

RECORDATI; BOARD APPROVES THE 2014 ACCOUNTS. REVENUES € 987.4 MILLION (+4.9%), OPERATING INCOME € 231.0 MILLION (+18.2%), NET INCOME € 161.2 MILLION (+20.6%). 2014 DIVIDEND € 0.50 (+51.5%).

- Consolidated revenues € 987.4 million, + 4.9%.
- EBITDA⁽¹⁾ € 273.8 million, + 19.0%
- Operating income € 231.0 million, + 18.2%.
- Net income € 161.2 million, + 20.6%.
- Net financial position⁽²⁾: net debt of € 186.0 million.
- Dividend for 2014 € 0.50 per share, of which € 0.26 already paid.
- Targets for 2015: sales to exceed € 1,000 million, operating income of around € 250 million and net income of around € 175 million.
- Annual Meeting of Shareholders convened for 15 April 2015, the sole convocation date.

Milan, 4 March 2015 – Recordati's Board of Directors approved the consolidated financial statements for the year 2014 as well as Recordati S.p.A.'s accounts and the corporate governance and ownership report as required by art. 123bis of the Consolidated Law on Financial Intermediation. The financial statements at and for the year ended 31 December 2014 and the aforesaid report will be available as from today 4 March 2014 at the company's head office and published on the company's website www.recordati.com and can also be viewed on the authorized storage system 1Info (www.1Info.it). The reports issued by the independent and by the statutory Auditors will be made available, within the terms of the law, in the same manner.

Financial highlights

- **Consolidated revenues** for the full year 2014 are € 987.4 million, up by 4.9% compared to the preceding year. International sales grow by 7.8%.
- **EBITDA⁽¹⁾**, at 27.7% of sales, is € 273.8 million, an increase of 19.0% over the preceding year.
- **Operating income**, at 23.4% of sales, is € 231.0 million, an increase of 18.2%.
- **Net income**, now at 16.3% of sales, is € 161.2 million, an increase of 20.6% over 2013.
- **Net financial position⁽²⁾** at 31 December 2014 records a net debt of € 186.0 million, an improvement over the preceding year. **Shareholders' equity** increases to € 787.4 million.

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

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

Business development news

A number of initiatives were pursued in 2014 for the future development of the Group.

RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.

Sede Legale
VIA M. CIVITALI, 1
20148 MILANO, ITALIA
TEL. (39) 0248787.1
FAX (39) 0240073747

CAPITALE SOCIALE € 26.140.644,50 I.V.
REG. IMP. MILANO N. 00748210150
CODICE FISCALE/P.IVA 007482210150
R.E.A. MILANO N. 401832

- In February an exclusive license agreement was entered into with Apricus Biosciences Inc., a pharmaceutical company based in San Diego, U.S.A., for the marketing and sales of Vitaros® (alprostadil), an innovative topical product for the treatment of erectile dysfunction, in certain W. European countries including, among others, Spain, EU member countries in Central and Eastern Europe, Russia, Ukraine and the Commonwealth of Independent States (C.I.S.), Turkey and certain African countries. Vitaros® is approved for the treatment of erectile dysfunction by a number of European health authorities and by Health Canada. Vitaros® is a topically-applied cream formulation of alprostadil, a vasodilator, which directly increases blood flow to the penis, causing an erection. Alprostadil is an alternative to the PDE-5 inhibitors for difficult to treat patients and Vitaros® offers a patient-friendly form versus other alprostadil dosage forms.
- In May the acquisition of a further 23% of the share capital of Opalia Pharma S.A., a Tunisian pharmaceutical company with headquarters in Ariana, near Tunis, was successfully concluded. In October 2013, following permission received from the Tunisian anti-trust authorities, 67% of the share capital of Opalia Pharma S.A. held by non-Tunisian shareholders had been acquired. An amount of € 22.6 million was paid at the closing. In May 2014, following permission granted by the *Commission Supérieure des Investissements* in Tunisia, a further 23% of the share capital of Opalia Pharma S.A. was acquired. The price of this portion of shares is of around € 5.9 million of which € 5.1 million already paid. Consequently, as of today Recordati holds 90% of the share capital of Opalia Pharma S.A., while the remaining 10% is held by Mrs. Alya El Hedda, one of the founders and current General Manager of the company.
- In July the U.S. Food and Drug Administration (FDA) granted approval of Orphan Europe's request for orphan drug designation for the use of Carbaglu® (carglumic acid) in the treatment of organic acidemias (OAs). Orphan drug designation applies to drugs that seek to treat rare diseases or conditions affecting fewer than 200,000 patients in the U.S. while providing significant therapeutic advantage over existing therapies. The designation provides the opportunity for seven years marketing exclusivity upon approval for the designated indication, tax credits to offset clinical research expenses, the ability to apply for annual grant funding, and the potential waiver of prescription drug user fees.
- In September a license agreement with Plethora Solutions Limited and Plethora Solutions Holdings Plc, a specialty pharmaceutical company with headquarters in the UK, for the commercialization of PSD502™ (brand to be Fortacin™) in Europe, Russia, Commonwealth of Independent States (C.I.S.), Turkey and certain countries in North Africa was signed. Subsequently, during October an up-front payment of € 5 million to Plethora was effected. PSD502™ is an easy-to-use fast acting topical spray formulation of lidocaine and prilocaine for the treatment of premature ejaculation. Premature ejaculation is a common form of sexual dysfunction. Epidemiological studies conducted in the US and in Europe indicate a prevalence of 20% to 30% in men of all ages. The product has been approved by EMA (the European Medicines Agency) but the new dosage form which will be actually commercialized is currently in development and will require a variation of the approval.
- At the end of September Erytech Pharma, a French biopharmaceutical company with which Orphan Europe, Recordati group, established an exclusive agreement in 2012 for the commercialization and distribution in Europe of Graspas® (a treatment for hematological malignancies intended to satisfy the unmet medical needs of frail patients, patients suffering relapses and other patient groups for whom the current treatments are not suitable) reported positive top-line phase III results from its clinical study with Graspas® in acute lymphoblastic leukemia (ALL). Graspas® met the primary endpoints compared to native L-asparaginase: the

