

***2012 Preliminary results***

12 FEBRUARY 2013

## *Full year 2012 highlights*

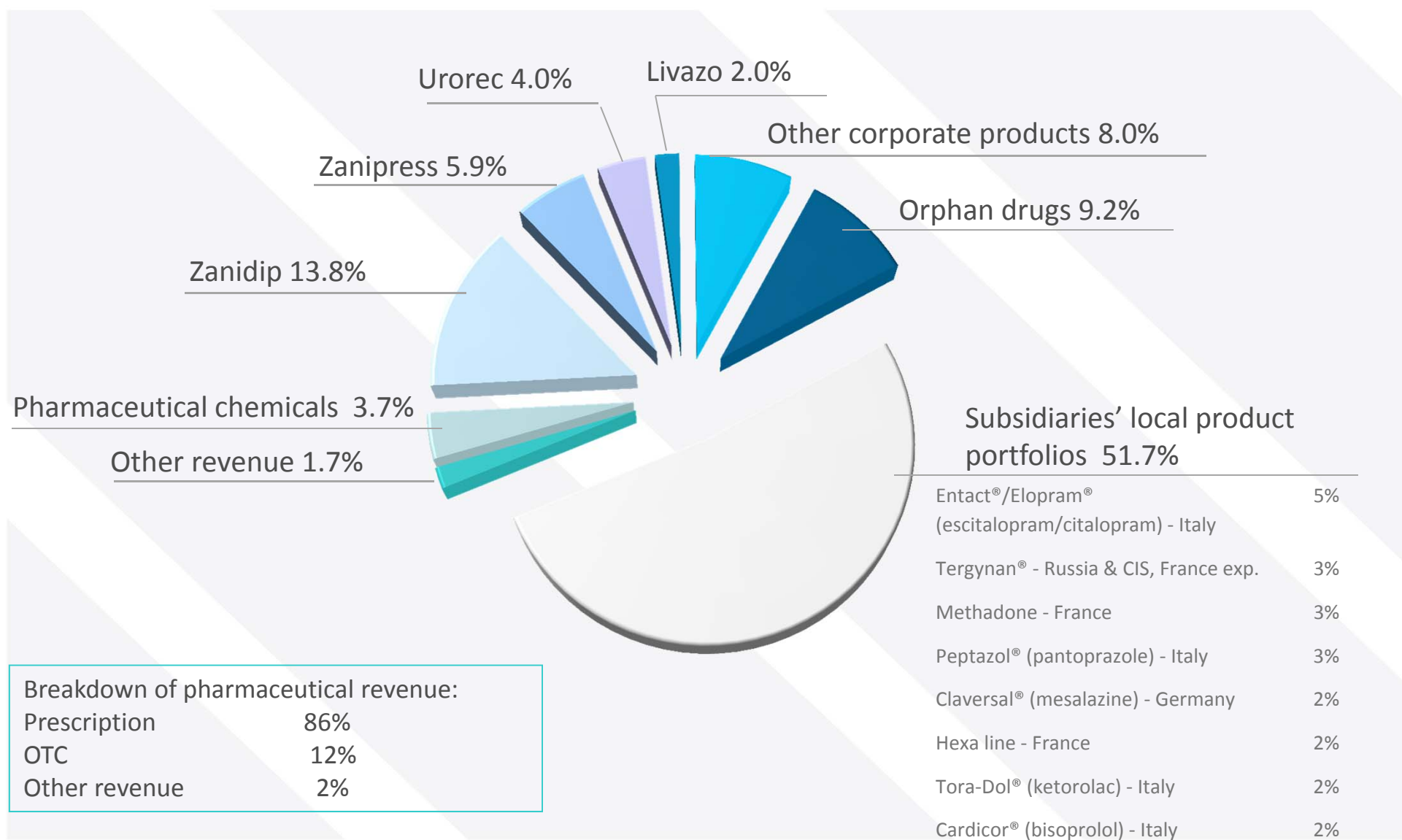
- Revenue € 828.3 million, up 8.7%.
- Operating income (EBIT) € 167.0 million or 20.2% of sales, up 2.1%.
- Net income € 118.5 million or 14.3% of sales, up 1.8%.
- Acquisition of a portfolio of treatments for rare diseases in the USA. Recordati Rare Diseases Inc. operational in the U.S.
- Acquisition of 6 OTC products for our German subsidiary, Recordati Pharma
- Acquisition of Farma-Projekt and a portfolio of products in Poland
- Acquisition of a portfolio of products in Russia
- Grasp<sup>®</sup>, a new cancer treatment in development, licensed from Erytech in Europe
- Acquisition of Dentosan<sup>®</sup> oral care line in Italy

