BUSINESS PERFORMANCE 2009

1. Key features of 2009

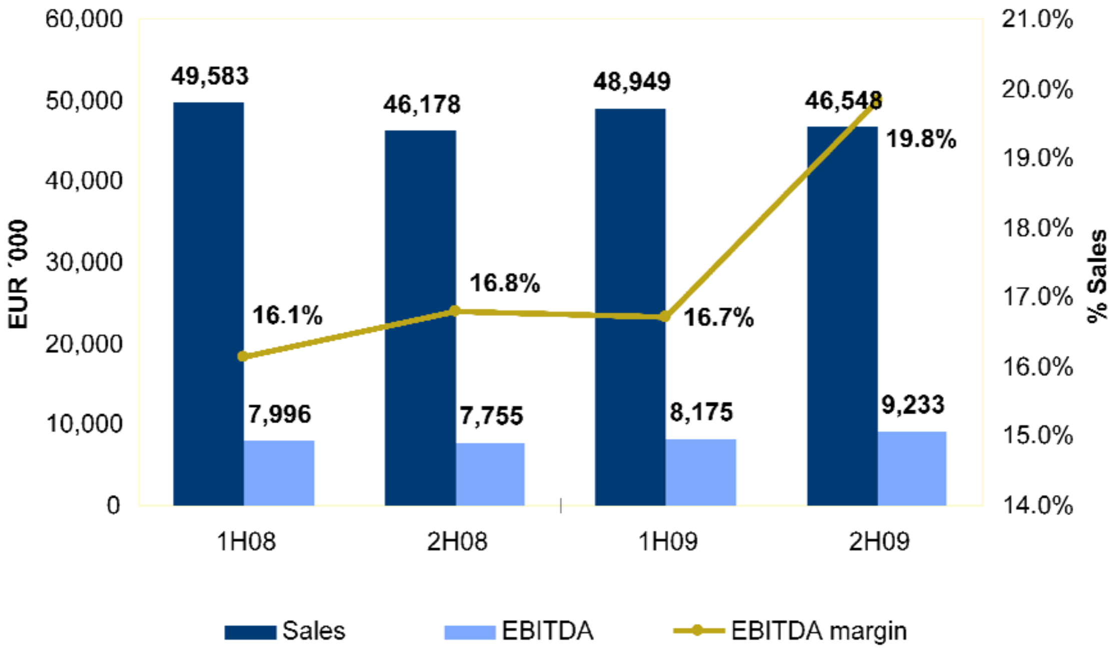
- ✓ The PRIM Group's **revenues** declined by just 0.3% to **95.5 million euro** as a result of sustained demand from public sector customers.
- ✓ **EBITDA improved significantly, by 10.5%** to **17.41 million euro** and the **EBITDA margin** improved to **18.2%.**
- ✓ **Consolidated income** amounted to **10.0 million euro**, i.e. **0.5% more** than in 2008.
- ✓ **Net debt** amounted to **17.04 million euro**, just 27% of equity and equivalent in amount to EBITDA.

In a situation made increasingly complex because of the deteriorating macroeconomic situation, PRIM ended 2009 with satisfactory growth in both operating and net profit.

Earnings recovered strongly in the second half of the year due to the cost-containment programme implemented by PRIM in the period, which had a positive impact on the Group's margins.

In addition to the effort to keep expenses under control, PRIM maintained a healthy financial position, enabling it to withstand liquidity problems that may arise at the group companies as a result of the difficult economic situation. This is evident in its particularly low level of debt.

Half-yearly Performance



Unaudited data

2. Operating environment

The year 2009 was a difficult one from a macroeconomic standpoint, with many uncertainties about economic growth that still persist in the markets. In the first three quarters of 2009, the Spanish economy continued the decline that had commenced in the second half of 2008, although the pace of decline slowed from the first quarter onwards. Consequently, the GDP growth rate was -0.1% quarter-on-quarter at the end of the year, and GDP shrank by -3.6% in the year as a whole, the largest reduction in recent decades. This decline was due fundamentally to shrinking domestic demand (-6% on average in 2009); this effect was felt in all components of demand except those related to the public sector. Net external demand contributed to cushioning this impact by making a 2.7% contribution to GDP growth, basically as a result of the decline in imports.

