



**BUSINESS PERFORMANCE
IN 1H10**

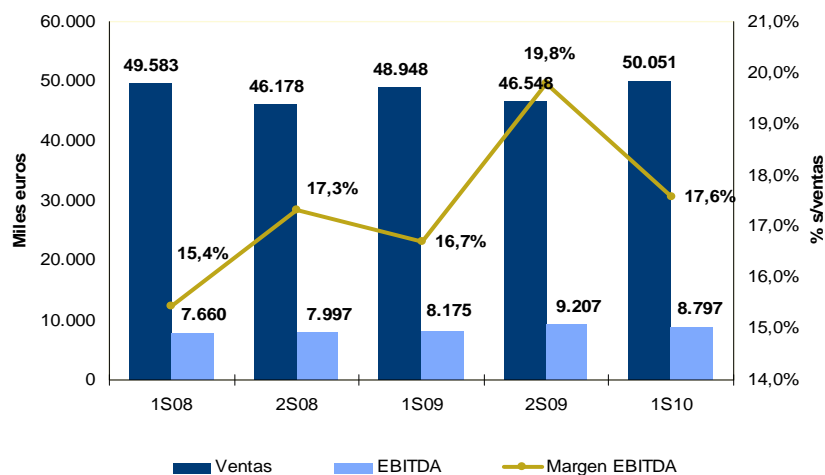
1. Key events in 1H10

- ✓ The PRIM Group's **revenues increased** by +2.3% to **50.05 million euro** as a result of sustained demand from public sector customers.
- ✓ **EBITDA improved significantly, by +7.6% to 8.80 million euro**, and the **EBITDA margin improved to 17.6%**.
- ✓ **Net profit totalled 5.82 million euro**, i.e. **+25%** compared with 1H09.
- ✓ **Net debt** amounted to **13.83 million euro**, just 21% of equity.

PRIM Group strengthened its earnings in 1H10 in a context of high volatility and uncertainty caused by the sharp macroeconomic deterioration. The signs of recovery visible in the second half of 2009 started to materialise in the first half of the 2010. Accordingly, revenues during the period far surpassed the figures for 1H08 and 1H09. These factors, together with the company's cost-containment efforts, have had a positive impact on the Group's EBITDA margins, now 2 percentage points higher than in early 2008, when the current economic crisis commenced.

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

Half-Yearly Performance



Unaudited data

2. Operating environment

The economic crisis of the last two years set the stage for difficulties in the euro area in 2010, triggered by a specific event—the Greek crisis—which brought to light significant deficiencies in economic management in the EU and the risks of increasing deficits during periods of low growth. Against this backdrop, it was no surprise that the countries with greater exposure to the real estate industry and with significant private sector debt were affected the most, among them, Spain.

All European macroeconomic data shows that Spain continues to lag. Despite the fact that the Spanish economy expanded by 0.2% in the second quarter, it is still lagging compared with other EU countries. According to Eurostat, the only countries behind Spain are Hungary (0% growth) and Latvia (+0.1%), while Portugal is on par with Spain. Greece is the only country whose economy is still shrinking (-1.5%). Spain's economy has now left the recession behind and expanded for two consecutive quarters (+0.1% in 1Q10). The increase in capital and consumer spending (driven by the increase in VAT in July, which led shoppers to advance purchases, and to the government stimuli for spending) have been key. On the supply side, all areas of activity showed some improvement in performance, while the pace of decline in employment slowed in year-on-year terms. According to the Labour Force Survey, unemployment rebounded slightly, to 20.1%, in a context of growth in the overall labour force.

The most recent international macro data is ambiguous. For example, following the good figures reported in the US in the first quarter of the year, the latest published data has revived uncertainties about the economic recovery in view of weak consumer spending, employment and residential market figures. Second quarter GDP growth of 2.4% (compared with 3.7% in the first quarter) and somewhat weak consumer spending figures (up 1.6% in the second quarter, compared with 1.9% in the first quarter) could be related to the poor performance of the labour market. Economic recovery continues to be threatened by issues such as unemployment, foreclosures, the credit crunch, the weak financial system, and states' indebtedness.

Financial market performance continued to be affected by widespread uncertainty about public finances in Europe, the impact of which has recently spread to the global banking system, negatively impacting lending conditions. As a result, the principal equities indices ended the half-year with losses. The IBEX 35 shed 22.4%, faring much worse than the EURO STOXX 50 (-13.2%) and the S&P500 (-7.6%). However, fiscal consolidation measures announced by various European countries, together with the recent publication of leading banks' stress test results, provided a boost to the main equities indices.

