Recipharm
good for business

Interim report
JANUARY – MARCH 2015
7 May 2015

51%
Increase in Net sales

SEK 158m
EBITDA

18%
EBITDA margin

January - March 2015

- Net sales amounted to SEK 873 million (578), an increase of 51%
- EBITDA increased by 55% and amounted to SEK 158 million (102) giving an EBITDA margin of 18.1% (17.7)
- Operating profit (EBIT) amounted to SEK 100 million (78)
- Profit after tax amounted to SEK 121 million (55), giving a net margin of 13.8% (9.5), including a financial investment capital gain of SEK 36.3 million
- Earnings per share amounted to SEK 2.74 (2.16), after dilution 2.74 (2.05)
- Cash flow from operating activities was SEK 148 million (57)
- Net debt to EBITDA was 2.1 (1.2)

The segments within the manufacturing services business area are from this year split into technology instead of geography.

Key figures

SEK million	Jan - Mar 2015	Jan - Mar 2014	change in %	Apr 14 - Mar 15	2014
Net sales	873.2	577.9	51.1	2 864.6	2 569.3
Net sales (constant FX rates)	853.0		47.6		
EBITDA	158.0	101.9	54.9	455.3	399.3
EBIT	100.4	77.8	29.1	294.7	272.1
EBITDA margin (%)	18.1	17.7		15.9	15.5
Earnings per share	2.74	2.16		5.77	4.63
Non-recurring items	0.0	0.0		19.2	19.2
Return on equity (%)	13.1	18.7			11.4
Return on operating capital (%)	12.3	20.7			12.4
Equity to assets (%)	49.9	39.2			39.4
Net debt	937.3	391.0			1 163.7
Net debt to Equity	0.3	0.5			0.5
Net debt to EBITDA	2.1	1.2			2.9

Thomas Eldered, CEO:

“Sales were in line with expectations, with reported organic sales growth in local currencies of 0.5%. Thus, sales, excluding 2014 acquisitions, were the highest ever for a first quarter, even higher than the very strong comparison quarter 2014. Acquisitions completed in the previous quarter developed well and integration progressed according to plan generating an increase of 47% in sales.

Development & Technology reported very strong sales with an organic growth of more than 71%. Manufacturing services, excluding acquisitions, reported sales higher than the strong Q1 2014, benefitting from strong currency effects partly balancing a higher level of seasonal variation. The profit was affected by non-recurring items.We expect some recovery later in the year, especially in Solids and others. Our commercial activities are showing good results as we continue to generate a high level of new manufacturing projects. We have also started to explore opportunities to provide value to our new combined customer base and we may see benefits from this already in the short-term.

Starting this quarter, we have implemented a revised segment reporting, more appropriate for the larger group. Manufacturing Services will be reported in two segments, but now based on technology instead of geography. I believe the new segments will promote a strategic view on these segments regarding investments, capacities and returns. In particular, we expect to see a continued strong demand in the Manufacturing Services Sterile Liquids (“MS-SL”) segment contributing to further profitability improvement and we will continue to invest in this growth area.

Operating cash flow increased to SEK 148 million and contributed together with gains from short term investments to a strong positive cash flow. After a quarter of significant de-leveraging, our reported net debt to EBITDA ratio improved to 2.1 from 2.9 at year-end due. This is a proof of our financial capacity to proceed with the acquisition opportunities we are currently evaluating. Although acquisitions will continue to be a very important component of our growth strategy, we are also actively progressing several promising technology and product development projects, including collaboration and partnerships with other companies. These projects will contribute to our organic growth and profitability going forward.

To summarize, I am very pleased with what our employees have achieved during the quarter. Following integration activities, ERP-system updates, weaker demand for some products but also good new project activity we are in a good position to meet the challenges we face, explore the opportunities we see in the market and to benefit from the recent acquisitions we have made”

The company invites investors, analysts and media to a telephone conference with a web presentation (in English) on 7 May at 10:00 am CET where CEO Thomas Eldered and CFO Björn Westberg will present and comment on the interim report and answer questions. More information at www.recipharm.com.

About Recipharm

Recipharm is a leading CDMO (Contract Development and Manufacturing Organisation) in the pharmaceutical industry employing some 2,200 employees. Recipharm offers manufacturing services of pharmaceuticals in various dosage forms, production of clinical trial material including API and pharmaceutical product development. Recipharm manufactures more than 400 different products to customers ranging from Big Pharma to smaller research- and development companies. Recipharm’s turnover is approximately SEK 3.3 billion and the Company operates development and manufacturing facilities in Sweden, France, the UK, Germany, Spain, Italy and Portugal and is headquartered in Jordbro, Sweden. The Recipharm B-share (RECI B) is listed on Nasdaq Stockholm.