On the supply side, the decline in consumer spending impacted all areas of production, particularly industry and construction, and intensified the process of job destruction. The number of unemployed reached 4,326,500 and the unemployment rate 18.83% of the workforce, nearly 5 percentage points more than at the end of 2008. Lower consumer spending also affected inflation, and the CPI increased by just 0.8% year-on-year in December.

There have been signs of an improvement in the world economic and financial situation in recent quarters, since the USA, Japan and the euro area have regained positive growth rates and the emerging economies appear to have recovered their growth rates. As a result, the IMF's most recent projections are for 4% growth worldwide this year and 4.3% in 2011, although the pace of the recovery will vary widely between regions and countries. However, there are persisting uncertainties about the scale of the recovery, particularly once the existing fiscal and monetary stimuli are withdrawn. There are other factors that may create uncertainty about the recovery, such as the adjustment in the labour market and the deterioration of government finances; the latter has become particularly important in some developed countries in recent months in view of widespread increases in government deficits and debt (for example, the recent doubts about Greece led to greater uncertainty about Spain's sovereign risk).

Against this backdrop, global financial markets have continued to improve since early March, encouraged by the above-mentioned signs of a slower contraction in economic activity worldwide and a slight stabilisation of banks. There has also been some improvement in liquidity conditions and a recovery in non-financial investment-grade corporate bond issuing. As a result, the IBEX 35 gained 29.8% in 2009, outperforming the EURO STOXX 50 (21.1%) and the S&P500 (23.5%). The Spanish stock market's appreciation in 2009 was the best performance since 2006, when it gained 31.8%.

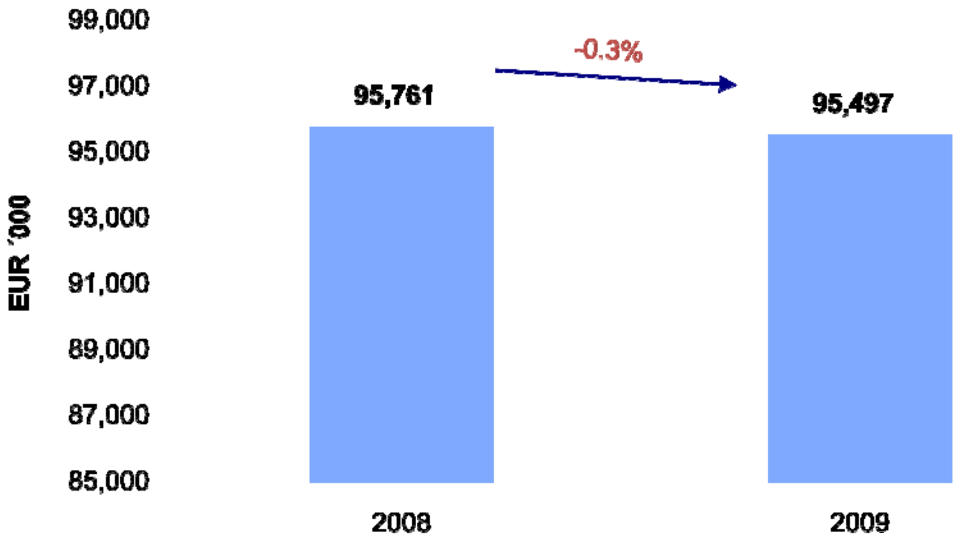
3. Income Statement Analysis

PRIM's income statement for 2009 is summarised below:

Thousand euro	2009	2008	Var.	% Var
Sales	**95,497**	**95,761**	**-264**	**-0.3%**
EBITDA	**17,408**	**15,751**	**1,657**	**10.5%**
% out of sales	*18.2%*	*16.4%*		*1,8pp*
EBIT	**14,941**	**13,127**	**1,814**	**13.8%**
% out of sales	*15.6%*	*13.7%*		*1,9pp*
BAI	**13,925**	**13,975**	**-50**	**-0.4%**
Net Profit	**9,942**	**9,904**	**38**	**0.4%**
% out of sales	*10.4%*	*10.3%*		*0.1pp*

Unaudited data

Despite the difficult situation in 2009, PRIM's **revenues** amounted to 95.5 million euro, just 0.3% less than in 2008. Again, better performance by public sector customers partly offset the difficulties being experienced by private sector customers, whose activity has been depressed to a greater extent by the sharp deterioration in the Spanish economy and the curtailment of lending.
Sales showed signs of improvement in the second half of 2009, rising by 0.8% with respect to the same period of 2008.



