

**DISTRIBUTION OF AN INTERIM
DIVIDEND BY RECORDATI S.P.A. FOR THE
FINANCIAL YEAR 2012 IN ACCORDANCE
WITH ARTICLE 2433-BIS OF THE ITALIAN
CIVIL CODE**

CONTENTS

Page

DIRECTORS' REPORT ON THE DISTRIBUTION OF AN INTERIM DIVIDEND TO THE SHAREHOLDERS OF RECORDATI S.P.A.

- Directors' considerations on the distribution of an interim dividend 4
- Operating and financial review of Recordati S.p.A. in the first six months of 2012 6
- Subsequent events and business outlook for Recordati S.p.A 8
- Management review of the Recordati Group in the first six months of 2012 9

INTERIM FINANCIAL STATEMENTS OF RECORDATI S.P.A. AT 30 JUNE 2012

- Income statement 20
- Assets 21
- Equity and liabilities 22
- Statement of comprehensive income 23
- Statement of changes in shareholders' equity 23
- Cash flow statement 24
- Notes 25

DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ART 154-BIS, PARAGRAPH 2 OF LEGISLATIVE DECREE NO. 58/1998

45

**DIRECTORS' REPORT ON THE
DISTRIBUTION OF AN INTERIM
DIVIDEND TO THE SHAREHOLDERS OF
RECORDATI S.P.A.**

Directors' considerations on the distribution of an interim dividend

An interim dividend may be distributed if the conditions specified in the relative legislation (Art. 2433-*bis* of the Italian Civil Code) are met.

Recordati S.p.A. ("Recordati") is in possession of the requirements to exercise that right for the following reasons:

- a) the financial statements are subject by law to audit by a firm of auditors registered in the special roll;
- b) payment of interim dividends is permitted by Art. 29 of the Corporate By-Laws;
- c) the external auditors have issued a positive opinion on the financial statements for the previous year, which were subsequently approved by the shareholders;
- d) no losses relating to the current year or to prior years have been incurred since the last financial statements were approved.

The distribution of the dividend must be approved by the Board of Directors on the basis of financial statements and a report showing that the capital, operating and financial position of the Company would allow that distribution to be made. Additionally, an opinion of the external auditors on those documents must be obtained.

Art. 2433-*bis* of the Italian Civil Code also states that the amount of an interim dividend cannot be greater than the lower of the net income earned at the end of the previous financial year, less the amounts allocated to the statutory or by-law reserves, and the reserves available for distribution.

In Recordati's case, the distribution of an interim dividend is based on the accounts at 30 June 2012 for the six month period ended on that date, prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission, applicable at 30 June 2012.

The available reserves resulting from the accounts at 30 June 2012 amounted to € 331,459 thousand, while the net income available at 30 June 2012 amounted to € 77,856 thousand consisting of the net income earned, since an amount equal to one fifth of the share capital had already been allocated to the statutory reserve and no other obligations for allocations to reserves existed.

A summary of the relevant data for determining the amount of the interim dividend distributable is attached in the following table:

• net income at 30 June 2012	€ 77,856 thousand
• net income available	€ 77,856 thousand
• reserves available at 30 June 2012	€ 331,459 thousand
• Interim dividend distributable (maximum amount)	€ 77,856 thousand
• Interim dividend per share	€ 0.20

In accordance with Art. 2433-*bis*, paragraph 4 of the Italian Civil Code, the interim dividend distributable cannot exceed € 77,856 thousand, corresponding to the part of the net income for the period that may be distributed on an interim basis.

Taking into account the above, and in light of the information reported in the following pages concerning the operating, capital and financial performance of Recordati S.P.A. and the Group at 30 June 2012, the Board of Directors intends to distribute an interim dividend amounting to € 0.20 on each share outstanding on the ex dividend date of 19 November 2012, to be paid from 22 November 2012.

Milan, 25 October 2012

on behalf of the Board of Directors
The Chairman
Giovanni Recordati

Operating and financial review of Recordati S.p.A. in the first six months of 2012

The financial statements of Recordati S.p.A. at 30 June 2012 show net income of € 77,856 thousand, an increase of € 5,701 thousand on the first six months of the previous year.

The items in the income statement are given below with the relative percentage of revenue and the change compared to the first six months of 2011:

€ (thousands)	First half 2012	% of revenue	First half 2011	% of revenue	Change 2012/2011	%
Revenue	144,406	100.0	149,860	100.0	(5,454)	(3.6)
Cost of sales	(68,669)	(47.6)	(67,599)	(45.1)	1,070	1.6
Gross profit	75,737	52.4	82,261	54.9	(6,524)	(7.9)
Selling expenses	(25,896)	(17.9)	(26,458)	(17.7)	(562)	(2.1)
R&D expenses	(13,479)	(9.3)	(15,419)	(10.3)	(1,940)	(12.6)
G&A expenses	(9,761)	(6.8)	(9,718)	(6.5)	43	0.4
Other income (expense), net	(2,387)	(1.7)	(1,107)	(0.7)	1,280	n.s.
Operating income	24,214	16.8	29,559	19.7	(5,345)	(18.1)
Dividends	64,988	45.0	55,889	37.3	9,099	16.3
Financial income (expense), net	(2,511)	(1.7)	(2,629)	(1.8)	118	4.5
Pretax income	86,691	60.0	82,819	55.3	3,872	4.7
Provision for income taxes	(8,835)	(6.1)	(10,664)	(7.1)	(1,829)	(17.2)
Net income	77,856	53.9	72,155	48.1	5,701	7.9

In the first six months of 2012 revenue was € 144,406 thousand, a decrease of 3.6% compared to the same period a year earlier, due primarily to € 5,050 thousand of up-front payments received from licensees in the first half of 2011 for the launch of the lercanidipine-enalapril fixed combination in Italy.

Products launched in 2011 performed well in the current year. These included: Cardicor® (bisoprolol) in particular, a drug belonging to the beta blocker class indicated for the treatment of chronic, stable, from moderate to serious cardiac insufficiency; Urorec® (silodosin) a new speciality indicated for the treatment of the symptoms of benign prostatic hypertrophy (BPH); and a specialty drug developed by Recordati and indicated for the treatment of hypertension, based on a fixed combination of lercanidipine with enalapril, a very common ACE inhibitor.

Selling expenses, which include the impact of new legislation that came into force in 2010 that involves a charge borne by producers equal to 1.83% of the price to the public net of VAT, decreased by 2.1%.

General and administrative expenses were practically unchanged compared to the same period in 2011.

Expense for Research & Development activities totalled € 13,479 thousand, a fall of 12.6% compared to the costs incurred in the same period a year earlier, due mainly to the shift of some clinical trials forward into the second half.

Operating income was € 24,214 thousand amounting to 16.8% of revenue, having fallen by 18.1% compared to the same period a year earlier, due above all to the impact of lower revenue already mentioned.

Other net expenses incurred of € 2,387 thousand included in particular the pay-back due to AIFA (Italian

Medicines Agency) in place of the 5% price reduction on some selected products.

Net financial charges were € 2,511 thousand, a slight reduction compared to the first six months of 2011.

The fall in taxation as a percentage of pretax income compared to a year earlier is due to the increase in dividends received from subsidiaries.

Net income was € 77.9 million, an increase of 7.9% compared to the same period a year earlier.

NET FINANCIAL POSITION

The net financial position is set out in the table below:

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Deposits in bank current accounts and cash on hand	42,964	35,519	7,445
Short-term loans to Group companies	31,354	32,512	(1,158)
Liquid assets	74,318	68,031	6,287
Bank overdrafts and short-term loans	(553)	(528)	-25
Borrowings – due within one year ⁽¹⁾	(6,953)	(6,953)	0
Short-term borrowings from Group Companies	(164,604)	(116,106)	(48,498)
Short-term borrowings	(172,110)	(123,587)	(48,523)
Net current financial position	(97,792)	(55,556)	(42,236)
Borrowings – due after one year ⁽¹⁾	(133,315)	(160,481)	27,166
Loans to Group companies due after one year	19,109	20,056	(947)
Net financial position	(211,998)	(195,981)	(16,017)

⁽¹⁾ Includes the change in the fair value of fair value hedge derivatives.

The change in the net financial position is due above all to new loans from Recordati Pharmaceutical Ltd. amounting to € 16,113 thousand and from Recordati Corporation amounting to € 15,886 thousand, and also to the change in the cash pooling balances, net of the repayment of the loan of € 25 million to Recordati España S.L.

COMPANY DEVELOPMENT NEWS

The Group's strategy is to continue to focus on developing activities in Europe, the second largest pharmaceuticals market in the world, and especially on growing markets in central and eastern Europe. In addition to geographical expansion, a strong boost will be given to broadening the product portfolio both through the development and subsequent launch of pipeline pharmaceuticals and through the acquisition of new products.

The "Company Development News" section of the Management review of operations in the consolidated report at 30 June 2012 may be consulted for further information on operations and growth strategies.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

The Company's business performance is in line with expectations and, in the absence of events which are unforeseeable at present, no specific significant events were observed occurring subsequent to the reporting date of 30 June, which might affect the positive performance in the first six months of the year, for the achievement of the results forecast for 2012.

These results are forecasted to be much greater than the interim dividend currently being approved.

The above information has been confirmed by the operating results of the Company at 30 September 2012.

The successful acquisition of 100% of the share capital of Farma-Projekt Sp. z.o.o was completed in August, a Polish pharmaceuticals company located in Krakow for a total transaction cost (enterprise value) of PLN 71 million (equivalent to € 17 million).