For more information on Recipharm and our services, please visit www.recipharm.com

Revenues

Net sales

Net sales per segment			
	Jan – Mar		Full year
SEK million	**2015**	**2014**	**2014**
Manufacturing Services Sterile Liquids (MS-SL)	233.3	162.7	713.1
Manufacturing Services Solids & Others (MS-SO)	461.7	381.3	1 578.6
Development & Technology (D&T)	220.1	53.1	399.1
Eliminations and others	-41.9	-19.2	-121.6
Total	**873.2**	**577.9**	**2 569.3**

January - March 2015

Net sales increased by SEK 295.3 million and amounted to SEK 873.2 million, an increase of 51 percent, adjusted for currency translation effect of SEK 20.0 million, the sales increased by 48 percent. The acquisitions made in Q4 2014, contributed SEK 272.3 million or 47 percent to the sales increase. The sales, excluding acquisitions and currency effect, increased SEK 2.9 million equal to 0.5 percent. The sales previous year were at the highest level for the first quarter ever and the sales this quarter, excluding the effect from acquisitions, were also on a high level in most of the operating companies in the manufacturing segments. D&T shows a significant increase excluding the acquisitions and currency impact. The total sales generated from the acquisitions were high, especially from the Italian operations.

Sales for MS-SL increased by SEK 70.6 million to SEK 233.3 million, an increase of 43 percent, adjusted for currency translation effect of SEK 8.7 million, the sales increased by 38 percent. The acquisitions made in Q4 2014, contributed SEK 75.3 million or 46 percent to the sales increase. The sales, excluding acquisitions and currency effect, decreased SEK 13.4 million equal to –8.2 percent. The decrease for the business before acquisitions is mainly due to the higher level of sales 2014 due to the retroactive price increase from 2013 of SEK 6 million and also a phasing of demand to later this year.

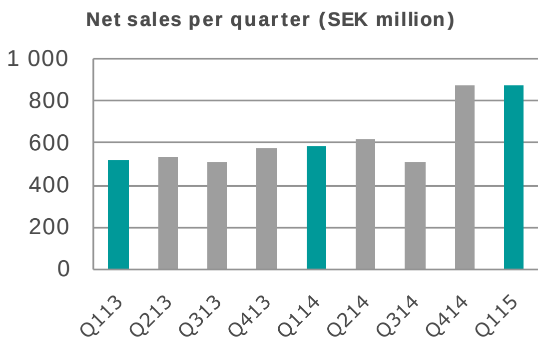
MS-SO increased sales by SEK 80.4 million to SEK 461.7 million, an increase of 21 percent, adjusted for currency translation effect of SEK 10.5 million, the sales increased by 18 percent. The acquisitions made in Q4 2014, contributed SEK 68.8 million or 18 percent to the sales increase. The sales, excluding acquisitions and currency effect, increased SEK 1.1 million (0.3 percent) compared with the sales the first quarter last year, which was on a high level. The increased sales from new projects and higher sale for one of the larger products balance the reduction in sales for certain products and distribution services. One of the larger products is facing increased competition in the French market, which is reducing the volumes for one of our largest customer in the market, with a negative sales effect of SEK 12 million.

D&T increased sales by SEK 167.0 million to SEK 220.1 million, an increase of 315 percent, adjusted for currency translation effect of SEK 0.9 million, the sales increased by 313 percent. The acquisitions made in Q4 2014, contributed SEK 128.1 million. The sales, excluding acquisitions and currency effect, increased SEK 37.9 million, equivalent to 71 percent, due to increased sales of our large tender product of SEK 23 million and the other IP portfolio increased sales as well. The sale of the tender product is not expected to reach to the same level as last year, although this quarter was higher.

Other operating revenue

January - March 2015

Other operating revenue amounted to SEK 28.3 million (7.2) mainly consisting of a royalty income in the Pessac operations of SEK 11.9 million and exchange gains on operating receivables and liabilities.



Profit

EBITDA

January - March 2015

EBITDA (Operating profit minus depreciation and amortisation) amounted to SEK 158.0 million (101.9), an increase of 55 percent. The EBITDA margin to sales increased from 17.7 to 18.1 percent. The main reason for the increase was the EBITDA of SEK 61.7 million generated from the acquisitions. The overall currency effect on EBITDA was small. The EBITDA excluding acquisitions is similar to the strong first quarter last year. There are some negative effects in the product mix of the material cost and increase of temporary staff related to the major upgrade of the ERP system in the Swedish sites, which was implemented in Q1. This is balanced by the profit effect from the sales increase in D&T.