## Main product sales

**Corporate products including orphan drugs now account for 42.8% of revenue**

(million Euro)	2012	2011	Change %
Zanidip <sup>®</sup> (lercanidipine)	114.6	124.7	(8.1)
Zanipress <sup>®</sup> (lercanidipine+enalapril)	49.3	41.6	18.6
Urorec <sup>®</sup> (silodosin)	32.7	19.8	65.8
Livazo <sup>®</sup> (pitavastatin)	16.3	6.8	139.9
Other corporate products	65.9	59.2	11.4
Orphan drugs	75.9	69.3	9.5

## A richer product portfolio



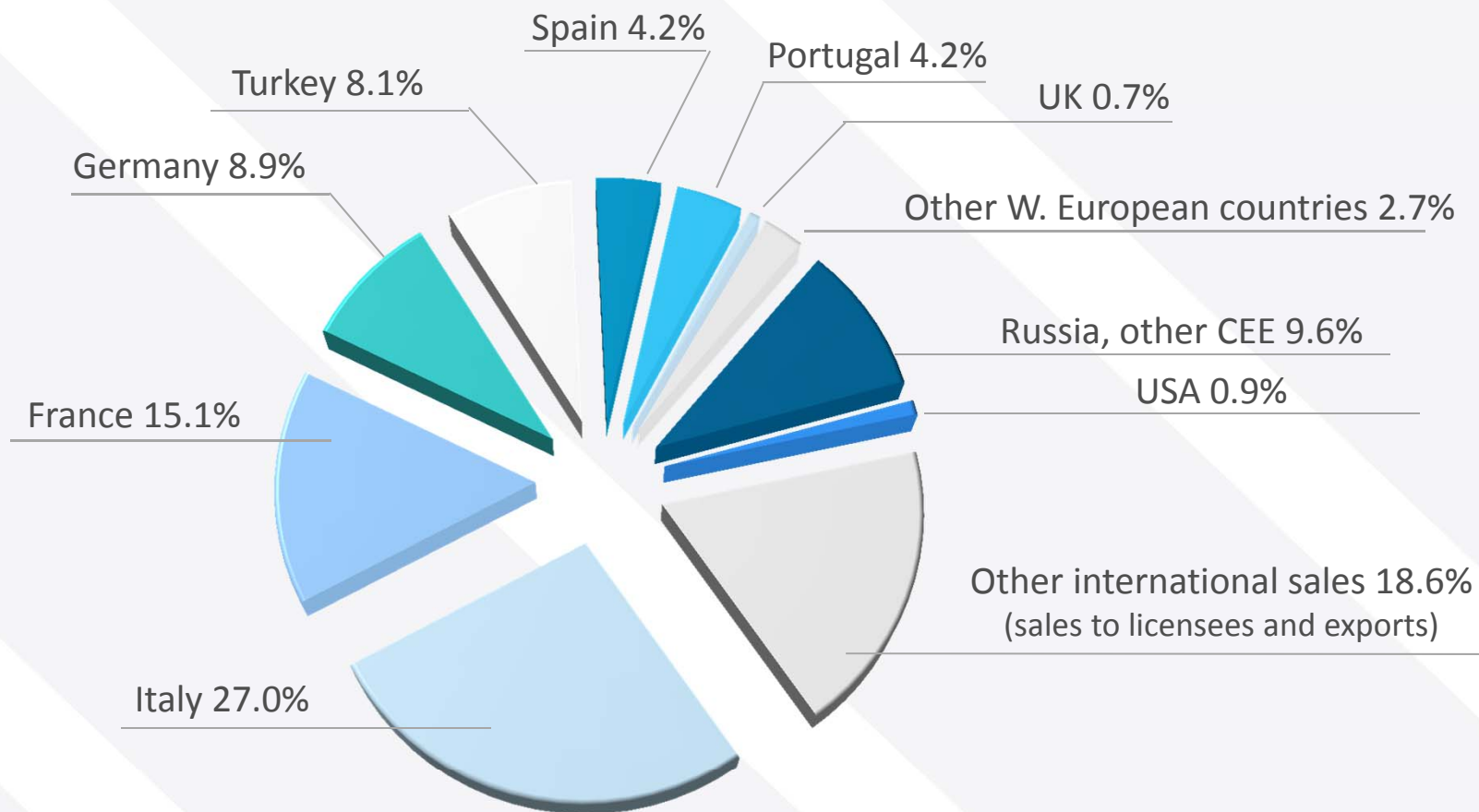
Data: Full year 2012  
Total revenue € 828.3 m