Page 18 of this document may be consulted for a report and discussion of subsequent events and the business outlook for the Group.

Milan, 25 October 2012

on behalf of the Board of Directors
The Chairman
Giovanni Recordati

MANAGEMENT REVIEW OF THE RECORDATI GROUP IN THE FIRST SIX MONTHS OF 2012

HIGHLIGHTS

First half 2012

REVENUE

€ (thousands)	First half 2012	%	First half 2011	%	Change 2012/2011	%
Total revenue	419,944	100.0	401,019	100.0	18,925	4.7
Italy	117,561	28.0	123,897	30.9	(6,336)	(5.1)
International	302,383	72.0	277,122	69.1	25,261	9.1

KEY CONSOLIDATED P&L DATA

€ (thousands)	First half 2012	% of revenue	First half 2011	% of revenue	Change 2012/2011	%
Revenue	419,944	100.0	401,019	100.0	18,925	4.7
EBITDA ⁽¹⁾	102,256	24.3	100,416	25.0	1,840	1.8
Operating income	90,152	21.5	88,162	22.0	1,990	2.3
Net income	63,261	15.1	62,353	15.5	908	1.5

⁽¹⁾ Earnings before interest, taxes, depreciation and amortization.

KEY CONSOLIDATED B/S DATA

€ (thousands)	30 June 2012	31 December 2011	Change 2012/2011	%
Net financial position ⁽²⁾	(66,593)	(55,734)	(10,859)	19.5
Shareholders' equity	646,750	594,480	52,270	8.8

⁽²⁾ Short-term financial investments, cash and cash equivalents, net of bank overdrafts and loans which include the measurement at fair value of hedging derivatives (fair value hedge).

Second quarter 2012

REVENUE

€ (thousands)	Second quarter 2012		Second quarter 2011		Change 2012/2011	
		%		%		%
Total revenue	200,385	100.0	203,177	100.0	(2,792)	(1.4)
Italy	53,608	26.8	61,991	30.5	(8,383)	(13.5)
International	146,777	73.2	141,186	69.5	5,591	4.0

KEY CONSOLIDATED P&L DATA

€ (thousands)	Second quarter 2012		Second quarter 2011		Change 2012/2011	
		% of revenue		% of revenue		%
Revenue	200,385	100.0	203,177	100.0	(2,792)	(1.4)
EBITDA ⁽¹⁾	48,230	24.1	49,964	24.6	(1,734)	(3.5)
Operating income	42,507	21.2	43,836	21.6	(1,329)	(3.0)
Net income	29,487	14.7	30,930	15.2	(1,443)	(4.7)

⁽¹⁾ Earnings before interest, taxes, depreciation and amortization.

The first half 2012 results show both sales and earnings growth. Consolidated revenue is € 419.9 million, up by 4.7% compared to the same period of the preceding year. International sales grow by 9.1%.

Operating income, at 21.5% of sales, is € 90.2 million, an increase of 2.3% over the same period of the preceding year.

Net income at 15.1% of sales is € 63.3 million, an increase of 1.5% over the first half 2011.

Net financial position at 30 June 2012 records a net debt of € 66.6 million. During the period € 21.0 million were paid for the acquisition of six OTC products in Germany and dividends for a total of € 21.3 million were distributed. Shareholders' equity increases to € 646.8 million.

COMPANY DEVELOPMENT NEWS

In February the activities for the preparation of a European Phase III clinical trial for REC 0482 (NX-1207), following the successful completion of a Scientific Advice meeting with the European Medicines Agency (EMA) were initiated. The pivotal controlled clinical trial will assess the efficacy and safety of a single TRUS-guided intraprostatic injection of the drug in patients with lower urinary tract symptoms (LUTS) associated with BPH not adequately controlled by medical therapy. A European licensing agreement for the development and commercialization of NX-1207 was signed in 2010 by Recordati and Nymox Pharmaceutical Corporation. Under the terms of the agreement Recordati received exclusive rights to develop and subsequently market and sell the drug in Europe including Russia and the CIS, the Middle East, South Africa and the Maghreb area of North Africa.

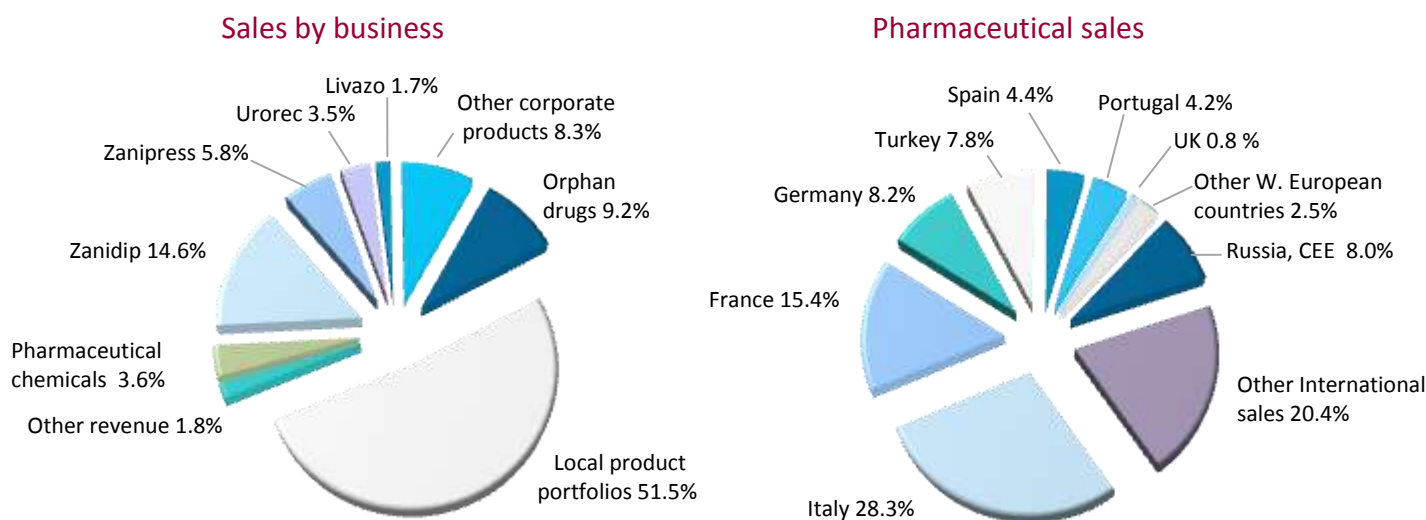
NX-1207 is a novel patented drug developed by Nymox which is currently in Phase III trials in the U.S.A.. The drug is injected by a urologist in an office setting directly into the zone of the prostate where the enlargement occurs and involves little or no pain or discomfort. In clinical trials a single dose of NX-1207 has been found to significantly improve the signs and symptoms of BPH, and showed evidence of long lasting benefit. Benign prostatic hyperplasia (BPH), or growth in prostate size associated with ageing, can seriously impact the health

and quality of life of older men. It can lead to acute urinary retention, incontinence, and other serious consequences.

During April the marketing authorizations, the trademarks and additional assets concerning six OTC pharmaceuticals for Germany were acquired from Cilag GmbH International and McNeil GmbH & Co. oHG. The products acquired are JHP-Rödler® (mint oil indicated for digestive disorder, headache, cough and cold), Betadorm® D (diphenhydramine HCl indicated for sleep disorders), Rhinopront® (pseudoephedrine+triprolidine indicated for rhinitis and head colds), Collomack® Topical (salicylic acid solution, an anti-corn preparation), Tirgon® (bisacodyl for constipation) and Xitix® (vitamin C lozenges to treat vitamin C deficiency). Estimated 2012 sales for the six products are of around € 6 million.

REVIEW OF OPERATIONS

Net consolidated revenue in the first half 2012 is € 419.9 million, up 4.7% over the same period of the preceding year, with an increase in international sales of 9.1% to € 302.4 million, which represent 72.0% of total sales. Pharmaceutical sales are € 405.0 million, up by 5.1%. The first half 2012 includes the consolidation of sales generated by the Turkish company Dr. F. Frik Ilaç, acquired in the last quarter 2011. The effect of this consolidation, net of intercompany revenues arising from Yeni Recordati's production activity on behalf of the newly acquired company, is € 16.4 million. Pharmaceutical chemicals sales are € 14.9 million, down by 4.0%, and now represent 3.6% of total revenues.



The group's pharmaceutical business, which represents 96.4% of total revenue, is carried out prevalently in the main European markets through our own subsidiaries but also in the rest of the world through licensing agreements with pharmaceutical companies of high standing. We have gradually extended our European presence through the acquisition of existing marketing organizations with the aim to add our proprietary products, and those obtained under multi-territorial licenses, to the local portfolios.

The performance of products sold directly in more than one market (corporate products) during the first half 2012 is shown in the table below.

€ (thousands)	First half 2012	First half 2011	Change 2012/2011	%
Zanidip® (lercanidipine)	61,613	69,167	(7,554)	(10.9)
Zanipress® (lercanidipine+enalapril)	24,241	19,566	4,675	23.9
Urorec® (silodosin)	14,546	7,894	6,652	84.3
Livazo® (pitavastatin)	6,985	2,370	4,615	194.7
Other corporate products	34,816	31,067	3,749	12.1
Orphan drugs	38,599	35,156	3,443	9.8

Zanidip® is a specialty containing lercanidipine, Recordati's original calcium channel blocker for the treatment of hypertension. Our lercanidipine based products are sold directly to the market by our own marketing organizations in Europe as well as in Turkey. In the other markets they are sold by licensees, and in some of the aforementioned ones co-marketing agreements are in place.