RAW MATERIALS AND CONSUMABLES

Raw materials and consumables amounted to SEK 231.6 million (147.2). The increase is mainly related to the acquisitions, SEK 80.3 million and a currency translation effect of SEK 4.4 million. The total currency effect is smaller as the Swedish manufacturing companies have a significant purchasing volume in EUR. Overall, the material cost ratio to sales is similar as last year.

OTHER EXTERNAL COSTS

Other external costs amounted to SEK 195.6 million (119.2). The increase is mainly related to the acquisitions, 65.1 SEK million and a currency translation effect of SEK 5.2 million. The ratio to sales increases as there are extra costs related to the ERP upgrade project and increased commission for our product rights.

EMPLOYEE BENEFITS EXPENSE

Employee benefits expense amounted to SEK 299.2 million (212.0). The increase is mainly related to the acquisitions, SEK 68.8 million, a currency translation effect of SEK 8.3 million and the annual increase in salaries. The ratio of employee expenses to sales has decreased as the IP business, which increased its relative share in the Group after the acquisitions, has relatively less employees in relation to sales.

EBITDA per segment

	Jan - Mar		Full year
SEK million	**2015**	**2014**	**2014**
MS-SL	66.0	35.9	157.7
MS-SO	29.2	64.4	198.2
D&T	69.6	18.9	101.3
Eliminations and others	-6.7	-17.2	-58.0
Total	**158.0**	**101.9**	**399.3**

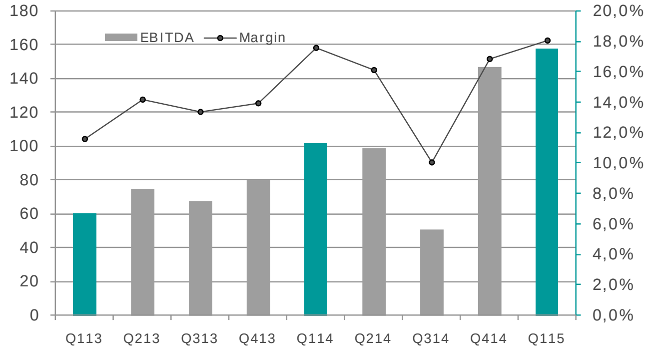
January - March 2015

EBITDA for MS-SL increased by SEK 30.1 million to SEK 66.0 million, equivalent to an EBITDA margin of 28.3 percent (22.1). The acquisitions contributed SEK 19.1 million and the currency translation effect was SEK 2.6 million. EBITDA, excluding currency effect and acquisitions, increased SEK 8.3 million in spite of the reduction in sales this quarter and the impact of the price increase 2013 of SEK 6 million accounted in Q1 2014. That increase is mainly due to less material cost and inventory and phasing effect from previous year.

EBITDA for MS-SO decreased by SEK 35.2 million to SEK 29.2 million, equivalent to an EBITDA margin of 6.3 percent (16.9). The acquisitions contributed SEK 6.3 million and the currency translation effect was SEK 0.1 million. The decrease, excluding acquisitions and currency effect, amounts to SEK 41.6 million and is mainly due to a negative product and service mix effect, a higher level of scrapping, less distribution revenues of SEK 4 million and extra resources related to the major ERP upgrade in the Swedish manufacturing sites. Q1 2014 had also a positive inventory effect of SEK 12 million.

EBITDA for D&T increased by SEK 50.7 million to SEK 69.6 million, equivalent to an EBITDA margin of 31.6 percent (35.6). The acquisitions generated SEK 36.4 million. EBITDA, excluding acquisitions and currency effect (SEK 0.4 million), increased by SEK 13.9 million, mainly related to the increased sales and positive product mix effect.

EBITDA (SEK million) and EBITDA margin per quarter



Depreciation, amortisation and impairment

January - March 2015

Depreciation and amortisation amounted to SEK 57.6 million (24.2). The increase is mainly related to the acquisitions, SEK 31.2 million, of which SEK 18.3 million are amortisation related to intangible assets in Corvette and Lusomedicamenta.

Financial items

January - March 2015

Interest income and similar revenues amounted to SEK 75.9 million (0.4) of which SEK 46.6 million (-) was gain from disposal of shares in Flamel Technologies S.A and SEK 29.3 million (0.4) was translation differences. Interest expenses and similar costs amounted to SEK -7.9 million (-6.6) of which SEK -3.6 million (-4.5) was interest related to bank loans, SEK -2.4 million (-0.7) was other interest expenses, SEK -0.7 million (-) was loss from fair value valuation of derivative and SEK -0.4 million (-0.6) was other financial expenses.

