

29 June 2018

CVC Fund VII Acquires Controlling Stake in Recordati S.p.A.

CVC is pleased to announce that a consortium of funds (the “Consortium”) led by CVC Fund VII has agreed to buy the holding company that owns a majority interest in Recordati.

Chairman Alberto Recordati said “Today is an important moment in the further development of the company my grandfather founded over 90 years ago. We have found in CVC a partner who shares our vision, values and passion for the company, its employees and its role in developing and distributing healthcare around the world.”

Andrea Recordati, CEO, said “I believe that this is great outcome for the company and its employees who will benefit greatly from having CVC as a partner. In the process of finding the best partner to take Recordati forward, it was important to find a party that would allow Recordati to remain independent, with continuity for management and employees, and accelerate its growth strategy as a leading global consolidator in the pharmaceutical industry. I am very pleased to be working alongside CVC in accelerating Recordati’s global expansion. I am personally reinvesting alongside the Consortium as I believe in and support Recordati.”

Giampiero Mazza, Head of CVC Italy, said “We are honoured to be chosen by the Recordati family who have put great trust in us to continue in their role as the majority shareholder of their company. We have a great admiration for the business which we have known for over many years since Giovanni Recordati was CEO. We are excited by the opportunity to support this excellent management team, led by Andrea Recordati who we have asked to remain as CEO and who carries on the company’s legacy and provides the continuity of the business and its strategy alongside Fritz Squindo, Recordati’s Managing Director and CFO.”

Cathrin Petty, Head of EMEA Healthcare at CVC, added “Recordati has always been a very carefully managed, international pharma company with a broad platform of products and a strong geographical footprint in primary care. Over the last decade Recordati has built up a very attractive rare disease business which we look forward to expanding in addition to the core business. We hope that through our expertise and global healthcare network we will help accelerate this growth across orphan and specialty care to build a global leader in the industry.”

The transaction is structured as a fully financed acquisition by the Consortium of the family’s holding company FIMEI S.p.A for an Enterprise Value of €3.03bn. FIMEI owns 51.8% of Recordati S.p.A., implying a 100% equity value for Recordati S.p.A. of €5.86bn, equivalent to €28.00 per share.

The members of the Recordati family will receive part of the consideration in the form of a deferred and subordinated long-term debt security in the amount of €750 million. Furthermore, Andrea Recordati in his capacity as CEO will invest alongside the Consortium.

Closing of the FIMEI purchase is anticipated to take place in the last quarter of 2018 and is subject only to mandatory competition approvals. Following closing, in accordance with CONSOB rules, the Consortium will make a mandatory tender offer (“MTO”) to the remaining minority shareholders. The Consortium’s current expectation is that Recordati will remain a publicly listed company. The Recordati family requested, and the Consortium has agreed, to provide other shareholders with a full cash offer at €28.00 per share, which implies a higher economic value than the cash and deferred payment made to

the Recordati family. The offer of the full price in cash to the minority shareholders in the MTO is subject to the absence of a material market correction prior to closing of the FIMEI transaction (defined as a decrease in the FTSE MIB index of more than 20%). In such an event, the Consortium intends to lower the cash offer price in the MTO, in consultation and agreement with CONSOB, to a price equivalent to the actual consideration paid to the Recordati family (taking into account the present value of the deferred payment).

Leopoldo Zambelletti and Rothschild are acting as financial advisor to CVC. Gattai, Minoli, Agostinelli & Partners together with White & Case LLP are acting as legal advisors to CVC. Facchini, Rossi are acting as tax advisor to CVC. Committed financing for the transaction is being provided by Deutsche Bank, Credit Suisse, Jefferies and Unicredit.

The Consortium led by CVC Fund VII includes PSP Investments and StepStone.

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About CVC Capital Partners

CVC Capital Partners is a leading private equity and investment advisory firm. Founded in 1981, CVC today has a network of 24 offices and approximately 450 employees throughout Europe, Asia and the U.S. To date, CVC has secured commitments of over \$110 billion from some of the world's leading institutional investors across its private equity and credit strategies.

In total, CVC currently manages over \$70 billion of assets. Today, funds managed or advised by CVC are invested in 50 companies worldwide, employing c.275,000 people in numerous countries. Together, these companies have combined annual sales of over \$55 billion. For further information about CVC please visit: www.cvc.com

About Recordati

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 more than 4,100, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Russia, other Central and Eastern European countries, Turkey, North Africa, the United States of America, Canada, Mexico and in some South American countries. An efficient field force of 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 specialties with a focus on treatments for rare diseases. Consolidated revenue for 2017 was € 1,288.1 million, operating income was € 406.5 million and net income was € 288.8 million. For further information about Recordati please visit: www.recordati.com

About PSP Investments

The Public Sector Pension Investment Board (PSP Investments) is one of Canada's largest pension investment managers with CAD\$153 billion of net assets as of March 31, 2018. It manages a diversified global portfolio composed of investments in public financial markets, private equity, real estate, infrastructure, natural resources and private debt. Established in 1999, PSP Investments manages net contributions to the pension funds of the federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police and the Reserve Force. Headquartered in Ottawa, PSP Investments has its principal business office in Montréal and offices in New York and London. For more information, visit www.investpsp.com

About StepStone Group

StepStone is a global private markets specialist that provides customized investment and advisory solutions to institutional investors. With US\$240 billion of total capital allocations, including US\$40 billion of assets under management, the Firm covers the spectrum of opportunities in private markets across the globe. StepStone uses a disciplined, research-focused approach that prudently integrates fund investments, secondaries, and co-investments to create solutions that are customized according to the objectives of any private markets investment program. StepStone is a global firm with offices in Beijing, Dublin, Cleveland, Hong Kong, La Jolla, London, Luxembourg, New York, Perth, San Francisco, São Paulo, Seoul, Sydney, Tokyo, Toronto, and Zurich. Learn more at www.stepstoneglobal.com

Capital allocation and AUM data as December 31, 2017