€ (thousands)	First half 2012	First half 2011	Change 2012/2011	%
Direct sales	33,479	37,584	(4,105)	(10.9)
Sales to licensees	28,134	31,583	(3,449)	(10.9)
Total lercanidipine sales	61,613	69,167	(7,554)	(10.9)

The reduction of lercanidipine sales is due mainly to lower volumes sold as a result of generic competition. Direct sales in Italy are down by 11.7% and in France by 19.6%. Sales to licensees, which represent 45.7% of total lercanidipine sales, are down by 10.9%.

Zanipress® is an original specialty also indicated for the treatment of hypertension developed by Recordati which consists of a fixed combination of lercanidipine with enalapril. To date this product is successfully marketed directly by Recordati and /or by its licensees in 20 countries.

€ (thousands)	First half 2012	First half 2011	Change 2012/2011	%
Direct sales	16,041	12,377	3,664	29.6
Sales to licensees	8,200	7,189	1,011	14.1
Total lercanidipine+enalapril sales	24,241	19,566	4,675	23.9

Urorec® (silodosin) is a new specialty indicated for the treatment of symptoms associated with benign prostatic hyperplasia (BPH). Initial launches of Urorec® were made during 2010 and continued during 2011 which includes the launch in Italy. Currently the product is already available in 15 countries with sales of € 14.5 million in the first half 2012. In the first quarter the overall market share considering both direct sales and licensee sales is 7.5% (*IMS - BPH market - Sales by active ingredient in 17 EU countries*).

The roll-out Livazo® (pitavastatin), a novel statin indicated for the reduction of elevated total and LDL cholesterol, started in 2011 with the launches in Spain and in Portugal. Sales during the first half 2012 are € 7.0 million.

In the first half of 2012 sales of other corporate products which comprise Lomexin® (fenticonazole), Urispas® (flavoxate), Kentera® (oxybutynin transdermal patch), TransAct® LAT (flurbiprofen transdermal patch), rupatadine (Alergoliber®, Rupafin® e Wystamm®), Lopresor® (metoprolol) and Procto-Glyvenol® totaled € 34.8 million, up by 12.1%.

Our specialties indicated for the treatment of rare and orphan diseases, marketed directly throughout Europe, in the Middle East and in the U.S.A., and through partners in other parts of the world, generated sales of € 38.6 million in the first half of 2012, an increase of 9.8% due mainly to the strong growth of Carbaglu® (carglumic acid) and of Cystadane® (betaine anhydrous).

The pharmaceutical sales of the Recordati subsidiaries, which include the abovementioned product sales, are shown in the following table.

€ (thousands)	First half 2012	First half 2011	Change 2012/2011	%
Italy	114,884	121,805	(6,921)	(5.7)
France	62,345	66,155	(3,810)	(5.8)
Germany	33,381	32,802	579	1.8
Turkey	31,775	16,276	15,499	95.2
Spain	17,634	16,347	1,287	7.9
Portugal	16,903	17,208	(305)	(1.8)
United Kingdom	3,329	4,246	(917)	(21.6)
Other Western European countries	9,974	9,627	347	3.6
Russia, Czech Rep., other C.E.E. countries	32,264	27,896	4,368	15.7
Other international sales	82,524	73,099	9,425	12.9
Total pharmaceutical revenue	405,013	385,461	19,552	5.1

Both years include sales as well as other income.

Sales of pharmaceuticals in Italy are down by 5.7%, as compared to the same period of the preceding year. The basis of comparison includes up-front payments of € 4.6 million received from our licensees following the launch of the lercanidipine+enalapril fixed combination in Italy during April 2011. Cardicor® (bisoprolol), a beta-blocker indicated for the treatment of chronic, stable, moderate to severe heart failure, is performing well and sales Urorec® (silodosin) and of Zanipril®/Lercaprel® (lercanidipine+enalapril), both launched in the second quarter of 2011, are developing positively. OTC products also performed well in the period.

Pharmaceutical sales in France are down by 5.8% mainly due to the sales decrease of Zanidip® (lercanidipine). Sales of Zanextra® (lercanidipine+enalapril), of Urorec® (silodosin) and of methadone, as well as the OTC line of products indicated for the treatment of ENT disorders, are growing.

In Germany sales are up by 1.8% thanks to the sales growth of Zanipress® (lercanidipine+enalapril) and of the main products in the portfolio. As from the second quarter 2012 the German product portfolio includes the six OTC products acquired from Cilag GmbH International and McNeil GmbH & Co. oHG.

Sales in Turkey almost doubled following the acquisition in the last quarter of 2011 of the Turkish pharmaceutical company Dr. F. Frik İlaç. Yeni Recordati generated sales in the first half 2012 of 30.8 million Turkish lira, an increase of 11.8% over the 27.6 million Turkish lira recorded in the same period of the preceding year, net of the compulsory contribution to the Turkish healthcare system. Lercadip® (lercanidipine) and the treatments for rare diseases are performing well and Procto-Glyvenol®, acquired during 2011, was added to the portfolio. Sales generated by the newly acquired company Dr. F. Frik İlaç are 43.6 million Turkish lira. The consolidated sales of both companies, net of intercompany production revenue, is 69.2 million Turkish lira.

In Spain sales increase by 7.9% thanks to the growth of Urorec® (silodosin) and of Zanipress® (lercanidipine+enalapril) in addition to sales of Livazo® (pitavastatin) launched in the second quarter of 2011.

Sales in Portugal are down by 1.8% mainly due to the overall contraction of the pharmaceutical market in Portugal and decreasing Zanidip® (lercanidipine) sales. On the other hand, Zanipress® (lercanidipine+enalapril) and Urorec® (silodosin) as well as Livazo® (pitavastatin), launched during 2011, are performing well.

Sales in the United Kingdom are down by 21.6% due to the drop in Zanidip® (lercanidipine) and plain lercanidipine sales.

Sales in other countries in Western Europe, up by 3.6%, comprise sales of products for the treatment of rare diseases in a number of countries and sales generated by Recordati Ireland and by Recordati Hellas Pharmaceuticals in their respective local markets. In particular, sales in Greece recorded by Recordati Hellas grow by 15.4%.

Revenue generated in Russia and in the other countries within the Commonwealth of Independent States (C.I.S.) is € 22.0 million, up by 14.9% over the same period of the preceding year thanks to the strong growth of the main products in the portfolio and to initial sales of Lomexin® (fenticonazole), of Urorec® (silodosin) and of Zanidip® (lercanidipine) launched at the end of 2011, and of Coripren® (lercanidipine+enalapril) launched during the second quarter 2012.

Sales generated by Herbacos Recordati in the Czech and Slovak Republics are € 7.1 million, slightly up compared to the same period of the preceding year.

In Romania our subsidiary Recordati România started selling corporate products Urorec® (silodosin), Lomexin® (fenticonazole) and Procto-Glyvenol® during 2011. Recordati Polska, established in Poland in 2011, has started to market Procto-Glyvenol®.

Other international sales grow by 12.9% and comprise the sales to and other revenues from our licensees for our corporate products, Bouchara Recordati's export sales, and Orphan Europe's exports worldwide including the U.S.A.. The reduction in lercanidipine sales was more than offset by sales of lercanidipine+enalapril, fenticonazole, silodosin, flavoxate and pitavastatin to our licensees. Bouchara Recordati's export sales grow by 21.5% and sales of the products for the treatment of rare diseases to licensees and direct exports grow by 48.8%.

FINANCIAL REVIEW

INCOME STATEMENT

The following table shows the profit and loss accounts, including their expression as a percent of sales and change versus the first half 2011:

€ (thousands)	First half 2012	% of revenue	First half 2011	% of revenue	Change 2012/2011	%
Revenue	419,944	100.0	401,019	100.0	18,925	4.7
Cost of sales	(147,518)	(35.1)	(133,539)	(33.3)	(13,979)	10.5
Gross profit	272,426	64.9	267,480	66.7	4,946	1.8
Selling expenses	(128,988)	(30.7)	(125,703)	(31.3)	(3,285)	2.6
R&D expenses	(28,774)	(6.9)	(30,950)	(7.7)	2,176	(7.0)
G&A expenses	(22,628)	(5.4)	(22,045)	(5.5)	(583)	2.6
Other income (expense), net	(1,884)	(0.4)	(620)	(0.2)	(1,264)	n.s.
Operating income	90,152	21.5	88,162	22.0	1,990	2.3
Financial income (expense), net	(2,414)	(0.6)	(2,280)	(0.6)	(134)	5.9
Pretax income	87,738	20.9	85,882	21.4	1,856	2.2
Provision for income taxes	(24,477)	(5.8)	(23,529)	(5.9)	(948)	4.0
Net income	63,261	15.1	62,353	15.5	908	1.5
Attributable to:						
Equity holders of the parent	63,256	15.1	62,347	15.5	909	1.5
Minority interests	5	0.0	6	0.0	(1)	(16.7)

Revenue for the period is € 419.9 million, an increase of € 18.9 million compared to the first half of 2011. For a detailed analysis please refer to the preceding "Review of Operations".

Gross profit is € 272.4 million with a margin of 64.9% on sales, down compared to that of the first half of 2011 due to the lower proportion of lercanidipine to total product sales.

Selling expenses as a percent of sales decreased compared to the same period of the preceding year. R&D expenses are € 28.8 million, below those of the same period of the preceding year. G&A expenses are up by 2.6%.

Other expenses net of other income are € 1.9 million and include the pay-back due to AIFA (the Italian medicines agency) in substitution for the 5% price reduction on selected products.