Profit after tax

January - March 2015

Profit after tax amounted to SEK 120.8 million (54.7), an increase of SEK 66.1 million which is mainly related to the financial net (after tax) of SEK 36.3 million related to the profit generated from the sale of the Flamel shares and the increase in operating profit generated from the acquisitions.

Acquisitions

During the fourth quarter Recipharm acquired three businesses. Corvette Pharmaceutical Group ("Corvette") in Italy was acquired as of 1 October, Lusomedicamenta in Portugal as of 1 November and the Pessac operations from Flamel Technologies SA ("Flamel") was acquired as of 1 December. Corvette estimated sales and EBITDA year 2014 amounted to SEK 554 million and SEK 128 million and Lusomedicamenta estimated sales and EBITDA year 2014 amounted to SEK 470 million and SEK 120 million.

The integration of the acquisitions have been successful and in line with the integration plan. The acquisitions generated sales of SEK 272.3 million and EBITDA of SEK 61.7 million during the first quarter. Portugal had some negative phasing and one-time effects however balanced with positive phasing effects in Italy.

Cash flow

Cash flow			
	Jan – Mar		Full year
SEK million	2015	2014	2014
Cash flow from operating activities before changes in working capital	140.3	94.1	320.8
Cash flow from changes in working capital	8.1	-37.0	-66.6
Cash flow from investing activities	55.3	-36.5	-1 456.8
Cash flow from financing activities	4.7	-6.0	1 405.4
Total cash flow	**208.4**	**14.5**	**202.8**

Cash flow from operating activities increased, mainly related to the strong operating profit.

Changes in working capital versus year-end 2014 was SEK 8.1 million.

Cash flow from investing activities was positive due the to sale of the shares in Flamel, which generated SEK 143.9 million, included SEK 46.6 million profit before tax. The acquisitions of machinery and equipment increased due to the capacity investment in Wasserburg of SEK 32.4 million.

The financing activities were on a low activity level.

Financing and return

Key figures financing and return			
	Jan – Mar		Full year
	2015	2014	2014
Return on operating capital (%)	12.3	20.7	12.4
Net debt to EBITDA	2.1	1.2	2.9
Equity to assets	49.9	39.2	39.4

The return on operating capital decreased from the previous year of 20.7 percent to 12.3 percent as a result of the increase in operating capital from the acquisitions made in Q4.

The net debt to EBITDA ratio has improved from 2.9 end of 2014 down to 2.1. The increase by the end of last year was mainly due to the increase of net debt during Q4 to finance the executed acquisitions. The EBITDA now include one more quarter from Q4 acquisitions, which is the main reason for the reduced level compared to end of last year. The interest bearing debt at 31 March 2015 amounts to SEK 1 544.6 million of which SEK 1 427.6 million was used of the SEK 1.5 billion loan facility. The reduced level of Net debt to EBITDA creates opportunities for more debt financing for executing the growth strategy. We used 50-60 percent debt financing, rest equity instruments, for the two large acquisitions in Q4. We expect similar proportions is likely for future acquisitions, although the capital structure may be affected by other factors.

The equity to assets ratio was also strengthened compared to last year mainly due to the increase in profit and the increase of equity. The latter is mainly related to new share issues in relation to the IPO in April last year and the acquisition of Lusomedicamenta (Portugal) in November last year. Equity did also increase during the first quarter 2015 as the convertible bond, related to the acquisition of the Corvette Group (Italy), was converted.

Parent Company

Recipharm AB (publ) includes functions that provide services to the operating companies. The parent company's net sales were SEK 21.4 million (18.3) and operating result was SEK -8.1 million (-5.6). Investments amounted to SEK 0.0 million (0.5).

Employees

The number of employees (equivalent to full-time positions "FTE") during the period was 2 058 (1 483), of which 556 FTEs come from the acquisitions.

Significant events after closing

Recipharm invested USD 2 million in April in shares in Synthonics Inc, with additional USD 2 million to be invested if certain milestones are achieved. Synthonics is a pharmaceutical company focused on the discovery, development and licensing of patent-protected drugs (metal coordinated pharmaceuticals or "MCPs"). Through this investment we will increase our collaboration with Synthonics and we believe that this will enhance our ability to serve our customers with another drug delivery solution of high quality and innovation.

Shares and share related programs

Recipharm's class B shares were first available for trading on Nasdaq Stockholm on 3 April 2014. The introduction share price was SEK 78 per share and the number of new shares in the issue amounted to 10,443,038. In total, new shares to a value of SEK 814.6 million were issued, and the listing and issue costs amounted to SEK 43.4 million, of which SEK 6.5 million was expensed in 2013. The remainder was deducted during the second quarter from the newly issued amount in equity.