## Composition of revenue

### *New markets and new products drive growth*

(million Euro)	2012	2011	Change %
Italy	214.7	217.7	(1.4)
France	120.2	128.7	(6.6)
Germany	70.9	66.2	7.1
Turkey	64.8	31.0	108.9
Portugal	33.9	34.4	(1.4)
Spain	33.3	31.8	4.5
United Kingdom	5.6	7.6	(26.9)
Other Western European countries	21.3	19.4	13.7
Russia and other CEE countries	76.6	54.5	40.7
USA	7.4	6.1	21.2
Other international sales	148.7	136.2	9.2
<b>TOTAL PHARMACEUTICALS</b>	<b>797.4</b>	<b>733.6</b>	<b>8.7</b>
<b>PHARMACEUTICAL CHEMICALS</b>	<b>30.9</b>	<b>28.4</b>	<b>8.9</b>

## A growing presence in Eastern Europe and Turkey



Data: Full year 2012  
Pharmaceutical revenue € 797.4 m

## Full year 2012 results

### Sales and earnings growth in line with guidance

(million Euro)	2012	2011	Change %
Revenue	828.3	762.0	8.7
Gross Profit as % of revenue	534.8 64.6	502.1 65.9	6.5
SG&A Expenses as % of revenue	296,1 35.7	277.5 36.4	6.7
R&D Expenses as % of revenue	63.4 7.7	56.0 7.3	13.3
Other Income (Expense), net as % of revenue	(8.3) (1.0)	(5.1) (0.7)	64.1
Operating Income as % of revenue	167.0 20.2	163.5 21.5	2.1
Net Income as % of revenue	118.5 14.3	116.4 15.3	1.8

## Financial position and Shareholders' equity

(million Euro)	31 Dec 2012	31 Dec 2011	Change
Cash and short-term financial investments	38.4	105.2	(66.7)
Bank overdrafts and short-term loans	(56.0)	(13.6)	(42.4)
Loans – due within one year	(8.1)	(11.6)	3.5
Loans – due after one year	(127.7)	(135.7)	8.0
<b>NET FINANCIAL POSITION</b>	<b>(153.5)</b>	<b>(55.7)</b>	<b>(97.7)</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>661.4</b>	<b>594.5</b>	<b>66.9</b>



## Comparison with financial projections

### 2012 targets achieved

(million Euro)	2012 Actual	2012 Targets
Revenue	828.3	810-830
Operating income (EBIT)	167.0	160-170
Net Income	118.5	115-120

# Company declarations, disclaimers and profile

## **DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS**

**The manager responsible for preparing the company's financial reports Fritz Squindo declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.**

*Statements contained in this presentation, other than historical facts, are "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are based on currently available information, on current best estimates, and on assumptions believed to be reasonable. This information, these estimates and assumptions may prove to be incomplete or erroneous, and involve numerous risks and uncertainties, beyond the Company's control. Hence, actual results may differ materially from those expressed or implied by such forward-looking statements.*

*All mentions and descriptions of Recordati products are intended solely as information on the general nature of the company's activities and are not intended to indicate the advisability of administering any product in any particular instance.*

*Recordati, established in 1926, is a European pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271) with a total staff of over 3,200, dedicated to the research, development, manufacturing and marketing of pharmaceuticals, with headquarters in Milan, Italy, operations in the main European countries, and a growing presence in the new markets of Central and Eastern Europe. A European field force of around 1,700 medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati's current and growing coverage of the European pharmaceutical market makes it a partner of choice for new product licenses from companies which do not have European marketing organizations. Recordati is committed to the research of new drug entities within the cardiovascular and urogenital therapeutic areas and of treatments for rare diseases. Consolidated revenue for 2011 was € 762.0 million, operating income was € 163.5 million and net income was € 116.4 million.*

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