Net financial charges are € 2.4 million (€ 2.3 million in the same period of 2011), an increase mainly due to the cost associated with the loans in the newly acquired Turkish company.

The effective tax rate during the period is 27.9%, substantially in line with that of the same period of the preceding year.

Net income at 15.1% of sales is € 63.3 million, an increase of 1.5% over the same period of the preceding year.

NET FINANCIAL POSITION

The net financial position is set out in the following table:

€ (thousands)	30 June 2012	31 December 2011	Change 2012/2011	%
Cash and short-term financial investments	79,139	105,164	(26,025)	(24.7)
Bank overdrafts and short-term loans	(5,602)	(13,555)	7,953	(58.7)
Loans – due within one year ⁽¹⁾	(7,627)	(11,616)	3,989	(34.3)
Net liquid assets	65,910	79,993	(14,083)	(17.6)
Loans – due after one year ⁽¹⁾	(132,503)	(135,727)	3,224	(2.4)
Net financial position	(66,593)	(55,734)	(10,859)	19.5

⁽¹⁾ Includes the fair value of the hedging derivatives (fair value hedge).

At 30 June 2012 the net financial position shows a net debt of € 66.6 million compared to net debt of € 55.7 million at 31 December 2011. During the first half € 21.0 were paid for the acquisition of six OTC products in Germany from Cilag GmbH International and McNeil GmbH & Co. oHG and dividends were distributed for a total of € 21.3 million. During the period net working capital increased by € 36.2 million due to higher net trade receivables as a result of the growth in sales (average days sales outstanding remain unchanged at 72), to higher inventories due to seasonality and to the introduction of a different payment to suppliers policy in some countries.

RELATED PARTY TRANSACTIONS

Tax liabilities shown in the consolidated balance sheet at 30 June 2012 include those payable to the controlling company Fime S.p.A. for an amount of € 2.5 million. This amount refers to tax liabilities computed by the parent Recordati S.p.A. based on estimated taxable income and transferred to the controlling company consequent to the participation in a tax consolidation grouping under tax laws in Italy.

Except for the above, to our knowledge, no transactions or contracts have been entered into with related parties that can be considered significant, in value or conditions, or which could in any way materially affect the accounts.

SECOND QUARTER 2012 REVIEW

The following table shows the profit and loss accounts, including their expression as a percent of sales and change versus the second quarter of 2011:

€ (thousands)	Second quarter 2012	% of revenue	Second quarter 2011	% of revenue	Change 2012/2011	%
Revenue	200,385	100.0	203,177	100.0	(2,792)	(1.4)
Cost of sales	(69,521)	(34.7)	(66,629)	(32.8)	(2,892)	4.3
Gross profit	130,864	65.3	136,548	67.2	(5,684)	(4.2)
Selling expenses	(63,489)	(31.7)	(65,679)	(32.3)	2,190	(3.3)
R&D expenses	(13,047)	(6.5)	(15,323)	(7.5)	2,276	(14.9)
G&A expenses	(10,852)	(5.4)	(11,142)	(5.5)	290	(2.6)
Other income (expense), net	(969)	(0.5)	(568)	(0.3)	(401)	70.6
Operating income	42,507	21.2	43,836	21.6	(1,329)	(3.0)
Financial income (expense), net	(1,141)	(0.6)	(1,265)	(0.6)	124	(9.8)
Pretax income	41,366	20.6	42,571	21.0	(1,205)	(2.8)
Provision for income taxes	(11,879)	(5.9)	(11,641)	(5.7)	(238)	2.0
Net income	29,487	14.7	30,930	15.2	(1,443)	(4.7)
Attributable to:						
Equity holders of the parent	29,485	14.7	30,927	15.2	(1,442)	(4.7)
Minority interests	2	0,0	3	0.0	(1)	(33.3)

Revenue for the period is € 200.4 million, a decrease of 1.4% compared to the second quarter 2011. Pharmaceutical sales are € 192.9 million, down 1.5%. Sales of pharmaceutical chemicals are € 7.5 million, growing by 2.8%.

Gross profit is € 130.9 million with a margin of 65.3% on sales, down compared to that of the second quarter 2011 due to the lower proportion of lercanidipine to total product sales.

Selling expenses decrease compared to the same period of the preceding year both in absolute terms and as percent of sales. R&D expenses are € 13.0 million, a reduction of 14.9% as compared to the same period of the preceding year. G&A expenses are down by 2.6%.

Other expenses net of other income are € 1.0 million and include the pay-back due to AIFA (the Italian medicines agency) in substitution for the 5% price reduction on selected products.

Net financial charges are € 1.1 million (€ 1.3 million in the same period of 2011), down mainly due to currency exchange gains recorded during the period.

The effective tax rate during the period is 28.7%, higher than that in the same period of the preceding year.

Net income at 14.7% of sales is € 29.5 million, a decrease of 4.7% compared to the same period of the preceding year.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

The group's business performance was in line with expectations during July. For the full year 2012 we expect to achieve revenues between € 810 and € 830 million, operating income between € 160 and € 170 million and net income between € 115 and € 120 million.

**INTERIM FINANCIAL STATEMENTS OF
RECORDATI S.P.A.
AT 30 JUNE 2012**

RECORDATI S.p.A.
INCOME STATEMENTS FOR THE PERIODS ENDED
30 JUNE 2012 AND 30 JUNE 2011

Income Statement

Amounts in euro	Notes	First half 2012	First half 2011
Revenue	3	144,298,024	149,463,180
Other revenues and income	4	1,205,339	622,271
Total revenue		145,503,363	150,085,451
Raw materials costs	5	(53,589,682)	(48,963,713)
Personnel costs	6	(35,857,413)	(34,149,954)
Amortization	7	(3,913,811)	(4,126,202)
Other operating expenses	8	(33,569,911)	(33,875,002)
Changes in inventories	9	5,641,260	588,814
Operating income		24,213,806	29,559,394
Income from investments	10	64,988,000	55,889,000
Financial income and expense	11	(2,511,236)	(2,629,369)
Pre-tax income		86,690,570	82,819,025
Provision for taxes	12	(8,835,000)	(10,664,000)
Net income for the period		77,855,570	72,155,025
Earnings per share			
Basic		0.390	0.363
Diluted		0.371	0.344

Earnings per share (EPS) are based on average shares outstanding in the relative periods, 199,382,580 in 2012 and 198,833,660 in 2011. The figures are calculated net of average treasury stock held, which amounted to 9,742,576 shares in 2012 and 10,291,496 shares in 2011.

Diluted earnings per share is calculated taking into account stock options granted to employees.

RECORDATI S.p.A.
BALANCE SHEET AT 30 JUNE 2012 AND AT 31 DECEMBER 2011

Assets

Amounts in euro	Notes	30 June 2012	31 December 2011
Non-current assets			
Property, plant and equipment	13	36,424,127	35,944,001
Intangible assets	14	16,651,083	17,531,101
Investments	15	417,142,877	417,054,241
Other non-current assets	16	19,165,504	20,112,266
Deferred tax assets	17	4,306,889	4,869,889
Total non-current assets		493,690,480	495,511,498
Current assets			
Inventories	18	52,211,910	46,570,650
Trade receivables	19	65,539,786	54,335,809
Other receivables	20	72,660,526	3,700,843
Other current assets	21	1,578,294	318,736
Fair value of hedging derivatives (fair value hedges)	25	3,822,207	1,791,371
Other short term receivables	22	31,353,864	32,511,872
Short-term financial investments, cash and cash equivalents	23	42,963,772	35,519,366
Total current assets		270,130,359	174,748,647
Total assets		763,820,839	670,260,145

RECORDATI S.p.A.

BALANCE SHEET AT 30 JUNE 2012 AND AT 31 DECEMBER 2011

Equity and Liabilities

Amounts in euro	Notes	30 June 2012	31 December 2011
Shareholders' equity			
Share capital	24	26,140,645	26,140,645
Additional paid-in capital	24	83,718,523	83,718,523
Treasury stock	24	(51,664,893)	(53,214,711)
Statutory reserve	24	5,228,129	5,228,129
Other reserves	24	222,579,957	203,232,183
Revaluation reserve	24	2,602,229	2,602,229
Interim dividend	24	0	(38,525,218)
Net income for the period	24	77,855,570	78,461,982
Total shareholders' equity		366,460,160	307,643,762
Non-current liabilities			
Loans – due after one year	25	133,315,010	160,481,008
Staff leaving indemnities	26	10,018,504	10,759,236
Deferred tax liabilities	27	2,058,636	2,058,636
Total non-current liabilities		145,392,150	173,298,880
Current liabilities			
Trade payables	28	46,555,292	36,417,250
Other payables	29	16,032,314	14,961,134
Tax liabilities	30	5,813,031	3,661,973
Other current liabilities	31	55,948	63,853
Provisions	32	7,580,425	6,399,298
Fair value of hedging derivatives (<i>cash flow hedges</i>)	33	3,821,649	4,227,201
Loans – due within one year	34	6,952,738	6,952,738
Bank overdrafts and short term loans	35	553,407	528,494
Other short-term borrowings	36	164,603,725	116,105,562
Total current liabilities		251,968,529	189,317,503
Total equity and liabilities		763,820,839	670,260,145

RECORDATI S.p.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2012 AND 30 JUNE 2011

€ (thousands)	First half 2012	First half 2011
Net income for the period	77,856	72,155
Gains/(losses) on cash flow hedges	405	1,054
Income (expense) for the year recognised directly in equity	405	1,054
Comprehensive income for the period	78,261	73,209

