of sales). Guerbet (GBT) is listed on NYSE Euronext Paris (Segment B – Mid Caps) and had sales of €403 million in 2012 with a total workforce of 1,400 employees including 1,000 in France.

For additional information about Guerbet, please consult the website: **www.guerbet.com**.

Press release

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