

Interim report January – June 2014

“Further strong growth in sales and profits”

April-June 2014

- Net sales amounted to SEK 611 million (530), an increase of 15.4% compared to same quarter last year (12.2% in fixed FX-rates)
- EBITDA increased by 31,3% compared to same quarter last year and amounted to SEK 99 million (75)
- Operating profit (EBIT) amounted to SEK 74 million (52), giving an operating margin of 12.1% (9.9)
- Profit after tax amounted to SEK 48 million (36), giving a net margin of 7.9% (6.7)
- Earnings per share amounted to SEK 1.33 (1.40), after dilution SEK 1.33 kr (1.35)

January-June 2014

- Net sales amounted to SEK 1 189 million (1 047), an increase of 13,5% compared to same period last year (10.7% in fixed FX rates)
- EBITDA increased by 48.5% compared to same period last year and amounted to SEK 201 million (135)
- Operating profit (EBIT) amounted to SEK 151 million (90), giving an operating margin of 12.7% (8.6)
- Profit after tax amounted to SEK 103 million (56), giving a net margin of 8.7% (5.3)
- Earnings per share amounted to SEK 3.34 (2.19), after dilution SEK 3.34 (2.11)
- Cash flow from operating activities was SEK 92 million (60)
- Net debt to Equity was -0.3 (0.7)

Key figures (SEK million)	Apr - Jun			Jan - Jun			July 13	FY
	2014	2013	Change in %	2014	2013	Change in %	-Jun 14	2013
Net sales	611	530	15,4%	1 189	1 047	13,5%	2 206	2 125
Net sales (constant FX rates)	594		12,2%	1 159		10,7%		
EBITDA	99	75	31,3%	201	135	48,5%	349	283
EBIT	74	52	40,4%	151	90	68,3%	250	188
EBIT margin (%)	12,1	9,9		12,7	8,6		11,3	8,9
Earnings per share	1,33	1,40		3,34	2,19		3,92	3,72
Non-recurring items	0,0	0,1		0,0	2,3		6,4	6,5
Return on equity (%)				12,6	21,5		12,6	14,5
Return on operating capital (%)				20,8	15,4		20,8	17,2
Equity to assets (%)				62,1	18,6		62,1	37,6
Net debt				-405	443		-405	410
Net debt to Equity				-0,3	0,7		-0,3	0,6
Net debt to EBITDA				-1,2	1,7		-1,2	1,4

Thomas Eldered, CEO:

“The positive growth seen in the first quarter has continued, with sales in the second quarter at the highest level ever for an individual quarter.

Recipharm has thus delivered a very strong first half of the year.

Operating profit for the second quarter increased by 40 percent compared with the same period last year, to SEK 74 million, and the operating margin increased from 9.9 percent to 12.1 percent. The return on operating capital remained at a high level. The underlying business is performing well and is the main driver for the improvement in earnings during the quarter. Non-recurring items and phasing effects also

contributed to the improvement in earnings. Growth was close to our long-term target, despite the fact that no acquisitions have yet been made. All the segments reported improvements and as in the first quarter, progress in Development & Technology was particularly good. In total, the quarter's results show that we are continuing to deliver successfully in line with our overall growth strategy.

These good results combined with the company's strong balance sheet leave us very well positioned to boost this positive growth through profitable acquisitions and outsourcing transactions with major pharmaceutical companies. During the period we analyzed and evaluated a number of interesting potential acquisitions that could expand our customer base as well as providing geographical expansion and new technologies. We expect this to result in acquisition activities. This will further enhance our opportunities to grow and to provide our customers with solutions that add value.

Keeping up the pace in the business operations will remain important. The positive first half and our financial strength place us in a good position to step up the pace at which the company grows in line with our goals."

The full interim report is attached through the link at the end of the press release.

Invitation to press- and analyst conference

Recipharm AB invites investors, analysts and media to a telephone conference together with a web presentation (in English) on August 14 at 10:00 CET where CEO Thomas Eldered and CFO Björn Westberg will present and comment on the interim report and answer questions.

To participate in the conference, please dial:

From Sweden, tel: +46 8 506 443 86
From Denmark, tel: +45 32 71 42 62
From Finland, tel: +358 9 8171 0375
From Norway, tel: +47 21 06 61 13
From the UK, tel: +44 20 7153 9154
From Germany, tel: +49 69 2017 44 210
From France, tel: +33 1 70 70 95 02
From Spain, tel: +34 914 142 009
From Switzerland, tel: +41 44 580 65 22
From the US, tel: +1 877 423 0830

Pin code for participants: 971786#

To access the presentation during the conference, please use the following link:

<http://event.onlineseminarsolutions.com/r.htm?e=812271&s=1&k=E98891B7E670CAB2F482FB64869F866C>

For more information, please visit www.recipharm.com or contact:

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This information is published in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act and/or the regulations of NASDAQ OMX Stockholm. This information was submitted for publication on August 14 2014, at 07:45 am CET.

About Recipharm

Recipharm is a leading CDMO (Contract Development and Manufacturing Organisation) in the pharmaceutical industry based in Sweden employing some 1,500 employees. Recipharm offers manufacturing services of pharmaceuticals in various dosage forms, production of clinical trial material and pharmaceutical product development. Recipharm currently manufactures more than 200 different products to both Big Pharma and smaller research- and development companies. Recipharm's turnover is approximately SEK 2.1 billion and the Company operates development and manufacturing facilities in Sweden, France, the UK, Germany and Spain and is headquartered in Jordbro, Sverige. The Recipharm B-share (RECI B) is listed on Nasdaq OMX Stockholm.

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