RECORDATI S.p.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€ (thousands)	Share capital	Addition al paid-in capital	Treasury stock	Statutory reserve	Other reserves	Other reserves Fair Value hedging instrument s	Other reserves IAS compliance	Revaluation reserves	Interim dividend	Net (loss)/income for the period	Total
Balance at 31 December 2010	26,141	83,718	(52,579)	5,228	103,137	(4,299)	89,310	2,602	0	67,892	321,150
Allocation of 2010 net income as per shareholders' resolution of 13.4.2011:											
to reserves					13,279					(13,279)	0
dividends to shareholders										(54,613)	(54,613)
Purchase of treasury stock			(9,680)								(9,680)
Sales of treasury stock			14,412		406						14,818
Comprehensive income for the period							1,054			72,155	73,209
IAS compliance:											
Stock options								613			613
Balance at 30 June 2011	26,141	83,718	(47,847)	5,228	116,822	(3,245)	89,923	2,602	0	72,155	345,497
Balance at 31 December 2011	26,141	83,718	(53,215)	5,228	116,644	(4,227)	90,816	2,602	(38,525)	78,462	307,644
Allocation of 2011 net income as per shareholders' resolution of 19.4.2012:											
to reserves					18,661					(18,661)	0
dividends to shareholders									38,525	(59,801)	(21,276)
Sales of treasury stock			1,550		(313)						1,237
Comprehensive income for the period							405			77,856	78,261
IAS compliance :											
Stock options								594			594
Balances at 30 June 2012	26,141	83,718	(51,665)	5,228	134,992	(3,822)	91,410	2,602	0	77,856	366,460

RECORDATI S.p.A.
CASH FLOW STATEMENTS FOR THE PERIODS ENDED 30 JUNE 2012 AND 30 JUNE 2011

€ (thousands)	First half 2012	First half 2011
Operating activities		
Net income for the period	77,856	72,155
Income from equity investments	(64,988)	(55,889)
Depreciation of property, plant and equipment	2,776	3,001
Amortization of intangible assets	1,138	1,126
(Increase)/decrease in deferred tax liabilities	563	1,127
Increase/(decrease) in staff leaving indemnities	(741)	(359)
Other provisions	1,181	(14)
Dividends received	0	30,889
Trade receivables	(11,204)	(11,555)
Other receivables and other current assets	(6,030)	(2,441)
Inventories	(5,641)	(589)
Trade payables	10,138	3,639
Other payables and other current liabilities	1,063	(4,307)
Tax liabilities	2,151	5,500
Net cash from operating activities	8,262	42,283
Investing activities		
Net (investments)/disposals in property, plant and equipment	(3,257)	(2,898)
Net (investments)/disposals in intangible assets	(258)	(172)
Net (increase)/decrease in equity investments	(89)	48
Net (increase)/decrease in other non-current assets	947	0
Net cash used in investing activities	(2,657)	(3,022)
Financing activities		
Loans – due after one year	0	69,748
Dividends paid	(21,276)	(54,613)
(Purchase)/sale of treasury stock	1,237	5,138
Effect on shareholders' equity of application of IAS/IFRS	594	613
Re-payment of loans	(28,398)	0
Net cash from/(used in) financing activities	(47,843)	20,886
Changes in short-term financial position	(42,238)	60,147
Short-term financial position at beginning of year *	(48,602)	25,447
Short-term financial position at end of year *	(90,840)	85,594

* Includes the total of other short term loans, short-term financial investments and cash and cash equivalents, bank overdrafts and other short term borrowings excluding the current portion of medium and long-term loans.

RECORDATI S.p.A.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012

1. GENERAL

These separate interim financial statements at 30 June 2012 comprise the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and these notes to the interim financial statements. The presentation adopted by the Company for the income statement in these interim financial statements classifies revenues and expenses by nature. The distinction between the principle of current and non-current was adopted for the presentation of assets and liabilities in the balance sheet.

These interim financial statements are presented in euro (€) and all amounts in the notes to the statements are rounded to the nearest thousand euro unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements at 30 June 2012 have been prepared in shortened form, in compliance with IAS 34 "Interim financial reporting". The interim financial statements do not therefore include all the information required of annual financial statements and must be read together with the annual report for the full year ended 31 December 2011, prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and endorsed by the EU in accordance with Regulation No. 1606/2002.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the reporting date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgement, deviate from the actual circumstances, they will be modified in accordance with the changes in the circumstances.

These measurement activities, and especially the more complex calculations such as those required to identify impairment loss, are carried out in depth only for the preparation of the year-end consolidated financial statements, except when there is an indication that an asset has suffered an impairment loss which would require an immediate estimate of the loss.

3. REVENUE

In the first six months of 2012 the total revenue amounted to € 144,298 thousand (€ 149,463 thousand in the same period of 2011) and was composed as follows:

€ (thousands)	First six months 2012	First six months 2011	Change 2012/2011
Net sales	140,286	140,418	(132)
Royalties and up-front payments	231	5,440	(5,209)
Revenue from services	3,781	3,605	176
Total revenue	144,298	149,463	(5,165)

Up-front payments in the previous year included the quota charged to licensees for the launch of the lercanidipine-enalapril fixed combination in Italy.

4. OTHER REVENUES AND INCOME

Other revenue in the first six months of 2012 amounted to € 1,205 thousand at 30 June 2012, compared to € 622 thousand in the first six months of 2011. It includes charging employees for the use of hired cars, other indemnities, non-recurring income, prior year receivables and gains on the sale of non-current assets.

5. RAW MATERIALS COSTS

These are composed as follows:

€ (thousands)	First six months 2012	First six months 2011	Change 2012/2011
Raw materials and goods for resale	47,021	42,014	5,007
Packaging materials	3,050	3,904	(854)
Others and consumables	3,519	3,046	473
Total	53,590	48,964	4,626

6. PERSONNEL COSTS

Personnel costs were composed as follows:

€ (thousands)	First six months 2012	First six months 2011	Change 2012/2011
Wages and salaries	24,900	23,799	1,101
Social security expenses	8,181	7,771	410
Salary resulting from stock option plans	594	613	(19)
Other costs	2,182	1,967	215
Total personnel costs	35,857	34,150	1,707

The expense for stock option plans is a result of the application of IFRS 2, which requires the valuation of those options as a component of the wages of the beneficiaries and recognition of the cost determined in that manner in the income statement.

Other costs include the portions of the leaving indemnity charges for the year destined to pension funds in accordance with the legislation introduced by Law 296 of 27 December 2006.

7. Amortization

Amortization is composed as follows:

Amortization of intangible assets

€ (thousands)	First six months 2012	First six months 2011	Change 2012/2011
Patent rights and marketing authorisations	217	217	0
Distribution, license, trademark and similar rights	920	907	13
Other	1	2	(1)
Total	1,138	1,126	12

Depreciation of property, plant and equipment

€ (thousands)	First six months 2012	First six months 2011	Change 2012/2011
Industrial buildings	581	580	1
Light constructions	7	8	(1)
General plant	301	292	9
Accelerated depreciation machinery	711	738	(27)
Normal depreciation machinery	599	905	(306)
Miscellaneous laboratory equipment	296	215	81
Office furnishings and machines	55	61	(6)
Electronic equipment	207	183	24
Motor vehicles	11	8	3
Vehicles for internal transport	8	10	(2)
Total	2,776	3,000	(224)

8. OTHER OPERATING EXPENSES

Other operating expenses were composed as follows:

€ (thousands)	First six months 2012	First six months 2011	Change 2012/2011
Services	27.431	29.093	(1.662)
Lease expenses	1.639	1.383	256
Provisions	1.350	0	1.350
Sundry expenses	3.150	3.399	(249)
Total	33.570	33.875	(305)

Other operating expenses include the following:

- the item services includes costs incurred for scientific meetings and publications, market research, expenses for medical and scientific communications, advertising, clinical and drugs trials and professional advice;
- the item lease expenses is composed mainly of car hire expenses;
- the item sundry expenses is composed almost entirely of “pay back” costs and the 1.83% discount to be reimbursed to regions.

9. CHANGES IN INVENTORIES

Details of changes in inventories are as follows:

€ (thousands)	First six months 2012	First six months 2011	Change 2012/2011
Raw materials	1,727	1,855	(128)
Supplies	(59)	499	(558)
Intermediates and work-in-process	203	1,289	(1,086)
Finished goods	3,770	(3,054)	6,824
Total	5,641	589	5,052

10. INCOME FROM INVESTMENTS

Income from investments amounted to € 64,988 thousand (€ 55,889 thousand in the first six months of 2011) and related to subsidiaries.

This income consisted of dividends declared and to be received from Bouchara Recordati S.a.s. (€ 19,988 thousand) and from Recordati S.A. Chemical & Pharmaceutical Company (€ 45,000 thousand).

11. FINANCIAL INCOME (EXPENSE)

Net financial income (expense) showed a net expense of € 2,511 thousand for the first six months of 2012 (€ 2,629 thousand in the same period of 2011). The main items are summarised in the table below.

€ (thousands)	First six months 2012	First six months 2011	Change 2012/2011
Foreign exchange gains (losses)	716	(233)	949
Revaluations of personnel leaving indemnity advances	1	1	0
Interest income from subsidiaries	1,762	150	1,612
Interest expense payable to subsidiaries	(3,909)	(2,541)	(1,368)
Interest expense on loans	(1,041)	(636)	(405)
Net interest on short-term financial positions	348	1,012	(664)
Bank charges	(158)	(156)	(2)
Interest cost in respect of defined benefit plans (IAS 19) (leaving indemnities)	(230)	(226)	(4)
Change in fair value of hedging derivatives	96	(3,270)	3,366
Change in fair value of hedged items	(96)	3,270	(3,366)
Total	(2,511)	(2,629)	118

Interest income from subsidiaries relates to loans granted to subsidiaries (€ 1,352 thousand) and to the centralised cash pooling treasury system in operation at the Parent Company since 2007 on the basis of which monthly interest receivables and payables are recognised at market rates (€ 410 thousand).

