

## RECORDATI REPORTS EXCELLENT RESULTS IN THE FIRST HALF 2013. SALES +13.8%, OPERATING INCOME +13.8% AND NET INCOME +11.1%.

- Consolidated revenue € 477.7 million, + 13.8%.
- EBITDA<sup>(1)</sup> € 120.0 million, + 17.4%
- Operating income € 102.6 million, + 13.8%.
- Net income € 70.3 million, + 11.1%.
- Net financial position<sup>(2)</sup>: net debt of € 172.9 million.
- Closing of the acquisition of a portfolio of drugs for the treatment of rare and other diseases in the U.S.A..
- Subsequent events: Agreements signed for the acquisition of Opalia Pharma S.A., a Tunisian pharmaceutical company.

Milan, 25 July 2013 – The Board of Directors of Recordati S.p.A. approved the Group's consolidated results for the first half 2013 prepared in accordance with International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) and in particular as per IAS 34 requirements for interim reporting. These financial statements will be available today at the company's offices and on the company's website: [http://www.recordati.com/rec\\_en/investors/reports/](http://www.recordati.com/rec_en/investors/reports/) and can also be viewed on the website of Borsa Italiana S.p.A.. The independent auditors' report on the consolidated condensed half-year financial statements will be available within the legal deadline at the company's offices and on the company's website [www.recordati.it](http://www.recordati.it).

### Financial highlights

- **Consolidated revenue** in the first half 2013 is € 477.7 million, up by 13.8% compared to the same period of the preceding year. International sales grow by 17.1%.
- **EBITDA<sup>(1)</sup>**, at 25.1% of sales, is € 120.0 million, an increase of 17.4% over the same period of the preceding year.
- **Operating income**, at 21.5% of sales, is € 102.6 million, an increase of 13.8% over the same period of the preceding year.
- **Net income**, at 14.7% of sales, is € 70.3 million, an increase of 11.1% over the first half 2012.
- **Net financial position<sup>(2)</sup>** at 30 June 2013 records a net debt of € 172.9 million. During the period \$ 80 million (€ 60 million) were paid for the acquisition of a portfolio of products for the treatment of rare and other diseases, sold mainly in the U.S.A. and dividends were distributed for a total of € 20.1 million. **Shareholders' equity** increases to € 703.4 million.

<sup>(1)</sup> Earnings before interest, taxes, depreciation and amortization.

<sup>(2)</sup> Cash and short-term financial investments net of bank overdrafts and medium/long-term loans which include the measurement at fair value of hedging derivatives (fair value hedge).

## Business development news

In January the acquisition of all rights concerning a portfolio of products indicated for the treatment of rare and other diseases and marketed mainly in the United States of America, from Lundbeck LLC. was successfully concluded. The value of the transaction is of \$ 100 million, of which \$ 80 million were paid at the closing on January 18. The acquired portfolio is now marketed in the U.S. by Recordati Rare Diseases Inc., a wholly-owned U.S. corporation. The main product in the portfolio is Panhematin® (haemin for injection) for the amelioration of recurrent attacks of acute intermittent porphyria. Other important drugs acquired are NeoProfen® (ibuprofen lysine injection), indicated to close a clinically significant patent ductus arteriosus (PDA) in premature infants, and Cosmegen® (dactinomycin for injection) used mainly in the treatment of three rare cancers. Expected revenues in 2013 for the acquired portfolio are of around \$ 40 million. In order to fund this transaction a long-term loan agreement with U.S. investors for \$ 70 million, of which \$ 40 million ten year bullet and 4.55% coupon and \$ 30 million twelve year bullet and 4.70% coupon, was finalized by Recordati Rare Diseases Inc. in June 2013.

## Management Comments

“The strong international expansion of the group is the driver behind the excellent results obtained in the first half of 2013” declared Giovanni Recordati, Chairman and CEO. “We therefore confirm our objective to achieve sales of around € 930 million, operating income of around € 190 million and net income of around € 132 million.”

## Conference call

Recordati will be hosting a *conference call* **today 25 July 2013** at 4.00 pm Italian time (3.00 pm London time, 10.00 am New York time). The dial-in numbers are:

Italy	+39 02 8058811, toll free 800 213 858
UK	+44 1 212818003, toll free 800 0156384
USA	+1 718 7058794, toll free 855 2656959
France	+33 170918703
Germany	+49 65 255114451

Callers are invited to dial-in 10 minutes before conference time. If conference operator assistance is required during the connection please digit \* followed by 0 or call +39 02 8061371. A recording of the conference call will be placed on the website [www.recordati.com](http://www.recordati.com).

A set of slides which will be referred to during the call will be available on our website [www.recordati.com](http://www.recordati.com) under Investors/Company Presentations.