3. Income Statement Analysis

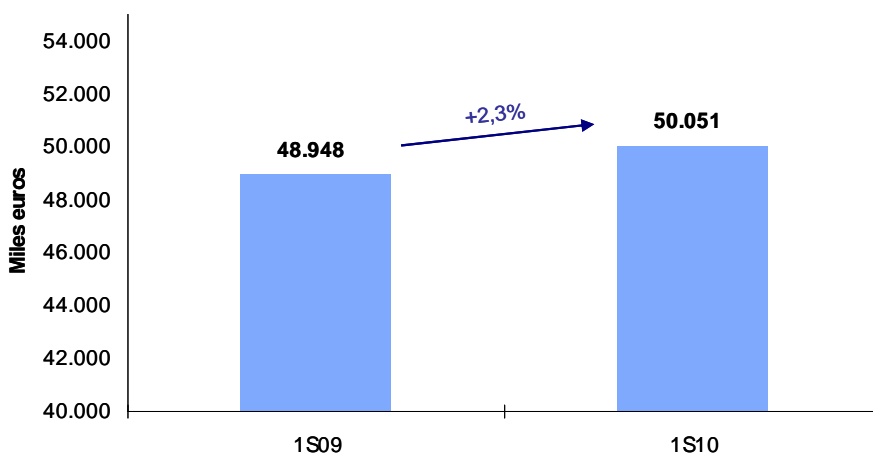
PRIM's key figures in 1H10 are shown below:

Miles de euros	1S10	1S09	Var.	% Var.
Ventas	50.051	48.948	1.103	2,3%
EBITDA	8.797	8.175	622	7,6%
<i>% s/ ventas</i>	<i>17,6%</i>	<i>16,7%</i>		<i>0,9pp</i>
EBIT	7.570	6.979	591	8,5%
<i>% s/ ventas</i>	<i>15,1%</i>	<i>14,3%</i>		<i>0,8pp</i>
BAI	8.077	6.687	1.390	20,8%
Beneficio Neto	5.824	4.658	1.166	25,0%
<i>% s/ ventas</i>	<i>11,6%</i>	<i>9,5%</i>		<i>2,1pp</i>

Unaudited data

Despite the unfavourable economic situation in the first half of the year, PRIM Group's **revenues** confirmed the signs of recovery visible in the second half of 2009. The Group's revenues expanded 2.3% to 50.05 million euro, boosted once again by the good performance of sales to the public sector.

Sales



Unaudited data

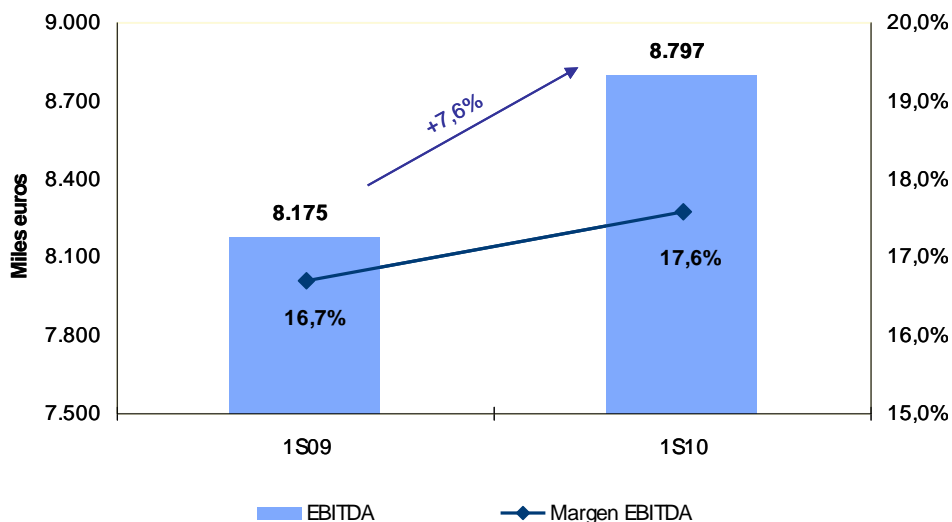
Procurement expenditure increased in the period by +2.5% (i.e. by slightly more than the increase in revenues), to 20.09 million euro, accounting for 40% of sales, in line with the same period last year.