Interest expense paid to subsidiaries relates to loans granted to subsidiaries (€ 1,117 thousand), to the centralised cash pooling system amounting to € 1,011 thousand and to the interest of € 1,781 thousand paid to Recordati S.A..

Interest expense in respect of defined benefit plans (leaving indemnities) relates to the interest cost component of the adjustment to the relative provision in compliance with IAS 19.

The fair value changes in hedging derivatives relates to the valuation of a “cross-currency interest rate swap” for the intercompany loan concluded at the end of 2004 designed to eliminate currency risk for loans denominated in United States dollars and the UK pound sterling. This amount reflects the change in the fair value of the underlying debt with respect to its nominal value, with no effect in the income statement. It is recognized as a fair value hedge.

12. TAXES

Taxes recognized in the income statement are composed as follows:

€ (thousands)	First six months 2012	First six months 2011	Change 2012/2011
Current taxation:			
IRES (corporation tax)	6,443	7,547	(1,104)
IRAP (regional tax on production)	1,829	1,989	(160)
Total current taxation	8,272	9,536	(1,264)
Deferred taxes:			
Provision for prepaid taxes	(505)	(124)	(381)
Use of prior year (prepaid)/deferred tax provisions	1,068	1,252	(184)
Total deferred tax liabilities	563	1,128	(565)
Total	8,835	10,664	(1,829)

Provisions for taxes were made on the basis of estimated taxable income.

13. PROPERTY, PLANT AND EQUIPMENT

Property plant and equipment, net of accumulated depreciation at 30 June 2012 and at 31 December 2011 amounted to € 36,424 thousand and € 35,944 thousand respectively. Changes in this item are given below.

€ (thousands)	Land & buildings	Plant & machinery	Other fixtures	Construction in progress	Total property, plant and equipment
Cost of acquisition					
Balance at 31.12.11	35,850	132,902	30,154	3,704	202,610
Additions	3	99	113	3,041	3,256
Disposals	0	(141)	(42)	0	(183)
Reclassifications	68	541	519	(1,128)	0
Balance at 30.06.12	35,921	133,401	30,744	5,617	205,683
Accumulated depreciation					
Balance at 31.12.11	23,238	117,635	25,793	0	166,666
Depreciation for the period	588	1,611	577	0	2,776
Disposals	0	(141)	(42)	0	(183)
Reclassifications	0	0	0	0	0
Balance at 30.06.12	23,826	119,105	26,328	0	169,259
Carrying amount					
At 30 June 2012	12,095	14,296	4,416	5,617	36,424
At 31 December 2011	12,612	15,267	4,361	3,704	35,944

Depreciation recognized in the year amounted to € 2,776 thousand and was calculated on all depreciable assets using rates which are held to be representative of the estimated useful life of the assets.

14. INTANGIBLE ASSETS

Intangible assets, net of accumulated amortization at 30 June 2012 and at 31 December 2011 amounted to € 16,651 thousand and € 17,531 thousand respectively. Changes in this item are given below.

€ (thousands)	Patent rights and marketing authorisations	Distribution, license, trademark and similar rights	Other	Assets under construction and advances	Total intangible assets
Cost of acquisition					
Balance at 31.12.11	30,575	20,609	13,244	430	64,858
Additions	0	109	0	149	258
Disposals	0	0	0	0	0
Reclassifications	0	202	0	(202)	0
Balance at 30.06.12	30,575	20,920	13,244	377	65,116
Accumulated amortization					
Balance at 31.12.11	24,808	9,276	13,243	0	47,327
Amortization for the period	217	920	1	0	1,138
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Balance at 30.06.12	25,025	10,196	13,244	0	48,465
Carrying amount					
At 30 June 2012	5,550	10,724	0	377	16,651
At 31 December 2011	5,767	11,333	1	430	17,531

All intangible assets have a defined useful life and are amortized over a period not exceeding 20 years.

15. INVESTMENTS

Investments at 30 June 2012 amounted to € 417,143 thousand (€ 417,054 at 31 December 2011), an increase as shown in the table in Attachment 1. The percentage of ownership and the number of shares or quotas possessed are reported in Attachment 2.

16. OTHER NON-CURRENT ASSETS

Non-current receivables at 30 June 2012 amounted to € 19,166 thousand (€ 20,112 thousand at 31 December 2011) and related mainly to a long term loan granted to Yeni Recordati Ilaç (€ 19,109 due in 2016).

17. DEFERRED TAX ASSETS

At 30 June 2012 these amounted to € €4,307 thousand (€ 4,870 thousand at 31 December 2011), a decrease of € 563 thousand.

The decrease relates mainly to the amortization charges for intangible assets revalued in 2005 under Law 226 of 23.12.2005.

18. INVENTORIES

Inventories at 30 June 2012 and at 31 December 2011 amounted to € 52,212 thousand and € 46,571 thousand respectively, as shown in the following table:

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Raw materials, ancillary materials, consumables and supplies	11,844	10,176	1,668
Intermediates and work-in-process	12,269	12,067	202
Finished goods	28,099	24,328	3,771
Total	52,212	46,571	5,641

The change in inventories is due to the particular strong performance by sales in the first half of 2011, which reduced stocks to a very low level at 30 June 2011, compared to the uncertainties over the impacts of the new legislation and the relative impact on distribution, which characterised the market in 2012.

19. TRADE RECEIVABLES

Trade receivables at 30 June 2012 and at 31 December 2011 amounted to € 65,540 thousand and € 54,336 thousand respectively as shown below:

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Trade receivables from subsidiaries	28,419	27,019	1,400
Trade receivables from others:			
Italy	31,685	23,863	7,822
Abroad	6,003	4,141	1,862
	66,107	55,023	11,084
Less:			
Allowance for doubtful accounts	(484)	(603)	119
Allowance for interest on arrears on doubtful accounts	(83)	(84)	1
Total trade receivables	65,540	54,336	11,204

The change in trade receivables from others at 30 June compared to 31 December 2011 is due in particular to the different concentration of sales in the two respective preceding periods.

20. OTHER RECEIVABLES

Other receivables at 30 June 2012 amounted to € 72,661 thousand (€ 3,701 thousand at 31 December 2011). The composition is given in the table below.

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Tax income	730	1,482	(752)
From parent companies	9	20	(11)
From subsidiaries	68,708	378	68,330
Advances to employees and agents	328	291	37
Other	2,886	1,530	1,356
Total other receivables	72,661	3,701	68,960

Receivables from subsidiaries include those for dividends declared and to be received from Bouchara Recordati S.a.s. (€ 19,988 thousand) and Recordati S.A. Chemical & Pharmaceutical Company (€ 45,000 thousand).

21. OTHER CURRENT ASSETS

Other current assets amounted to € 1,578 thousand (€ 319 thousand at 31 December 2011) and related mainly to prepaid expenses. They consisted of balances in favour of insurance companies for policies, advance payments for periodic market research services and advance membership fees to trade associations.

22. OTHER SHORT TERM RECEIVABLES

Other short term receivables amounted to € 31,354 thousand (€ 32,512 thousand at 31 December 2011) and all consisted of amounts due from subsidiaries.

These receivables are mainly due to a cash pooling treasury system in operation at the Parent Company. Interest is paid on these receivables at short-term market rates.

23. SHORT-TERM FINANCIAL INVESTMENTS, CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to € 42,964 thousand at 30 June 2012 (€ 35,519 thousand at 31 December 2011) and consisted of current accounts and short term bank deposits. Adequate funding was maintained in order to support the growth strategies of the Group.

24. SHAREHOLDERS' EQUITY

A summary of the changes in the shareholders' equity accounts is reported in the relative statement. As a result of the enforcement of the Legislative Decree 6/2003, which amended the Italian Civil Code, the table presented as Attachment 3 was introduced. It gives the composition of reserves on the basis of availability for use and distribution.

Share capital - The share capital at 30 June 2012, amounting to € 26,140,644.50 is fully paid up and consists of 209,125,156 ordinary shares with a par value of € 0.125 each. It remained unchanged over the first six months of 2012.

At 30 June 2012 the company had two stock option plans in place in favour of certain Group employees, the 2006-2009 plan under which three different valid options were granted and the 2010-2013 plan under which options were granted on 9 February 2011 and 8 May 2012. The exercise price of the options is the average of the Company's listed share price during the 30 days prior to the grant date. Options granted under the 2006-2009 plan are vested over a period of four years and options not exercised within the fifth year of the date of grant expire. Stock options granted under the 2010-2013 plan are vested over a period of five years and options not exercised within the eighth year of the date of grant expire. Options may not be exercised if the employee leaves the company before they are vested. Details of stock options outstanding at 31 June 2012 are given in the table below.

	Strike price (€)	Options outstanding at 1.1.2012	Options granted during 2012	Options exercised during 2012	Options cancelled or expired	Options outstanding at 30.06.2012
Grant date						
29 October 2008	4.0730	1,973,750	-	(183,750)	(25,000)	1,765,000
11 February 2009	3.8940	110,000	-	(5,000)	0	105,000
27 October 2009	4.8700	3,043,750	-	(96,250)	(30,000)	2,917,500
9 February 2011	6.7505	4,280,000	-	-	(40,000)	4,240,000
8 May 2012	5.3070	-	4,650,000		0	4,650,000
Total		9,407,500	4,650,000	(285,000)	(95,000)	13,677,500

Additional paid in capital

Additional paid-in capital at 30 June 2012 amounted to € 83,718,523 and was unchanged compared to 31 December 2011.