reduction of allergic reactions was statistically significant and the increase in duration of asparaginase activity was also statistically significant.

Business outlook

Group consolidated sales during the first two months of 2015 grow by more than 5% compared to the same period of the preceding year. The company's expectations for the whole year are to achieve sales of more than € 1,000 million, operating income of around € 250 million and net income of around € 175 million.

Dividend

Based on the results obtained, the Board of Directors of the parent company will propose to the shareholders a dividend of € 0.24 per share, in full balance of the interim 2014 dividend of € 0.26, to be paid to all shares outstanding at ex-dividend date, excluding those in treasury stock, as from 22 April 2015 (record date 21 April 2015), with ex-dividend on 20 April 2015 (against presentation of coupon no. 15). The full 2014 dividend is therefore of € 0.50 per share (€ 0.33 per share in 2013).

Further Board resolutions

The Board of Directors approved the following further deliberation proposals to be submitted to the Annual Meeting of Shareholders:

- renewal of the authorization to buy back and dispose of Recordati shares until the Annual Shareholders' Meeting which will approve the 2015 financial statements;
- examination of the Remuneration Policy pursuant to article 123^{ter} of Legislative Decree 58/1998;

The objective of the proposal to renew the authorization to buy back and dispose of Recordati shares until the Annual Shareholders' Meeting which will approve the 2015 financial statements is, as in previous years, to grant the Board the possibility: of using shares for equity acquisitions or as consideration for strategic agreements; of allowing the company to invest in its own shares; and of constituting a stock of own shares to service current and future stock option plans. The company would be allowed to purchase up to 15,000,000 Recordati existing ordinary (common) shares, which includes those shares held in Treasury stock at any given time, for a maximum cash outlay of € 300,000,000. The purchase price must be at least equal to the shares' nominal value (€ 0.125) and must not exceed the average official Stock Exchange price recorded over the 5 trading days prior to the transaction, plus 5%. Possible purchases will be made on regulated markets and must comply with article 132 of Legislative Decree 58/1998 and with article 144-bis, comma 1.b) of the Issuers' Regulations as approved by CONSOB's resolution 11971/1999 and with market practice allowed and recognized by CONSOB. At 3 March 2015 the company has 4,425,170 shares in Treasury stock which amounts to 2.116% of the current share capital.

The Board of Directors also approved the Remuneration Report pursuant to article 123^{ter} of the Legislative Decree 58/98, the first part of which is the Remuneration Policy to be submitted to the Annual Shareholders' Meeting. The Remuneration Report will be made available to the public within the terms of the law.

Call to an Annual Shareholders' Meeting

The Board of Directors resolved to convene the Annual Shareholders' Meeting to be held at the company's offices on 15 April 2015 at 10.00 am, the sole convocation date, with the following agenda:

1. Board of Directors' Review of Operations; Report of the Board of Statutory Auditors; Financial Statements as at and for the financial year ended 31 December 2014; relative and consequent resolutions.
2. Remuneration policies in accordance with article 123ter of Legislative Decree No. 58 of 24 February 1998; relative and consequent resolutions.
3. Proposal to authorise the purchase and disposal of treasury stock; relative and consequent resolutions.

The entire notice of call of an Ordinary Shareholders' Meeting is made publicly available as of today on the company's website www.recordati.com and can also be viewed on the authorized storage system 1Info (www.1Info.it). On the same date the Directors' reports on points 1. and 3. of the Shareholders' Meeting agenda are published. The aforesaid reports are also available at the company's offices and can also be viewed on the authorized storage system 1Info (www.1Info.it). Further documents relative to the Shareholders' Meeting agenda will be published in the same manner and within the terms prescribed by current laws and regulations.