In the same vein, **other operating expenses** increased to 8.71 million euro, +2.8% more than in the same period last year. This item continued to account for 17% of revenues.

Personnel costs increased to 12.78 million euro, +1.9% compared with the same period last year, while the average workforce declined, from 505 in 1H09 to 499 in 1H10.

The positive effect of the recovery in revenues led to a significant improvement in **EBITDA**, which expanded by +7.6% to 8.80 million euro. The EBITDA margin also improved, by 0.9 percentage points to 17.6%.

EBITDA



Unaudited data

Depreciation and amortisation also increased in the first half of the year, amounting to 1.23 million euro (+2.7% with respect to the same period last year). Nevertheless, **EBIT** improved to 7.57 million euro (+8.5%). As a result, the EBIT margin also improved, by 0.8 percentage points, to 15.1% (14.3% in 1H09).

PRIM's good operating earnings in the first six months of the year were coupled with favourable **financial earnings**, attributable to the significant increase in financial revenues (up 78.4% with respect to the same period last year as a result of booking default interest paid by various public health administrations in the first half of the year) and lower financial expenses (down 23% compared with the same period last year).

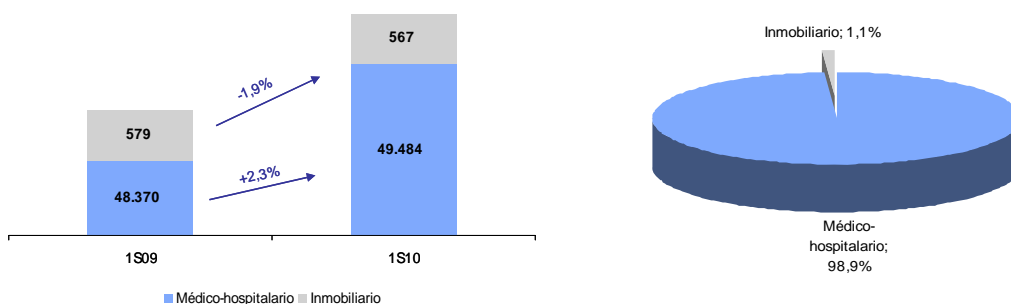
The Group's positive operating and financial performance led to strong growth in earnings before taxes (EBT), which totalled 8.08 million euro, up +20.8% compared with 1H09. **Net profit attributable to the parent company** increased by +25% to 5.82 million euro.

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 a significant improvement in revenues: +2.3% with respect to 1H09. This was helped primarily by positive demand from public sector customers (principally hospitals), broadly offsetting poorer performance by private sector customers as a whole (an area covered by the Group's affiliates), which continue to be affected by the deterioration of the economic situation and the credit crunch.

The **real estate** business, which includes leasing the company's former offices at Avenida Llano Castellano in Madrid, registered 0.57 million euro in revenues, 1.9% less than in 2009. At all events, this item still accounts for a very small portion of total revenues (i.e. 1.1% in the period).

Revenues by Activity in 1H10

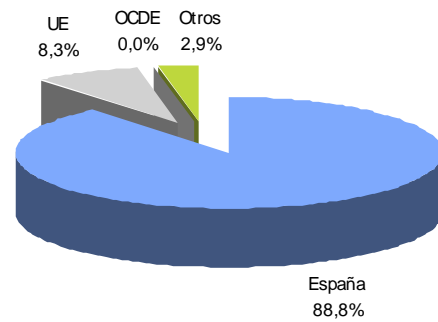
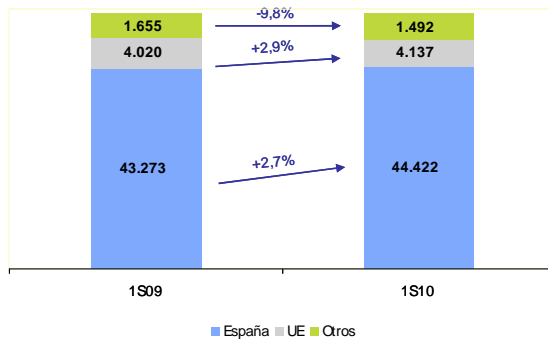


Unaudited data

The Group's two primary markets, Spain and the EU, performed favourably. Spain, which accounts for 88.8% of Group revenues, performed well despite economic deterioration, increasing revenues to 44.42 million euro (an improvement of +2.7% compared with the same period last year).