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PRIM's cost containment policy to weather the current economic situation continued to produce results, and the main items of expenditure in the income statement were reduced.

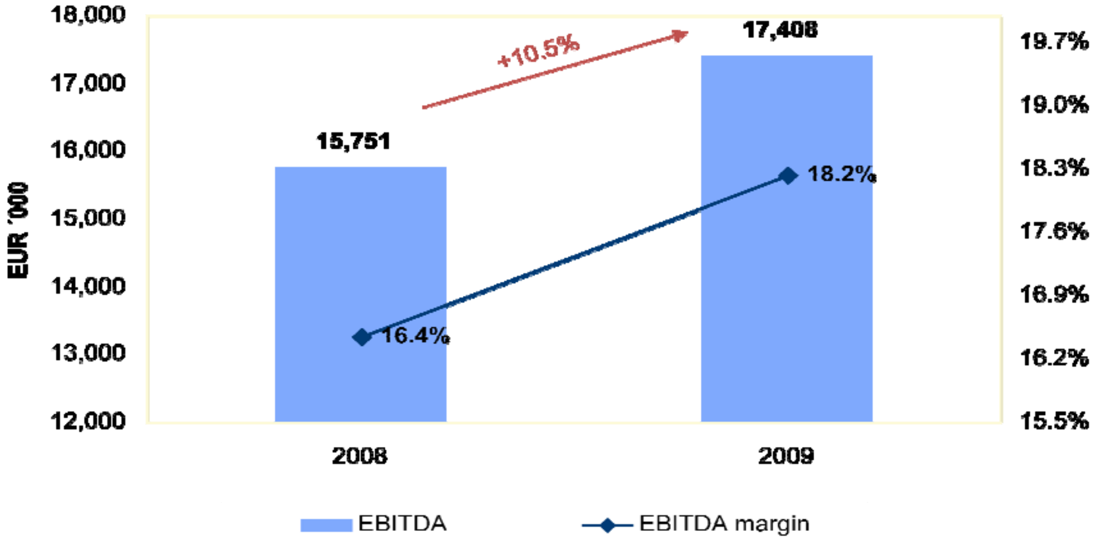
As a result, **procurement expenditure** fell by 1.6% in 2009 to 39.38 million euro, and declined to 41% of sales, compared with 42% in 2008.

In the same vein, **other operating expenses** were reduced significantly to 13.37 million euro, 9.63% less than in 2008. This item also declined to 14% of revenues (15% in 2008).

Personnel expenses declined by 2.6% to 25.52 million euro.

The general effort to cut costs led to a very significant 10.5% increase in **EBITDA** to 17.41 million euro. As a result, the EBITDA margin increased by 1.8 percentage points to 18.2% (16.4% in 2008). The improvement was even more notable in the second half, when the EBITDA margin reached 19.8%.

Unaudited data



Depreciation charges continued to decline in 2009, to 2.47 million euro, contributing to an improvement of 1.81 million euro in **EBIT** to 14.94 million euro (13.8% more than in 2008). As a result, the EBIT margin increased by 1.9 percentage points to 15.6% (13.7% in 2008).

The increase in the Group's operating earnings was not reflected in earnings before taxes (EBT), which was practically stable, declining just 0.4% with respect to 2008. This was due basically to two factors:

(i) Lower **financial income** as a result of a 42.6% decline in financial revenues caused by lower late-payment interest received from the Social Security administration in 2009, which was not offset by positive performance by financial expenses, which declined by 43.7% with respect to 2008.

(ii) Sizeable provisions for equity-accounted affiliates and other entities show under Long-term financial investments in the consolidated balance sheet. Those provisions amounted to 1.77 million euro in 2009.

As a result, **net profit attributable to the parent company** increased by 0.4% to 9.94 million euro.