The adoption of international accounting standards resulted in the elimination of revaluation reserves amounting to € 68,644 thousand. The tax obligation on these (taxation suspended) was transferred to the additional paid-in capital reserve.

Treasury stock

At 30 June 2012 this amounted to € 51,665 thousand, consisting of 9,500,790 own shares held in portfolio.

The decrease during the year compared to 31 December 2011 was € 1,550 thousand, due to the disposal of 285,000 shares for use in the 2006-2009 stock option plan.

Statutory reserve

This amounted to € €5,228 thousand, unchanged compared to 31 December 2011.

Other reserves

Other reserves totalled € 222,580 thousand. Details are as follows:

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Extraordinary reserve	113,553	95,205	18,348
Reserve under Art. 13 Par. 6 of Legislative Decree 124/1993	99	99	0
Extraordinary VAT concession reserve	517	517	0

Research and investment grants	17,191	17,191	0
Non-distributable reserve for investments in southern Italy	3,632	3,632	0
International accounting standards reserve	91,410	90,816	594
Total	226,402	207,460	18,942
Fair value derivative instruments	(3,822)	(4,227)	405
Total other reserves	222,580	203,233	19,347

Extraordinary reserve

At 30 June 2012 and at 31 December 2011 this amounted to € 113,553 thousand and € 95,205 thousand respectively. The decrease is due to the allocation of part of 2011 net income amounting to € 18,661 thousand. Following the assignment of treasury stock to Group employees who exercised options under stock option plans, a difference arose between the amount paid to employees and the carrying amount of that treasury stock. That difference of € 313 thousand was recognised as a decrease in the extraordinary reserve in compliance with international accounting standards.

Reserve under Art. 13, paragraph 6 of Legislative Decree 124/93

At 30 June 2012 this amounted to € 99 thousand, unchanged compared to 31 December 2011.

Extraordinary VAT concession reserve

This reserve (Laws 675/1977, 526/1982, 130/1983 and 64/1986), amounting to € 517 thousand, relates to special VAT allowances on investments and is unchanged compared to 31 December 2011.

Research and investment grants

These amounted to € 17,191 thousand, unchanged compared to 31 December 2011. The grants are subject to taxation if they are used for purposes other than to cover losses, which, however, is not planned by the Company. The assets corresponding to the grants received from the Ministry of Industry and Commerce (formerly Asmez) have been mainly fully depreciated.

Non-distributable reserve for investments in southern Italy

This amounted to € 3,632 thousand, unchanged compared to 31 December 2011.

International accounting standards reserve

This amounted to € 91,410 thousand (€ 90,816 thousand at 31 December 2011) and is composed as follows:

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Reversal of fixed asset revaluations	40,477	40,477	0
Revaluation of investments	43,054	43,054	0
Inventories	463	463	0
Personnel leaving indemnities	1,462	1,462	0
<i>Stock options</i>	5,954	5,360	594
Total	91,410	90,816	594

With regard to those items on which movements occurred in 2012, the amount of € 5,954 thousand relates to the personnel expense for stock options issued and granted after 7 November 2002 and not yet exercised, valued in accordance with IFRS 2.

Revaluation reserve

This amounted to € 2,602 thousand (unchanged compared to 31 December 2011) and consisted of revaluation balances within the meaning of Law 413/1991.

25. LOANS

The composition of medium and long term loans at 30 June 2012 and at 31 December 2011 is shown below.

(thousand)	30.06.2012	31.12.2011	Change 2012/2011
Loan granted by the Ministry of Industry and Commerce repayable in annual instalments through 2013, at an annual interest rate of 3.30% during the amortization period (2004-2013) and at 0.825% before that.	274	274	0
Loan granted for research by Centrobanca at a floating interest rate repayable in six monthly instalments from 2012 and by 2022.	71,591	75,000	(3,409)
Loan received from Recordati S.A. (Luxembourg) granted on the basis of a long term debt issue concluded by that subsidiary with institutional investors.	65,609	65,609	0
Loan received from Recordati España S.L. with a due date of 19 April 2016, but repaid in advance during the period.	0	25,000	(25,000)
Total amortized cost of loans	137,474	165,883	(28,409)
Portion due within one year	(6,953)	(6,953)	0
Portion due after one year	130,521	158,930	(28,409)
Change in the fair value of loans	3,024	1,791	1,233
Expenses relating to Centrobanca loans	(230)	(240)	10
Total	133,315	160,481	(27,166)

On 30 November 2010, the Company signed a loan contract with Centrobanca, for a three year programme of investments in Research & Development. The loan, which Centrobanca funded through a loan from the European Investment Bank, amounted to € 75.0 million of which € 30.0 million, net of expenses of € 0.3 million, was disbursed in 2010 and € 45.0 million in the first quarter of 2011. The main terms and conditions were, a variable interest rate and a duration of 12 years with repayment in semi-annual instalments of the principal from June 2012 and through December 2022. In June 2012 the loan was hedged by an interest rate swap (a cash flow hedge), which transformed the whole debt to a fixed interest rate of 2.575%. Measurement of the fair value of the derivative instrument at 30 June 2012 was positive by € 0.4 million and this was recognized directly as an increase in shareholders'

equity and a reduction in the liability item “Fair value of hedging derivatives (cash flow hedges)” (see note 33).

The loan contract contains financial covenants which, if not complied with, may result in the immediate repayment of the loan. The financial covenants are as follows:

- the ratio of consolidated net debt to consolidated shareholders’ equity must be less than 0.75;
- the ratio of consolidated net debt to EBITDA (for a period of twelve consecutive months) must be less than 3.00;
- the ratio of EBITDA to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00.

Those conditions were amply fulfilled.

The loan received from Recordati S.A. (Luxembourg) is composed as follows:

Currency	Value in euro	Fixed rate	Year due
€ 26,000,000	26,000,000.00	5.705	2014
\$ 40,000,000	32,310,177.75	5.225	2014
GBP 5,000,000	7,299,270.07	6.295	2014

This loan was granted on the basis of an issue of long-term debt concluded by Recordati S.A. Luxembourg with institutional investors and guaranteed at the same time by Recordati S.p.A..

The series of guaranteed senior notes, issued by Recordati S.A. (Luxembourg) at the end of 2004, comprises tranches in various currencies at fixed interest rates. The tranches denominated in currencies other than the euro have been covered with a cross-currency interest rate swap effectively converting the whole debt into euro at a variable interest rate equivalent to the Euribor 6 months rate plus a spread. The tranches denominated in euro have been hedged with an interest rate swap effectively converting the interest charges on the debt from fixed to variable at the same above mentioned conditions. The measurement at fair value of the swaps at 30 June 2012 generated an asset of € 3.0 million, an amount equivalent to the decrease in the fair value of the underlying debt, compared to the nominal value. This amount is recognized in the balance sheet as a variation of debt and under current assets as 'Fair value of hedging derivatives (fair value hedge)'.

A further interest rate swap contract was entered into at the same time, qualifying as a cash flow hedge, to fix a range within which the interest rate can fluctuate in order to optimize the cost of financing for the life of the debt. At 30 June 2012 the lower and upper limits of the range were 4.08% and 4.85%. respectively. The € 4.2 million fair value of the cash flow hedge is recognized directly as a reduction in equity and stated as a current liability (see Note 33).

The derivative instruments and the hedged items are linked and the Company does not intend to terminate or modify them independently from each other.

26. STAFF LEAVING INDEMNITIES

The balance at 30 June 2012 was € 10,019 thousand (€ 10,759 thousand at 31 December 2011), a decrease of € 740 thousand.

27. DEFERRED TAX LIABILITIES

Deferred tax liabilities amounted to € 2,059 thousand, unchanged compared to 31 December 2011.

28. TRADE PAYABLES

Trade accounts payable, which are entirely of a business nature and include end-of-year provisions for invoices to be received, amounted at 30 December 2012 and at 31 December 2011 to € 46,555 thousand and € 36,417 thousand, respectively.

Balances at 30 June 2012 were as follows:

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Suppliers, subsidiaries	2,439	1,005	1,434
Suppliers, others	44,116	35,412	8,704
Total trade payables	46,555	36,417	10,138

There were no concentrations of large debts to a single or a small number of suppliers.

29. OTHER PAYABLES

At 30 June 2012 other accounts payable amounted to € 16,032 thousand (€ 14,961 thousand at 31 December 2011). They were composed as follows:

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Subsidiaries	1.389	0	1.389
Employees	6.029	6.625	(596)
Social security	4.915	5.506	(591)
Commissions to agents	926	603	323
Other	2.773	2.227	546
Total other payables	16.032	14.961	1.071

Amounts due to employees include amounts accruing and not paid, vacations not taken and bonuses for presence and for achieving objectives.

Social security payables not only include contribution expenses for those periods but also the amount due to pension institutes for June.

Other payables include directors' remuneration accrued at 30 June and those for the debt to Regions pursuant to Law 122 of 30 July 2010.

30. TAX LIABILITIES

Tax liabilities amounted to € 5,813 thousand (€ 3,662 thousand at 31 December 2011).