The largest shareholders as of 31 March 2015

Shareholder	Capital (%)	Votes (%)
Flerie Participation AB [1/]	22.3	42.1
Cajelo Invest AB [1/]	13.9	39.7
Lannebo fonder	12.2	3.5
Första AP-fonden	6.6	1.9
Fjärde AP-fonden	5.2	1.5

The number of shareholders were 4,256 and foreign shareholders hold 18.4 percent of the share capital and 5.3 percent of the votes
[1/] Flerie Participation AB is controlled by CEO Thomas Eldered and Cajelo Invest AB is controlled by Chairman Lars Backsell.

The Annual General Meeting on 10 March 2014 resolved to issue a three year share-based incentive program aimed at the employees. In order to participate in the program, the participants must use their own funds to acquire class B shares in Recipharm ("Savings Shares") for the Nasdaq Stockholm market price. 550 employees, which was approximately 1/3 of the employees, subscribed for the program. Provided that all fulfill their participation for the full period, the cost is estimated to SEK 13.3 million (estimation based on share price SEK 183.5 at 31 March 2015) during a three year period and the number of new shares may amount to approximately 120 000. The latter assumes full allocation of the performance shares as well.

A convertible bond was issued in relation to the acquisition of Corvette Group. The duration of the convertible bond is one year from October 1 2014. It has been fully converted in February 2015. It was converted to 5 030 543 new shares representing 11 percent of the share capital. The total number of shares as of 31 December amounted to 40 688 875 and now after the full conversion the total number of shares amounts to 45 719 418.

Financial calender

Annual Shareholders meeting 2015	7 May 2015
Interim report January – June 2015	23 July 2015
Interim report January – September 2015	5 November 2015

Jordbro, 7 May 2015

For the Board of Directors of Recipharm AB (publ)

Thomas Eldered, CEO

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This report is prepared in Swedish and thereafter translated into English. Should any differences occur between the Swedish and the English version, the Swedish version shall prevail. This report has not been reviewed by the company's auditors.

Financial statements

Consolidated statement of profit and loss				
		Jan - Mar		Full year
SEK million	**Note**	**2015**	**2014**	**2014**
Operating income				
Net sales	1	873.2	577.9	2 569.3
Other operating revenue		28.3	7.2	43.0
		901.5	**585.1**	**2 612.3**
Operating expenses				
Raw materials and consumables		-231.6	-147.2	-703.9
Other external costs		-195.6	-119.2	-588.7
Employee benefits expense		-299.2	-212.0	-888.6
Depreciation and amortisation		-57.6	-24.2	-127.2
Other operating expenses		-17.1	-4.8	-32.0
Share of profit in participations		0.0	-	0.1
		-801.1	**-507.4**	**-2 340.2**
Operating profit		**100.4**	**77.8**	**272.1**
Interest income and similar revenues		75.9	0.4	9.3
Interest expenses and similar costs		-7.9	-6.6	-65.4
Net financial income / expense		**68.1**	**-6.1**	**-56.1**
Profit before tax		**168.5**	**71.6**	**216.1**
Current tax		-47.6	-16.9	-55.9
Profit / loss for the period		**120.8**	**54.7**	**160.2**

Consolidated statement of comprehensive income:			
	Jan - Mar		Full year
Items that may be reclassified subsequently to profit or loss	**2015**	**2014**	**2014**
Translation differences	-71.5	0.9	65.2
Gains from fair value valuation of financial instruments	-37.1	-	42.1
Deferred tax relating to items that may be reclassified	8.2	-	-9.3
Total	**-100.4**	**0.9**	**98.0**
Items that will not be reclassified to profit or loss			
Actuarial losses on pensions	-1.2	-1.1	-34.7
Deferred tax relating to items that will not be reclassified	0.3	0.3	9.8
Total	**-0.8**	**-0.8**	**-24.9**
Other comprehensive income for the period	**-101.3**	**0.1**	**73.1**
Comprehensive income for the period	**19.6**	**54.8**	**233.4**
Net profit distributed to:			
Parent company´s shareholders	120.8	54.7	160.2
	120.8	**54.7**	**160.2**
Group comprehensive income distributed to:			
Parent company´s shareholders	19.6	54.8	233.4
	19.6	**54.8**	**233.4**

Recipharm good for business

Earnings per share

	Note	Jan - Mar 2015	Jan - Mar 2014	Full year 2014
Parent company´s shareholders:				
Earnings per share before dilution (SEK)		2.74	2.16	4.63
Earnings per share after dilution (SEK)		2.74	2.05	4.13
Profit before dilution (SEK thousand)		120 842	54 696	160 247
Effect from potential shares (SEK thousand)		1 001	229	3 452
Profit after dilution (SEK thousand)		121 843	54 925	163 699
Average number of shares before dilution (thousand)	2	44 069	25 371	34 605
Potential shares (thousand)	2	52	1 402	5 051
Average number of shares after dilution (thousand)		44 121	26 774	39 656