Europe, which was hit the hardest by the slowdown in demand from private sector clients in the last few quarters, reversed the negative trend and increased revenues to 4.14 million euro, up +2.9% with respect to the first half of 2009. However, exports declined to 11.2% of Group revenues (11.6% in 2009).

Breakdown of sales by geographical area in 1H10

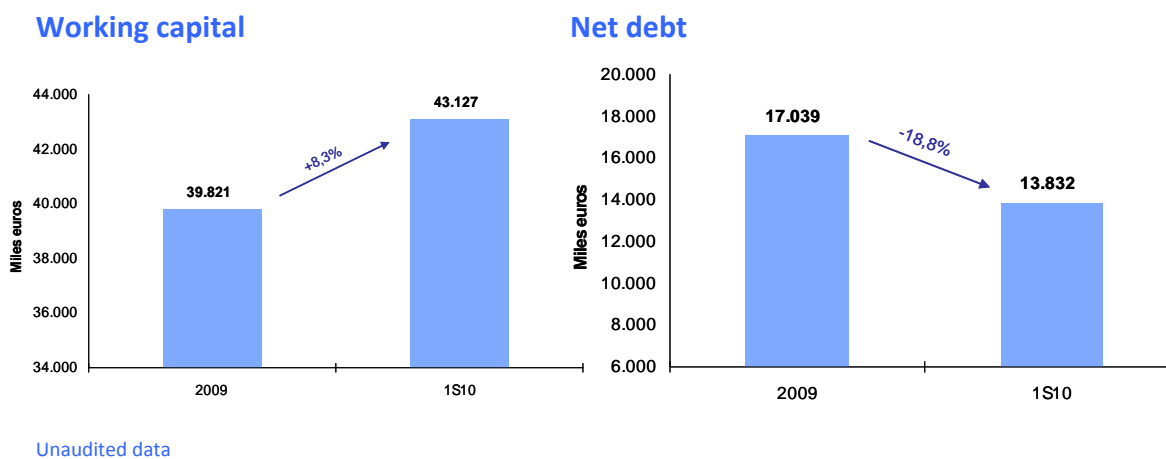


Unaudited data

5. Consolidated balance sheet

The PRIM Group's strategy of maintaining a solid financial structure to avoid liquidity problems continued to bear fruit. Although **working capital** has increased since the end of 2009 (+8.3% due primarily to the +14.1% increase in short-term customer receivables to 49.75 million euro), the Group's debt did not expand. Accordingly, PRIM ended the first half of 2010 with **net interest-bearing debt** of 13.83 million euro, down 18.8% with respect to 2009 year-end. Consequently, **leverage** improved once again to 21% of equity (27% at 2009 year-end).

Treasury stock increased to 3.09 million euro; the company had 394,983 shares at the end of June 2010, accounting for 2.28% of capital (compared with 1.76% of capital at the end of 2009).



6. Regulatory disclosures to the CNMV in the period

On 5 April, NASDAQ-listed US company Alphatec Holdings, Inc. absorbed French subsidiary Scient'x, S.A.; both manufacture implants for surgical treatment of spinal cord pathologies. According to the established exchange ratio, PRIM's stake in Alphatec amounts to 0.73% of capital.

On 29 April, Victoriano Prim González stepped down as Managing Director and was appointed General Director by PRIM's Board of Directors, reporting directly to the Board.

On 19 June, the Shareholders' Meeting approved the distribution of a supplementary dividend of 0.140233 euro gross per share, to be paid on 9 July.

On 25 June, the company acquired an additional 10% of LUGA Suministros Médicos S.L., increasing its stake to 100%. The transaction cost 575,000 euro.

7. Subsequent events

An interim dividend out of 2009 income amounting to 0.140233 euro gross per share was paid on 9 July.