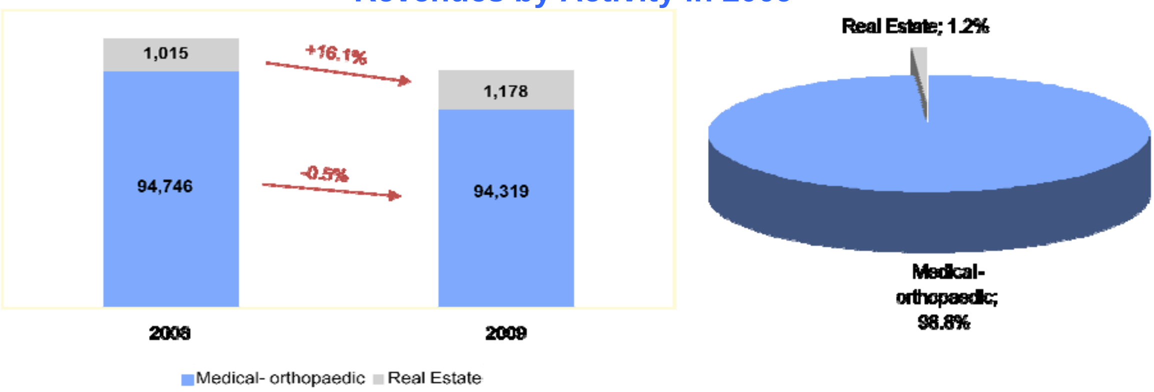
4. Revenue performance by line of business and geographic area

The **medical supply** business, which includes hospital and orthopaedic supplies and the results of affiliates, registered practically stable performance in

2009. This was helped by sustained demand from public sector customers (principally hospitals), which broadly offset the **worse** performance by private sector customers as a whole (this area is covered by the Group's affiliates). This segment continued to be adversely affected by the economic situation and difficulties in obtaining credit.

The **real estate** business, which includes leasing the company's former offices at Avenida Llano Castellano in Madrid, registered 1.46 million euro in revenues, a notable 18.5% increase due basically to the increased lettable area in that building, where occupancy is now 100%. Nevertheless, this item accounted for just 1.51% of total ordinary revenues in the period.

Revenues by Activity in 2009

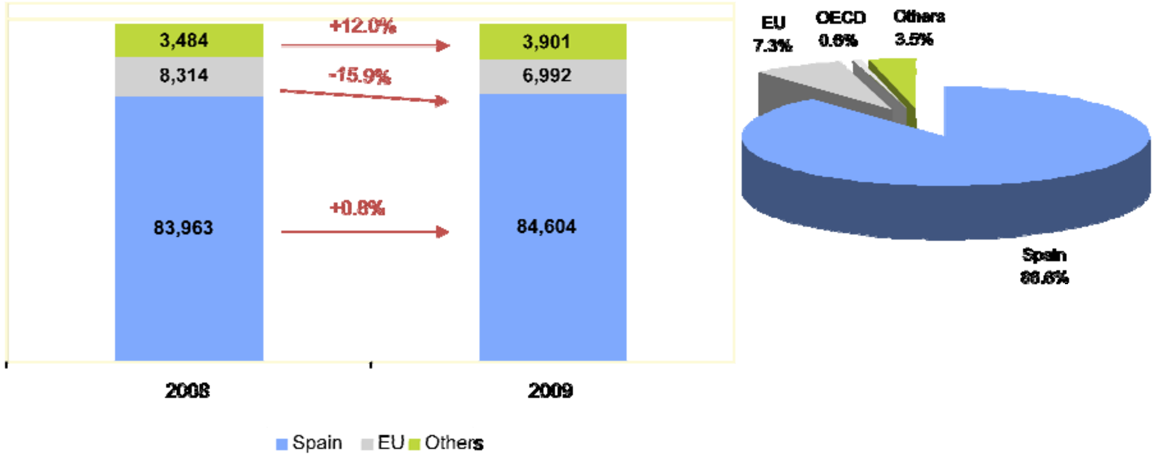


Unaudited data

Spain, which accounts for 88.6% of Group revenues, performed well despite the deterioration by the Spanish economy. Domestic revenues increased by 0.8% in 2009 to 84.60 million euro.

In contrast, the European market was affected more severely due to reduced demand from private sector customers. Sales to European Union countries other than Spain declined by 15.9% in 2009, and this is the main reason for the 0.3% decrease in total Group revenues in 2009. As a result, exports declined to 11.4% of Group revenues (12.3% in 2008).

Breakdown of sales by geographical area in 2009



Unaudited data

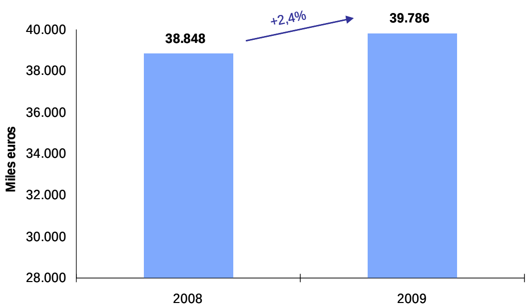
5. Consolidated balance sheet

During 2009, PRIM continued its efforts to maintain a solid financial structure so as to avoid liquidity problems arising from the negative economic situation that the Group companies face.