Consolidated statement of changes in equity

SEK million	Share capital	Other paid-in capital	Reserves	Profit brought forward	Total equity
Equity at 1 January 2014	**12.7**	**515.2**	**-106.4**	**259.5**	**680.8**
Profit for the period 2014				160.2	160.2
Other comprehensive income			98.0	-24.9	73.1
Transactions with owners:					
New share issue	7.7	1 208.4			1 216.1
Share-based incentive program				0.9	0.9
Equity at 31 December 2014	**20.4**	**1 723.5**	**-8.3**	**395.7**	**2 131.3**
Profit for the period 2015				120.8	120.8
Other comprehensive income			-100.4	-0.8	-101.3
Transactions with owner:					
New share issue	2.5	556.8			559.3
Share-based incentive program				1.1	1.1
Equity as 31 March 2015	**22.9**	**2 280.2**	**-108.8**	**516.8**	**2 711.0**

Consolidated statement of financial position

SEK million	Note	March 31 2015	March 31 2014	Dec 31 2014
ASSETS				
Non-current assets				
Product rights		280.9	133.5	290.3
Goodwill	3	887.7	78.2	936.2
Customer contracts		1 019.1	121.4	1 065.9
Other intangible assets		174.3	21.3	176.9
Property, plant and equipment		1 056.9	454.7	1 051.9
Other non-current assets		112.6	56.3	93.4
Total non-current assets		**3 531.5**	**865.5**	**3 614.6**
Current assets				
Inventories		583.3	421.9	590.8
Accounts receivable		534.9	303.6	528.2
Short-term investments		-	-	137.3
Other receivables		110.8	28.8	70.7
Prepaid expenses and accrued income		70.2	53.3	57.5
Cash and cash equivalents		607.3	205.2	404.5
Total currents assets		**1 906.5**	**1 012.8**	**1 789.1**
TOTAL ASSETS		**5 438.0**	**1 878.3**	**5 403.7**
SHAREHOLDERS EQUITY AND LIABILITIES				
Share capital		22.9	12.7	20.3
Other paid-in capital		2 280.2	515.2	1 723.5
Reserves		-108.8	-106.3	-10.0
Retained earnings (including net profit)		516.8	314.1	397.4
Total equity		**2 711.0**	**735.6**	**2 131.3**
Non-current liabilities				
Interest-bearing liabilities		1 525.1	350.7	1 555.0
Provisions		171.7	114.5	172.9
Deferred tax liability		370.9	56.2	395.0
Other non-current liabilities		12.1	-	13.5
Total non-current liabilities		**2 079.8**	**521.4**	**2 136.4**
Current liabilities				
Interest-bearing liabilities		7.6	80.9	8.4
Overdraft facility		11.9	164.6	4.8
Account payable		223.4	121.6	236.6
Tax liabilities		65.2	43.3	25.3
Other liabilities		58.8	29.6	621.3
Accrued expenses and prepaid income		280.3	181.3	239.7
Total current liabilities		**647.2**	**621.3**	**1 136.1**
TOTAL EQUITY AND LIABILITIES		**5 438.0**	**1 878.3**	**5 403.7**
Pledged assets		0.2	604.7	14.9
Contingent liabilities		1 551.6	24.5	1 582.9