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Payables to Fimeì S.p.A. for IRES (corporate income tax)	2.546	1.556	990
Liabilities for current taxation	544	405	139
Payables to the tax authorities for VAT	798	0	798
Liabilities for employee withholding taxes	1.869	1.632	237
Liabilities for self-employed withholding taxes	55	67	(12)
Other tax liabilities	1	2	(1)
Total tax liabilities	5.813	3.662	2.151

Payables to the parent company Fimeì S.p.A. for IRES related to the balance for taxes for the period transferred by Recordati S.p.A. to its parent company as a consequence of opting for tax consolidation in accordance with articles 117 to 128 of Presidential Decree 917/1986 as amended by Legislative Decree 344/2003.

31. OTHER CURRENT LIABILITIES

Other current liabilities amounted to € 56 thousand (€ 64 thousand at 31 December 2011) and consist of liabilities for grants for investment received between 1998 and 2003 and carried over into subsequent years in relation to the residual useful life of the assets to which they relate.

32. PROVISIONS

These consist of tax and other provisions as reported in the table below.

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Tax	3.137	2.947	190
Other risks	4.443	3.452	991
Total other provisions	7.580	6.399	1.181

33. FAIR VALUE OF HEDGING DERIVATIVES (CASH FLOW HEDGES)

The interest rate swaps to hedge the cash flows related to medium and long-term loans measured at fair value at 30 June 2012 gave rise to a € 3,822 thousand liability which represents the unrealized benefit of paying the current expected future rates instead of the rates agreed for the duration of the loans.

That fair value relates mainly to an interest rate swap which defines a collar which limits the fluctuation of the interest rates payable on the guaranteed senior notes issued by Recordati S.A.

Chemical & Pharmaceutical Company.

That liability mentioned above is recognised in shareholders' equity within the "Fair value derivatives reserve".

34. LOANS - DUE WITHIN ONE YEAR

The portions of medium and long-term loans due within one year at 30 June 2012 and at 31 December 2011 were composed as follows:

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Loan granted by the Ministry of Industry and Commerce repayable in annual instalments through 2013, at an annual interest rate of 3.30% during the amortization period (2004-2013) and at 0.825% before that.	135	135	0
Loan granted for research by Centrobanca at a floating interest rate repayable in six monthly instalments from 2012 and by 2022.	6.818	6.818	0
Portion due within one year	6.953	6.953	0
Change in the fair value of loans	0	0	0
Total	6.953	6.953	0

35. BANK OVERDRAFTS AND SHORT TERM LOANS

Bank overdrafts and short term loans at 30 June 2012 and at 31 December 2011 amounted to € 553 thousand and € 528 thousand, respectively.

€ (thousands)	30.06.2012	31.12.2011	Change 2012/2011
Current account overdrafts	427	381	46
Interest on long term loans	126	147	(21)
Total	553	528	25

36. OTHER SHORT TERM PAYABLES

The balance on other short term payables consisted entirely of amounts due to subsidiaries and amounted to € 164,604 thousand (€ 116,106 thousand at 31 December 2011).

Loans were granted during the first few months of 2012 from Group companies amounting to € 31,999 thousand.

Payables to all other subsidiaries relate to the centralized cash pooling treasury system and amounted to € 132,605 thousand.

37. LITIGATION AND CONTINGENT LIABILITIES

The Company is party to certain legal actions, the outcomes of which are not expected to result in any significant liability.

On 29 September 2006 a notice of tax assessment was served on the Company by the Milan office of the tax authorities relating to the fiscal year 2003. It was assessed for additional taxation as follows: corporate tax of € 2.3 million, IRAP (regional production tax) of € 0.2 million and VAT of € 0.1 million and the imposition of fines of € 2.6 million. The Company believed no amount was due and considered the assessment flawed both from a legitimacy as well as a substantive point of view, and is supported in its position by professional opinion. An appeal was therefore filed with the Provincial Tax Commission of Milan. The first instance judgement before the Provincial Tax Commission was concluded partially in the Company's favour with decision No. 539/33/07 dated 11 October 2007, filed on 16 October 2007. An appeal was subsequently filed against that judgment with the Regional Tax Commission of Milan, firstly by the Milan office 6 of the Tax Authorities with notice served on 8 November 2008 and secondly by the Company with notice served on 7 January 2009. With judgement No. 139/32/09 of 10 June 2009, filed on 27 November 2009, section 32 of the Regional Tax Commission of Milan rejected the interlocutory appeal filed by the company and accepted the principal appeal of the Milan office 6 of the Tax Authorities. As a result of that judgement the claims contained in the aforementioned tax assessment relating to the tax year 2003 were confirmed in their entirety and the Company paid the full amount due. On 26 May 2010, the Company appealed that decision before the Supreme Court of Cassation.

38. SUBSEQUENT EVENTS

The Directors' Operating Review may be consulted for events subsequent to 30 June 2012.

RECORDATI S.p.A.
STATEMENT OF CHANGES IN INVESTMENTS

Attachment 1

€ (thousands)	Balance at 31 Dec 2011	Share capital sales and redemptions	Acquisitions subscriptions	Write-downs (-) Write-backs (+)	Balance at 30 Jun 2012
Investments in subsidiaries					
Recordati S.A. – Luxembourg	177,586	-	-	-	177,586
Recordati España S.L. – Spain	180,537	-	-	-	180,537
Recofarma S.r.l. – Milan	1,852	-	-	-	1,852
Innova Pharma S.p.A. – Milan	1,733	-	-	-	1,733
Recordati Portuguesa LDA – Portugal	78	-	-	-	78
Bouchara – Recordati S.a.s. – France	54,249	-	-	-	54,249
Recordati Pharmaceuticals Ltd. – United Kingdom	752	-	-	-	752
Recordati Hellas Pharmaceuticals S.A. – Greece	95	-	-	-	95
Recordati Polska Sp. Zo.o. – Poland	5	-	89	-	94
	416,887	0	89	0	416,976
Investments in other companies:					
Tecnofarmaci S.p.A. – Pomezia (Rome)	87	-	-	-	87
SPA Ricerche ed Education S.r.l. – Milan	0	-	-	-	0
Sifir S.p.A. – Reggio Emilia	0	-	-	-	0
Concorzio Dafne – Reggello (FI)	2	-	-	-	2
Consorzio Nazionale Imballaggi – Rome	0	-	-	-	0
Consorzio C4T – Pomezia (Rome)	78	-	-	-	78
	167	0	0	0	167
TOTAL	417,054	0	89	0	417,143

RECORDATI S.p.A.
SUMMARY STATEMENT OF INVESTMENTS

Attachment 2

€ (thousands)	Balance at 30 Jun 2012	Percentage ownership	Number of shares or quotas possessed
Investments in subsidiaries			
Recordati S.A. – Luxembourg	177,586	100.00	109,146
Recordati España S.L. – Spain	180,537	68.45	1,635,660
Recofarma S.r.l. – Milan	1,852	100.00	1
Innova Pharma S.p.A. – Milan	1,733	100.00	960,000
Bouchara – Recordati S.a.s. – France	54,249	99.94	9,994
Recordati Portuguesa LDA – Portugal	78	98.00	1
Recordati Pharmaceuticals Ltd. – United Kingdom	752	3.33	500,000
Recordati Hellas Pharmaceuticals – Greece	95	0.68	9,500
Recordati Polska Sp. Zo.o. - Poland	94	100.00	1
	416,976		
Investments in other companies:			
Tecnofarmaci S.p.A. – Pomezia (Rome)	87	4.18	79,500
Sifir S.p.A. – Reggio Emilia	0	0.04	1,304
Concorzio Dafne – Reggello (FI)	2	1.34	1
Consorzio C4T – Pomezia (Rome)	78	0.23	1,300
Consorzio Nazionale Imballaggi – Rome	0	n.s.	1
	167		
TOTAL	417,143		

RECORDATI S.p.A.
DETAILS OF ITEMS IN SHAREHOLDERS' EQUITY

Attachment 3

€ (thousands)	Amount	Possible utilization	Amount available	Amount distributable without tax effects	Amount distributable with tax effects	Notes
Share capital	26,141					
Additional paid-in capital reserve	83,718	A B C	83,718	15,074	68,644	1
Revaluation reserve	2,602	A B C	2,602	0	2,602	
Statutory reserve	5,228	B				
By-law reserves	0					
Treasury stock reserve	(51,665)		(51,665)	(51,665)		
Other reserves						
Extraordinary reserve	113,553	A B C	113,553	113,553	0	
Reserve under Art. 13 Par. 6 of Legislative Decree 124/1993	99	A B C	99	0	99	
Research and investment grants	17,191	A B C	17,191	1,227	15,964	2
Extraordinary VAT concession reserve	517	A B C	517	0	517	
Southern Italy investment fund	3,632					
IAS reserve	87,588	A B C	87,588	87,588	0	
Profit (loss) for the period	77,856	A B C	77,856	77,856	0	
Total shareholders' equity	366,460		331,459	243,633	87,826	

Legend:

A for share capital increase
B to replenish losses
C to distribute to shareholders

Notes:

- 1 The additional paid-in capital reserve may be distributed when the statutory reserve has reached one fifth of the share capital
- 2 The research and investment grant reserve has already been subject to taxation of € 1,227 thousand.

DECLARATION OF THE MANAGER APPOINTED TO PREPARE CORPORATE ACCOUNTING DOCUMENTS

The manager appointed to prepare the corporate accounting documents, Fritz Squindo, declares, in accordance with paragraph 2 Article 154-*bis* of the Consolidated Finance Act, that the accounting information contained in this financial report corresponds to the amounts shown in the Company's accounts, books and records.

Milan, 25 October 2012

Fritz Squindo
*Manager appointed to prepare
the corporate accounting documents*