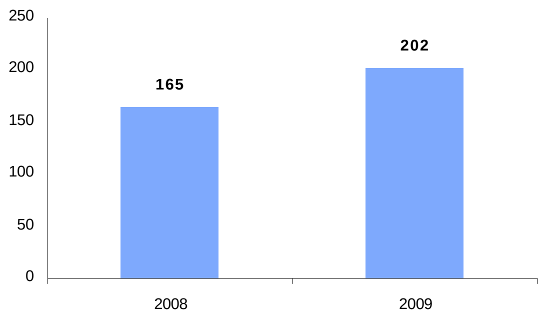
These efforts are evident in the control exerted over **working capital**, which increased by just 2.4% in what was an especially difficult year, basically because short-term customer receivables increased by 15.3% to 45.87 million euro.

The performance of working capital was influenced by the fact that the Company changed its assumptions about future collections from customers in 2008 in view of the behaviour of customers (basically in the public sector); it is now assumed that part of the balance of customer receivables will not be collected in the next 12 months. Consequently, at year-end, part of the balance of customer receivables is reclassified as a non-current asset under Other non-current assets. A total of 7.72 million euro were registered under this heading at 2009 year-end, compared with 4.03 million euro at the end of 2008, evidencing the increase in the collection period.

Working capital

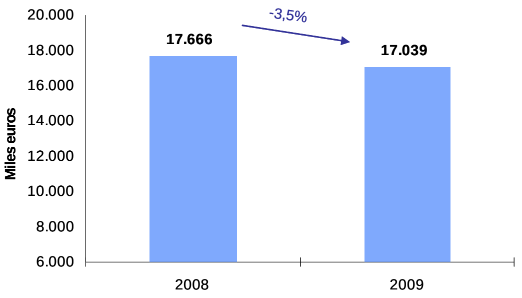


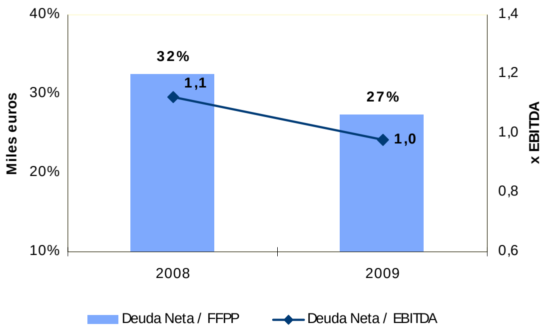
Customer days receivable



Unaudited data

However, this slight increase in working capital did not lead to an increase in the Group's indebtedness. As a result, PRIM achieved a notable 3.5% reduction in **net interest-bearing debt** to 17.04 million euro at year-end, amounting to just 1 times EBITDA. Consequently, **leverage** improved once again to 27% of equity (32% in 2008).





Unaudited data

Treasury stock was reduced to 2.5 million euro as the company had 305,412 shares at 2009 at year-end (1.76% of capital, compared with 2.15% at the end of 2008).

6.Regulatory disclosures to the CNMV in the period

On 12 January, the company paid an interim 2008 dividend of 0.05 euro gross per share.

On 18 May, the company held an Extraordinary Shareholders' Meeting which annulled the resolution approved at the previous Shareholders' Meeting of 21 June 2008 to increase capital out of revaluation reserves.

On 20 June, the Shareholders' Meeting approved the distribution of a supplementary dividend of 0.125858 euro gross per share, to be paid on 10 July.

On 25 June, the company acquired an additional 10% of LUGA Suministros Médicos S.L., increasing its stake to 90%. The transaction cost 488,000 euro.

An interim dividend out of 2008 income amounting to 0.125858 euro gross per share was paid on 10 July.

On 29 December, the company paid an interim 2009 dividend of 0.05 euro gross per share.

7. Subsequent events

No regulatory disclosures have been filed with the CNMV since 31 December 2009.