Annex 1. Consolidated Income Statement (IFRS)

Miles de euros	1S10	1S09	Var.	% Var.
Importe neto de la cifra de negocio	50.051	48.948	1.103	2,3%
Otros ingresos	229	192	37	19,4%
Var. Existencias de productos terminados y en curso	94	-362	456	n.d.
Aprovisionamientos	-20.089	-19.593	-496	2,5%
Gastos de personal	-12.779	-12.538	-241	1,9%
Otros gastos / ingresos	-8.709	-8.473	-236	2,8%
EBITDA	8.797	8.175	622	7,6%
<i>% s/ ventas</i>	<i>17,6%</i>	<i>16,7%</i>		
Dotación a la amortización	-1.227	-1.195	-32	2,7%
EBIT	7.570	6.979	591	8,5%
<i>% s/ ventas</i>	<i>15,1%</i>	<i>14,3%</i>		
Ingresos financieros	655	367	288	78,4%
Gastos financieros	-294	-382	88	-23,0%
Otras ganancias o pérdidas	146	-277	423	n.d.
Beneficio antes de impuestos	8.077	6.687	1.390	20,8%
Impuestos	-2.253	-1.999	-254	12,7%
Beneficio despues de impuestos	5.824	4.688	1.136	24,2%
Intereses minoritarios	0	-30	30	-100,0%
Beneficio neto	5.824	4.658	1.166	25,0%
<i>% s/ ventas</i>	<i>11,6%</i>	<i>9,5%</i>		

Unaudited data

Annex 2. Consolidated Balance Sheet (IFRS)

Miles de euros	1S10	2009	Var.	% Var.
Inmovilizado material	11.558	11.401	157	1,4%
Inversiones inmobiliarias	3.971	4.111	-140	-3,4%
Fondo de comercio	2.229	2.229	0	0,0%
Otros activos intangibles	220	112	108	96,6%
Activos financieros no corrientes	1.861	1.856	5	0,3%
Inversiones financieras por método de participación	5.397	5.506	-109	-2,0%
Otros activos no corrientes	7.717	7.717	0	0,0%
Activos no corrientes	32.953	32.932	21	0,1%
Existencias	20.956	20.372	584	2,9%
Deudores comerciales	49.753	43.610	6.143	14,1%
Otros activos financieros corrientes	304	557	-253	-45,4%
Otros activos corrientes	7	34	-27	-79,4%
Efectivo y otros medio líquidos equivalentes	3.048	2.470	578	23,4%
Activos corrientes	74.068	67.043	7.025	10,5%
Total Activo	107.021	99.975	7.046	7,0%
Capital	4.337	4.337	0	0,0%
Prima de emisión	1.227	1.227	0	0,0%
Reservas	56.219	50.007	6.212	12,4%
Resultado ejercicio atribuido a sociedad dominante	5.824	10.035	-4.211	-42,0%
Autocartera	-3.092	-2.520	-572	-22,7%
Dividendo a cuenta	0	-867	867	-100,0%
Fondos propios atribuidos a los accionistas de sociedad dominante	64.515	62.219	2.296	3,7%
Intereses minoritarios	0	0	0	n.d.
Fondos propios	64.515	62.219	2.296	3,7%
Deudas con entidades de crédito	10.940	9.891	1.049	10,6%
Pasivos por impuestos diferidos	178	178	0	0,0%
Otros pasivos no corrientes	447	465	-18	-3,8%
Pasivos no corrientes	11.565	10.534	1.031	9,8%
Deudas con entidades de crédito	5.940	9.618	-3.678	-38,2%
Acreedores comerciales	21.837	17.604	4.233	24,0%
Otros pasivos corrientes	3.164	0	3.164	n.d.
Pasivos corrientes	30.941	27.222	3.719	13,7%
Total Fondos Propios + Pasivo	107.021	99.975	7.046	7,0%
Deuda Financiera Neta	13.832	17.039	-3.207	-18,8%