*Recordati, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), with a total staff of over 3,300, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Russia, in other Central and Eastern European countries, in Turkey and in the United States of America. A field force of more than 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 is a partner of choice for new product licenses for its territories. Recordati is committed to the research and development of new drug entities within the cardiovascular and urogenital therapeutic areas and of treatments for rare diseases. Consolidated revenue for 2012 was € 828.3 million, operating income was € 167.0 million and net income was € 118.5 million.*

For further information:

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*Statements contained in this release, 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 GROUP**

Summary of consolidated results prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS)  
(thousands of €)

<b>INCOME STATEMENT</b>	First half 2013	First half 2012	Change %
REVENUE	477,734	419,944	13.8
Cost of sales	(165,660)	(147,518)	12.3
<b>GROSS PROFIT</b>	<b>312,074</b>	<b>272,426</b>	<b>14.6</b>
Selling expenses	(143,055)	(128,988)	10.9
Research and development expenses	(37,949)	(28,774)	31.9
General & administrative expenses	(26,629)	(22,628)	17.7
Other income (expenses), net	(1,885)	(1,884)	0.1
<b>OPERATING INCOME</b>	<b>102,556</b>	<b>90,152</b>	<b>13.8</b>
Financial income (expenses), net	(6,853)	(2,414)	183.9
<b>PRE-TAX INCOME</b>	<b>95,703</b>	<b>87,738</b>	<b>9.1</b>
Provision for income taxes	(25,408)	(24,477)	3.8
<b>NET INCOME</b>	<b>70,295</b>	<b>63,261</b>	<b>11.1</b>
Attributable to:			
Equity holders of the parent	70,287	63,256	11.1
Minority interests	8	5	60.0

<b>EARNINGS PER SHARE</b>	First half 2013	First half 2012	Change %
Basic	€ 0.350	€ 0.317	10.4
Diluted	€ 0.331	€ 0.301	10.0

Earnings per share (EPS) are based on average shares outstanding during each year, 201,053,272 in 2013 and 199,382,580 in 2012, net of average treasury stock which amounted to 8,071,884 shares in 2013 and to 9,742,576 shares in 2012. Diluted earnings per share is calculated taking into account stock options granted to employees.

<b>COMPOSITION OF REVENUE</b>	First half 2013	First half 2012	Change %
Total revenue	477,734	419,944	13.8
Italy	123,562	117,561	5.1
International	354,172	302,383	17.1

Pending the completion of independent audit.

**RECORDATI GROUP**

Summary of consolidated results prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS)  
(thousands of €)

<b>INCOME STATEMENT</b>	Second quarter 2013	Second quarter 2012	Change %
REVENUE	233,157	200,385	16.4
Cost of sales	(80,300)	(69,521)	15.5
GROSS PROFIT	152,857	130,864	16.8
Selling expenses	(69,489)	(63,489)	9.5
Research and development expenses	(19,481)	(13,047)	49.3
General & administrative expenses	(13,099)	(10,852)	20.7
Other income (expenses), net	(867)	(969)	(10.5)
OPERATING INCOME	49,921	42,507	17.4
Financial income (expenses), net	(5,795)	(1,141)	407.0
PRE-TAX INCOME	44,126	41,366	6.7
Provision for income taxes	(11,765)	(11,879)	(1.0)
NET INCOME	32,361	29,487	9.7
Attributable to:			
Equity holders of the parent	32,357	29,485	9.7
Minority interests	4	2	100.0

<b>COMPOSITION OF REVENUE</b>	Second quarter 2013	Second quarter 2012	Change %
Total revenue	233,157	200,385	16.4
Italy	59,683	53,608	11.3
International	173,474	146,777	18.2

Pending the completion of independent audit.

**RECORDATI GROUP**

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(thousands of €)

<b>ASSETS</b>	30.06.2013	31.12.2012
Property, plant and equipment	59,665	59,972
Intangible assets	291,379	231,470
Goodwill	403,250	413,213
Equity investments	6,458	6,925
Non-current receivables	3,670	3,788
Deferred tax assets	23,251	22,837
<b>TOTAL NON-CURRENT ASSETS</b>	<b>787,673</b>	<b>738,205</b>
Inventories	137,441	126,388
Trade receivables	188,448	155,359
Other receivables	22,047	24,983
Other current assets	4,654	2,164
Fair value of hedging derivatives (fair value hedge)	300	1,371
Short-term financial investments, cash and cash equivalents	42,390	38,418
<b>TOTAL CURRENT ASSETS</b>	<b>395,280</b>	<b>348,683</b>
<b>TOTAL ASSETS</b>	<b>1,182,953</b>	<b>1,086,888</b>

  

<b>EQUITY AND LIABILITIES</b>	30.06.2013	31.12.2012
Share capital	26,141	26,141
Capital in excess of par value	83,719	83,719
Treasury stock	(41,548)	(46,254)
Hedging reserve	(2,997)	(4,983)
Translation reserve	(17,981)	(3,713)
Other reserves	25,681	26,326
Retained earnings	560,032	501,701
Net income for the year	70,287	118,484
Interim dividend	0	(40,077)
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>703,334</b>	<b>661,344</b>
Minority interest	61	53
<b>SHAREHOLDERS' EQUITY</b>	<b>703,395</b>	<b>661,397</b>
Loans due after one year	177,052	129,111
Employees' termination pay	17,595	17,862
Deferred tax liabilities	14,817	15,872
Other non-current liabilities	1,716	1,828
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>211,180</b>	<b>164,673</b>
Trade payables	112,958	106,926
Other payables	75,026	53,984
Tax liabilities	16,353	9,789
Other current liabilities	307	458
Provisions	22,154	20,544
Fair value of hedging derivatives (cash flow hedge)	2,997	4,983
Loans due within one year	8,077	8,147
Bank overdrafts	30,506	55,987
<b>TOTAL CURRENT LIABILITIES</b>	<b>268,378</b>	<b>260,818</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,182,953</b>	<b>1,086,888</b>

Pending the completion of independent audit.

**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 press release corresponds to the document results, books and accounting records.