Annex 1. Consolidated Income Statement (IFRS)

Eur '000	2009	2008	Change	% Change
Net sales	**95.497**	**95.761**	**-264**	**-0,3%**
Other operating income	401	417	-16	-3,8%
Changes in inventories of finished goods and work in progress inventories	-312	578	-890	-154,0%
Procurements	-39.383	-40.004	621	-1,6%
Staff costs	-25.523	-26.203	680	-2,6%
Other costs / incomes	-13.272	-14.798	1.526	-10,3%
EBITDA	**17.408**	**15.751**	**1.657**	**10,5%**
% sales	***18,2%***	***16,4%***		
Depreciation and amortisations	-2.467	-2.624	157	-6,0%
EBIT	**14.941**	**13.127**	**1.814**	**13,8%**
% sales	***15,6%***	***13,7%***		
Financial income	973	1.695	-722	-42,6%
Financial costs	-695	-1.235	540	-43,7%
Other gains and loses	-1.294	388	-1.682	-433,5%
EBT	**13.925**	**13.975**	**-50**	**-0,4%**
Income taxes	-3.922	-4.020	98	-2,4%
Earnings after taxes	**10.003**	**9.955**	**48**	**0,5%**
Minority interests	-61	-51	-10	20,1%
Net profit	**9.942**	**9.904**	**38**	**0,4%**
% sales	***10,4%***	***10,3%***		

Unaudited data

Annex 2. Consolidated Balance Sheet (IFRS)

Eur '000	2009	2008	Change	% Change
Property, plant and equipment	11.401	11.166	235	2,1%
Real estate investments	4.111	4.455	-344	-7,7%
Goodwill	2.229	2.229	0	0,0%
Other intangible assets	112	123	-11	-9,0%
Non-current financial assets	1.856	3.312	-1.456	-44,0%
Available for sale financial assets	5.892	5.668	224	4,0%
Other non-current assets	7.717	4.032	3.685	91,4%
Non-current assets	**33.318**	**30.985**	**2.333**	**7,5%**
Inventories	20.372	22.181	-1.809	-8,2%
Trade and other receivables	45.867	39.782	6.085	15,3%
Current financial assets	557	160	397	248,2%
Other current assets	34	18	16	88,8%
Cash and cash equivalents	2.470	913	1.557	170,5%
Current assets	**69.300**	**63.054**	**6.247**	**9,9%**
Total Assets	**102.618**	**94.039**	**8.580**	**9,1%**
Share capital	4.337	4.337	0	0,0%
Share premium	1.227	1.227	0	0,0%
Reserves	50.047	43.153	6.894	16,0%
Profit for the year attributable to the parent	9.942	9.904	38	0,4%
Treasury stock	-2.520	-3.364	844	-25,1%
Interim dividend	-867	-867	0	0,0%
Equity attributable to shareholders of the parent	**62.166**	**54.390**	**7.776**	**14,3%**
Minority interests	0	0	0	n.d.
Total equity	**62.166**	**54.390**	**7.775**	**14,3%**
Bank borrowings	9.891	13.828	-3.937	-28,5%
Deferred tax liabilities	582	216	366	169,4%
Other non-current liabilities	465	1.399	-934	-66,8%
Non-current liabilities	**10.938**	**15.443**	**-4.505**	**-29,2%**
Bank borrowings	9.618	4.751	4.867	102,4%
Trade and other payables	19.896	19.455	441	2,3%
Current liabilities	**29.514**	**24.206**	**5.308**	**21,9%**
Total Equity and Liabilities	**102.618**	**94.039**	**8.578**	**9,1%**
Net Financial Debt	**17.039**	**17.666**	**-627**	**-3,5%**