Unaudited data

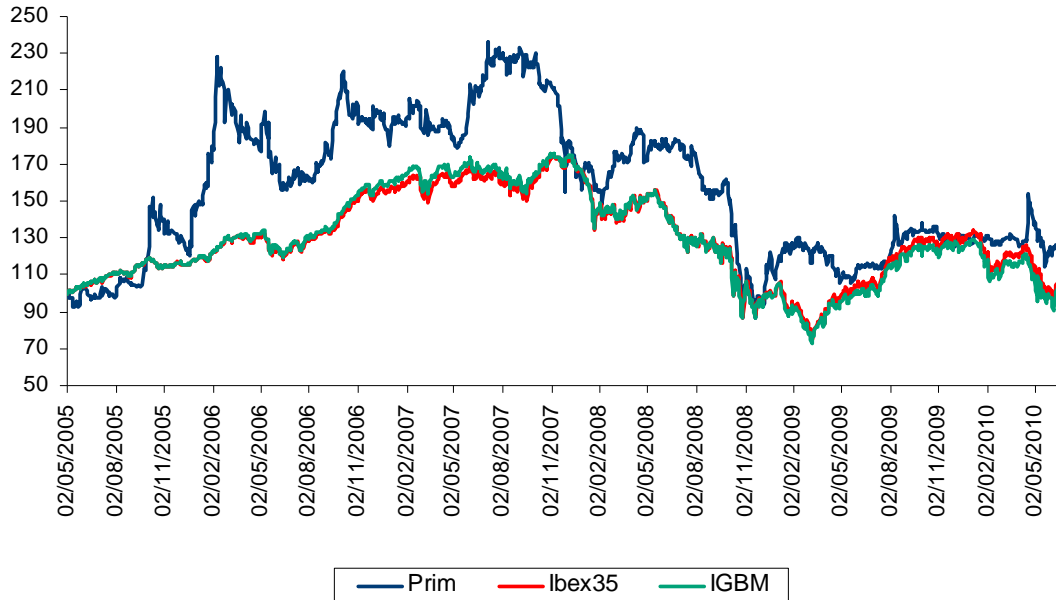
Annex 3. Consolidated Cash Flow Statement (IFRS)

Miles de euros	1S10	1S09	Var.	% Var.
Cobros de explotación	47.502	52.655	-5.153	-9,8%
Pagos a proveedores y al personal por gastos de explotación	-41.994	-42.060	66	-0,2%
Pago de intereses	-65	-22	-43	200,9%
Pago de dividendos y remuneraciones de otro inst. patrimonio	0	0	0	n.d.
Cobros de dividendos	30	34	-4	-11,8%
Cobros de intereses	1.155	214	941	438,6%
Cobros (Pagos) por impuesto sobre beneficios	-752	-621	-131	21,0%
Otros cobros (pagos) de actividades de explotación	-4.291	-2.566	-1.725	67,3%
Flujos de efectivo de las actividades de explotación	1.585	7.635	-6.050	-79,2%
Pagos por inversiones	-1.505	-1.768	263	-14,9%
Cobros por desinversiones	31	12	19	150,5%
Otros flujos de efectivo de actividades de inversión	0	0	0	n.d.
Flujos de efectivo de las actividades de inversión	-1.474	-1.756	282	-16,1%
Cobros y pagos por instrumentos de patrimonio	-572	-120	-452	376,6%
Cobros y pagos por instrumentos de pasivo financiero	1.031	-3.166	4.197	n.d.
Pagos por dividendos	-99	-843	744	-88,3%
Otros flujos de efectivo de actividades de financiación	0	0	0	n.d.
Flujos de efectivo de las actividades de financiación	360	-4.129	4.489	n.d.
Efecto de las variaciones de tipo de cambio	107	89	18	20,3%
Aumento/ disminución neto de efectivo y equivalentes	578	1.838	-1.260	-68,6%
Efectivo y equivalentes al inicio del periodo	2.470	913	1.557	170,5%
Efectivo y equivalentes al final del periodo	3.048	2.751	297	10,8%

Unaudited data

Annex 4. Share Price Performance
Cotización diaria de Prim vs Ibex35 e IGBM

(Base 100, desde 1 mayo 2005 a 30 junio 2010)



Daily price of Prim shares since May 2005

Cifras de Cotización a 30/06/10	
Capitalización Bursátil	112.504.773
Número de Acciones	17.347.124
Cotización	6,49
Max-Min	8,13 - 6,04

Rentabilidad	PRM	Ibex-35	IGBM	Volumen Medio Diario Contratación	
				Acciones	Euros
2001	117,8%	-7,8%	-6,4%	2.905	3.268
2002	14,0%	-27,6%	-22,6%	4.112	6.555
2003	75,5%	26,6%	26,0%	6.298	12.166
2004	142,9%	18,0%	19,2%	6.605	31.440
2005	74,3%	18,2%	20,6%	20.805*	188.362
2006	36,1%	12,6%	14,0%	48.675	757.063
2007	-14,2%	7,3%	5,6%	36.802	462.123
2008	-28,9%	-39,4%	-40,6%	14.927	129.074
2009	12,9%	29,8%	27,2%	17.169	113.848
1S10	-2,9%	-22,4%	-22,6%	11.816	80.238

* Mayo 2005 entrada en mercado continuo