Consolidated cash flow statement

SEK million	Note	Jan - Mar 2015	Jan - Mar 2014	Full year 2014
Operating activities				
Profit before tax		168.5	71.6	216.1
Adjustments for items not affecting cash				
- Depreciation, amortisation and impairement of assets		57.6	24.2	127.2
- Changes in provisions		2.9	-1.5	14.8
- Gains from disposal of short-term investment		-46.6	-	-
- Other		-24.4	2.2	42.3
		158.0	**96.5**	**400.4**
Income taxes paid		-17.7	-2.4	-79.5
Operating cash flow before changes in working capital		**140.3**	**94.1**	**320.8**
Cash flow from changes in working capital:				
Change in inventories		0.6	-8.4	20.9
Change in operating receivables		-39.6	-61.8	-86.8
Change in operating liabilities		47.1	33.2	-0.7
Operating cash flow		**148.4**	**57.0**	**254.2**
Investing activities				
Acquisition of property, plant and equipment		-53.0	-16.6	-215.5
Disposal of property, plant and equipment		-	0.2	2.1
Acquisition of intangible assets		-5.7	-2.1	-56.3
Acquisition of subsidiaries/operations, net of cash acquired		-	-	-1 062.7
Purchase consideration payable, subsidiaries		-12.2	-17.9	-17.9
Acquisition of financial assets		-17.8	-	-106.5
Disposal of short-term investment		143.9	-	-
Cash flow from investing activities		**55.3**	**-36.5**	**-1 456.8**
Financing activities				
New share issue		-	-	777.7
Redemption convertible bonds		-	-	-0.8
Change in overdraft facility		11.9	4.4	-160.2
Loans raised		-	-	1 402.1
Repayment of borrowings		-7.2	-10.4	-613.4
Cash flow from financing activities		**4.7**	**-6.0**	**1 405.4**
Total cash flow for the period		**208.4**	**14.5**	**202.8**
Cash and cash equivalents at beginning of period		404.5	190.2	190.2
Translation difference on cash and cash equivalents		-5.6	0.5	11.5
Cash and cash equivalents at end of period		**607.3**	**205.2**	**404.5**
Interest received		0.1	0.0	2.4
Interest paid		-2.6	-4.5	-14.3

Parent company statement of profit and loss

SEK million	Jan - Mar 2015	Jan - Mar 2014	Full year 2014
Operating Income			
Net sales	21.4	18.3	77.4
Other operating revenue	0.2	0.3	0.9
	21.6	**18.6**	**78.2**
Operating expenses			
Other external costs	-13.4	-9.3	-50.0
Employee benefits expense	-15.1	-13.7	-56.2
Depreciation and amortisation	-1.3	-1.2	-5.1
Other operating expenses	-0.1	-	-0.3
	-29.8	**-24.2**	**-111.6**
Operating profit/loss	**-8.1**	**-5.6**	**-33.4**
Financial items	77.6	3.1	73.3
Profit/loss after financial items	**69.5**	**-2.4**	**39.9**
Appropriations and tax	-15.3	3.2	1.8
Profit/loss for the period	**54.2**	**0.7**	**41.6**

Parent company statement of financial position

SEK million	Mar 31 2015	Mar 31 2014	Dec 31 2014
ASSETS			
Non-current assets	2 899.9	740.4	2 933.1
Current assets	614.9	154.3	544.5
TOTAL ASSETS	**3 514.8**	**894.7**	**3 477.6**
SHAREHOLDERS EQUITY AND LIABILITIES			
Equity	2 002.1	237.9	1 493.9
Liabilities	1 512.8	656.8	1 983.8
TOTAL EQUITY AND LIABILITIES	**3 514.8**	**894.7**	**3 477.6**

Accounting principles, risks, definitions and notes

Accounting principles

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) which have been approved by the European Commission for application within the EU. This interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR2, Accounting for Legal Entities.

The accounting principles and calculations in this report are the same as those used for the 2014 Annual Report. New or amended standards or interpretations of standards effective as of 1 January 2015 have not had any significant impact on Recipharm's financial statements.

Recipharm has changed the control structure within manufacturing services to facilitate a more effective management as Recipharm is growing outside Sweden, which in the past had a larger share of Group sales. The new management and control structure of the manufacturing services is now split into technology instead of geography. The new segments are presented in note 4 including the numbers for the period last year based on the new principles.

Significant risks and uncertainties

The most significant risks over the next 12 months will be the following:
Of the Group's total income, around 70 percent is in currencies other than SEK. Normally income and expenses balance each other, but significant fluctuations in exchange rates may impact profits.

A more detailed description of risks is provided in the 2014 Annual Report.

Definitions

Definitions of key figures:

EBITDA	Earnings before interest, taxes, depreciation and amortisation
Earnings per share (EPS)	Net result divided by average number of shares before dilution
Non-recurring items	Cost related to the IPO process and costs for completed acquisitions
Return on Equity	Net result divided by equity (average of starting and closing balance of period)
Operating capital (average)	Net debt plus equity (average of starting and closing balance of period)
Return on Operating Capital	Operating profit divided by average operating capital
Net debt	Interest-bearing debt minus cash and cash equivalents

Amounts are in SEK million unless otherwise stated.

Note 1 Transactions with related parties

Recipharm AB (publ) and Recipharm Ltd has provided administrative services for B&E Participation AB for a value of SEK 0.0m (0.0).
Recipharm Pharmaceutical Development AB provided development services to Empros Pharma AB of SEK 0.5m (0.0).
Recipharm AB (publ) has paid SEK 0.0m (0.0) as other external costs to B&E Participation AB.

