Press release

2014 first-half results

› Revenue at constant exchange rates : €206.8M ; +7.5%

› Current operating income : €19.8M ; 9.8% of reported sales

- Solid growth on track with roadmap
  (€412M in revenue +/- 2% at constant exchange rates)
- Further improvements in industrial performance
- Operating margin above the annual target
- Full-year guidance for the operating margin raised for 2014

Villepinte, 30 July 2014 - **Guerbet** (FR0000032526 GBT), a specialised global provider of contrast agents for medical imaging, publishes half-year consolidated results that were subject to a limited review by the statutory auditors.

Consolidated financial highlights (IFRS)

The financial statements for the period ended 30 June 2014 were adopted by the Board of Directors on 29 July 2014.

In millions of euros, at 30 June	H1 2014	H1 2013
Revenue	**202.6**	**192.4**
EBITDA (*)	**32.3**	**24.2**
% of sales	*15.9%*	*12.6%*
Current operating income	**19.8**	**15.2**
% of sales	*9.8%*	*7.9%*
Net Income	**12.7**	**10.0**
% of sales	*6.3%*	*5.2%*
Net debt	**83.3**	**96.6**

Note : percentages are calculated on the basis of figures in thousands of euros

** Earnings before interests, tax, depreciation and amortisation*

Solid growth, on track with roadmap

In the 2014 first half, **Guerbet** Group had €202.6 million in revenue with growth of 5.3%. At 30 June 2014, the negative impact of foreign exchange was estimated at €4.2 million. At constant exchange rates, sales thus came to €206.8 million, up 7.5%.

For the first six months of 2014, the **MRI** segment registered a marginal 1.8% decline to €80.9 million, reflecting the impact of inventory build-up in Germany in Q2 2013. Excluding Germany, Dotarem® sales grew. In the United States, one year after its launch, Dotarem® has established a strong image and is pursuing steady expansion. As expected, the **X-ray** segment is now growing, with the impact of exceptional orders at 2012 year-end on 2013 sales now phased out. With 5.3% growth in revenues reaching €96.3 million, all regions have shown upward momentum. Gains by the Group's growth platforms (two new segments **Interventional Radiology**, **Medical Devices** and two strong growth countries **USA, China**) further accelerated (+35.5% from H1 2013).

Operating margin above the annual target

On track with the roadmap, the Group has continued to reap the benefits of measures taken to improve operating profitability : increase in the gross margin (price effect and product/country mix, continuing efforts to optimise industrial processes) and control over operating expenses.

As a first consequence of the improvement in margins, EBITDA rose to €32.3 million in the 2014 first half, up from €24.2 million for the same period in 2013, and now representing 15.9% as a percentage of sales compared to 12.6% for last year's same period.

Current operating income rose to €19.8 million or 9.8% as a percentage of sales. As a result, the midyear trend for this margin is above the full-year target.

With Net Income of €12.7 million, the Group's net margin reached 6.3% compared to 5.2% for the 2013 first half. This aggregate furthermore includes income tax expense of €6.5 million, an increase of more than €2 million in relation to H1 2013.

Strengthening the balance sheet

With €247.1 million in shareholders' equity at 30 June 2014 compared to €229.0 million one year earlier, the Group continues to strengthen its financial structure.

Despite a deterioration in WCR, these good results combined with effective control over capital investments allowed the Group to further reduce debt (€83.8 million at 30 June 2014 compared to €96.6 million at 30 June 2013 ; €82.5 million at 31 December 2013).

Full-year guidance for the operating margin raised for 2014

In the X-ray and MRI segments, the Group should benefit from a positive market environment for contrast products in the second half of 2014, expected to be comparable overall with the first six months.

In the IRT segment (interventional radiology), the strategy of diversification is paying off (+56.5% compared to H1 2013). Lipiodol® was approved by Japanese authorities in November 2013 for the treatment of primary liver cancers (HCC) by transcatheter arterial chemo-embolization. In addition, a new indication was approved by US authorities in April 2013 for HCC imaging.

Finally, in the Medical Devices segment, the market launch of the FlowSens® injector has met with a positive response by professionals. The Group has decided to increase the number of countries included in the first commercial launch phase for FlowSens® to six (compared to four initially).

Continuing gains in competitiveness, combined with a return to R&D expenditures more in line with normal levels should also contribute to improvements in the Group's operating margin.

Based on these first half performances, the Group confirms its annual target of €412 million +/- 2% in revenue for 2014 and raises guidance for the current operating margin on reported sales to 9%-10% (compared to initial guidance of 8%-9%).

Upcoming events:
Publication of 2014 third-quarter sales,
23 October 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 and MRI and for 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 €390 million in 2013 with a total workforce of 1,485 employees including 1,000 in France.
For additional information about Guerbet, please consult the website: **www.guerbet.com**.

Press release

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