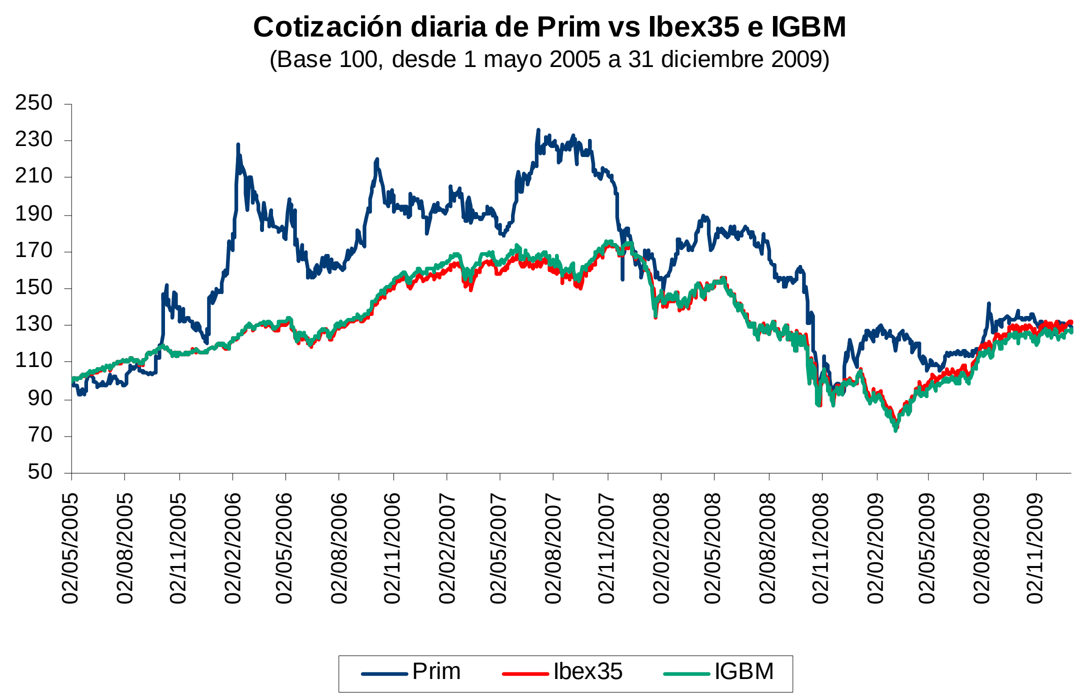
Unaudited data

Annex 3. Consolidated Cash Flow Statement (IFRS)

Miles de euros	2009	2008	Var.	% Var
Operating income	96.032	95.655	377	0,4%
Suplier and personnel expenses for operating expenses	-84.847	-86.043	1.196	-1,4%
Interest expenses	-106	-158	52	-32,9%
Dividend payment from other equity	0	0	0	n.d.
Dividend income	420	1.020	-600	-58,8%
Interest income	482	1.388	-906	-65,3%
Income (Payments) for Income Tax	-3.981	-3.817	-164	4,3%
Other income (payments) from operating activities	180	-3.046	3.226	-105,9%
Operating Income	**8.180**	**4.999**	**3.181**	**63,6%**
Payment for investments	-2.922	-5.834	2.912	-49,9%
Received from desinvestment	79	60	19	31,7%
Other investment cash flow	0	0	0	n.d.
Investment Cash Flow	**-2.843**	**-5.774**	**2.931**	**-50,8%**
Income and expenses from equity	844	-1.719	2.563	-149,1%
Income and expenses from financial liabilities	-723	2.652	-3.375	-127,3%
Payment income	-4.281	-2.341	-1.940	82,9%
Other financing cash flow	0	0	0	n.d.
Financing Cash Flow	**-4.160**	**-1.408**	**-2.752**	**195,5%**
Exchange Differences Effect	**380**	**-298**	**678**	**-227,5%**
Net increase (decrease) of cash and cash equivalents	**1.557**	**-2.481**	**4.038**	**-162,8%**
Beginning cash and cash equivalents	**913**	**3.394**	**-2.481**	**-73,1%**
Ending cash and cash equivalents	**2.470**	**913**	**1.557**	**170,5%**

Unaudited data

Annex 4.Share Price Performance



Daily price of Prim shares since May 2005

Share price at 31/12/09	
Market Cap	**117.960.443**
# shares	17.347.124
Share price	6,8
Max-Min	7,60 - 5,65

Performance	PRM	Ibex-35	IGBM
2001	117,8%	-7,8%	-6,4%
2002	14,0%	-27,6%	-22,6%
2003	75,5%	26,6%	26,0%
2004	142,9%	18,0%	19,2%
2005	74,3%	18,2%	20,6%
2006	36,1%	12,6%	14,0%
2007	-14,2%	7,3%	5,6%
2008	-28,9%	-39,4%	-40,6%
2009	**12,9%**	**29,8%**	**27,2%**

	Average Daily Volume	
	# shares	€
2001	2.905	3.268
2002	4.112	6.555
2003	6.298	12.166
2004	6.605	31.440
2005*	20.805	188.362
2006	48.675	757.063
2007	36.802	462.123
2008	14.927	129.074
2009	**17.169**	**113.848**

* May 2005 starts trading at continue market