Note 2 Number of shares and potential shares

	A-shares	B-shares	Total
Number of shares as of 31 December 2014	**12 685 716**	**28 003 159**	**40 688 875**
New share issue, convertible bond related to Corvette acquisition		5 030 543	5 030 543
Number of shares as of 31 March 2015	**12 685 716**	**33 033 702**	**45 719 418**

Potential shares 51 701 (1 402 218), are related to Recipharm's share-based incentive program.

Note 3 Acquisition of subsidiaries, adjustment of purchase consideration

Lusomedicamenta Sociedade Técnica Farmacêutica S.A.
Final calculations performed during the first quarter resulted in a decrease of the purchase consideration by EUR 2.8m. The purchase consideration adjustment is reported as a decrease in Goodwill. Below is a reconciliation of these changes during the period.

Changes in goodwill during the period	
Goodwill as of 31 December 2014	**288.8**
Adjustment of purchase consideration	-25.9
Translation differences	-6.9
Goodwill as of 31 March 2015	**256.0**

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Note 4 Segment analysis

SEK million	Jan - Mar 2015					Jan - Mar 2014				
	MS-SL	MS-SO	D&T	Other	Total	MS-SL	MS-SO	D&T	Other	Total
Net sales, external	231.9	421.6	219.7	-	873.2	161.5	364.7	51.6	0.0	577.9
Net sales, internal	1.4	40.1	0.4	-41.9	-	1.2	16.6	1.4	-19.2	-
EBITDA	66.0	29.2	69.6	-6.7	158.0	35.9	64.4	18.9	-17.3	101.9
Depreciations	21.8	20.8	14.8	0.2	57.6	10.4	9.0	4.7	-	24.2
EBIT	44.2	8.4	54.8	-6.9	100.4	25.5	55.4	14.2	-17.3	77.8
Non-current assets	1 101.1	889.0	1 524.3	17.0	3 531.5	456.5	223.5	170.9	14.5	865.5
Total assets	1 558.2	1 589.5	1 840.9	449.5	5 438.0	560.1	844.0	329.3	144.9	1 878.3
Goodwill	308.2	136.2	443.3	-	887.7	78.2	-	-	-	78.2

Net sales major customers

	Jan - Mar		Full year
	2015	2014	2014
Customer X	137.3	150.0	566.4
Customer Y	94.4	97.3	384.2
Customer Z	85.7	86.3	325.2
Other customers	555.8	244.4	1 293.4
Total	**873.2**	**577.9**	**2 569.3**

Geographical area

	Net sales Jan - Mar		Fixed assets Mar 31	
	2015	2014	2015	2014
Sweden	292.4	289.4	246.3	277.3
Other	580.8	288.6	3 285.2	588.2
Total	**873.2**	**577.9**	**3 531.5**	**865.5**

The MS-SL and MS-SO segments core business is to manufacture pharmaceuticals on behalf of pharmaceutical companies. The MS-SL segment includes the units producing sterile liquids. These units are: Wasserburg, Monts and some parts of the Units in Portugal and Italy. The MS-SO segment includes the units producing solid, semi-solids and other dosage forms excluding sterile liquids. These units are all the manufacturing units in Sweden, Ashton, Parets, Fontaine and some parts of the units in Portugal and Italy. The Development and Technology (D&T) segment primarily includes development services to Pharmaceutical companies and sales of products based on own product rights, mainly through external distributors.
The segment reporting is based on the structure which management control and monitor the business.

Note 5 Financial assets and liabilities

	2015-03-31		2014-03-31	
Financial assets	Fair value	Carrying amount	Fair value	Carrying amount
Available-for-sales financial assets				
Other securities held as non-current assets	70.1	70.1	22.3	22.3
Loans and receivables				
Other receivables	71.6	71.6	10.3	10.3
Cash and cash equivalents	607.3	607.3	205.2	205.2
	749.0	**749.0**	**237.9**	**237.9**
Financial liabilities				
Other financial liabilities				
Interest-bearing liabilities, non-current portion	1 530.5	1 525.1	353.6	350.7
Interest-bearing liabilities, current portion*	19.5	19.5	245.5	245.5
Other liabilities	58.8	58.8	29.6	29.6
	1 608.8	**1 603.4**	**628.7**	**625.8**

* Interest bearing liabilities, current portion refers to the part of non-current liabilities that will be repaid during 2015 (2014) as well as to the unutilized portion of the group overdraft facility. The liability related to the convertible bonds at March 31, 2014 (SEK 39.2m) is part of interest-bearing liabilities current portion.

Derivatives are recognized at level 2, using valuation techniques with observable market data.

For information purposes, the fair value of interest-bearing liabilities is discounted based on future cash flows of interest, using actual market discount rate. Valuation is at level 3, based on the assumption that credit margin is the same as when the loan was issued.