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 around 4,000, 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, in North Africa and in the United States of America. 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 within the urogenital therapeutic area and of treatments for rare diseases. Consolidated revenue for 2014 was € 987.4 million, operating income was € 231.0 million and net income was € 161.2 million.

For further information:

Recordati website: www.recordati.com

Investor Relations

Marianne Tatschke
(39)0248787393
e-mail: inver@recordati.it

Media Relations

Studio Noris Morano
(39)0276004736, (39)0276004745
e-mail: norismorano@studionorismorano.com

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 €)

INCOME STATEMENT	2014	2013	Change %
REVENUE	987,356	941,630	4.9
Cost of sales	(327,054)	(327,329)	(0.1)
GROSS PROFIT	660,302	614,301	7.5
Selling expenses	(282,946)	(275,188)	2.8
Research and development expenses	(85,267)	(74,725)	14.1
General & administrative expenses	(57,173)	(54,093)	5.7
Other income (expenses), net	(3,886)	(14,874)	(73.9)
OPERATING INCOME	231,030	195,421	18.2
Financial income (expenses), net	(16,255)	(14,625)	11.1
PRE-TAX INCOME	214,775	180,796	18.8
Provision for income taxes	(53,582)	(47,103)	13.8
NET INCOME	161,193	133,693	20.6
Attributable to:			
Equity holders of the parent	161,187	133,678	20.6
Minority interests	6	15	(60.0)

EARNINGS PER SHARE	2014	2013	Change %
Basic	€ 0.792	€ 0.663	19.5
Diluted	€ 0.771	€ 0.631	22.2

Earnings per share (EPS) are based on average shares outstanding during each year, 203,573,320 in 2014 and 201,585,061 in 2013, net of average treasury stock which amounted to 5,551,836 shares in 2014 and 7,540,095 shares in 2013. Diluted earnings per share is calculated taking into account stock options granted to company personnel.

COMPOSITION OF REVENUE	2014	2013	Change %
Total revenue	987,356	941,630	4.9
Italy	218,829	228,900	(4.4)
International	768,527	712,730	7.8

Pending completion of independent and statutory audits.

RECORDATI GROUP

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

ASSETS	31.12.2014	31.12.2013
Property, plant and equipment	92,273	81,288
Intangible assets	266,018	295,498
Goodwill	463,474	469,205 *
Equity investments	17,079	5,939
Non-current receivables	4,743	4,256
Deferred tax assets	33,021	25,205
TOTAL NON-CURRENT ASSETS	876,608	881,391
Inventories	141,223	140,430
Trade receivables	179,029	179,775
Other receivables	32,316	24,979
Other current assets	4,927	5,363
Fair value of hedging derivatives (cash flow hedge)	4,132	0
Short-term financial investments, cash and cash equivalents	136,990	52,271
TOTAL CURRENT ASSETS	498,617	402,818
TOTAL ASSETS	1,375,225	1,284,209
EQUITY AND LIABILITIES	31.12.2014	31.12.2013
Share capital	26,141	26,141
Capital in excess of par value	83,719	83,719
Treasury stock	(30,727)	(37,791)
Hedging reserve	(683)	(2,270)
Translation reserve	(56,314)	(42,853)
Other reserves	29,865	25,776
Retained earnings	627,240	559,878
Net income for the period	161,187	133,678
Interim dividend	(53,080)	(44,526)
GROUP SHAREHOLDERS' EQUITY	787,348	701,752
Minority interest	74	68
SHAREHOLDERS' EQUITY	787,422	701,820
Loans due after one year	286,202	196,788
Employees' termination pay	18,388	16,698
Deferred tax liabilities	21,553	21,072
Other non-current liabilities	3,102	4,823 *
TOTAL NON-CURRENT LIABILITIES	329,245	239,381
Trade payables	112,536	107,156
Other payables	64,886	70,808 *
Tax liabilities	12,541	15,951
Other current liabilities	903	855
Provisions	25,784	29,454
Fair value of hedging derivatives (cash flow hedge)	5,075	2,270
Fair value of hedging derivatives (fair value hedge)	0	2,210
Loans due within one year	28,281	80,280
Bank overdrafts	8,552	34,024
TOTAL CURRENT LIABILITIES	258,558	343,008
TOTAL EQUITY AND LIABILITIES	1,375,225	1,284,209

* Restated due to variation in the acquisition cost of Opalia Pharma
Pending completion of independent and statutory audits.

RECORDATI S.P.A.

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

	2014	2013	Var. %
Revenue	284,930	293,761	(3.0)
Operating income	44,864	45,855	(2.2)
Pre-tax income	101,460	85,547	18.6
Net income	88,926	73,573	20.9

	31.12.2014	31.12.2013
Non-current assets	598,029	565,632
Current assets	260,946	243,968
TOTAL ASSETS	858,975	809,600
Shareholders' equity	376,935	355,692
Non-current liabilities	218,240	158,420
Current liabilities	263,800	295,488
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	858,975	809,600

Pending completion of independent and statutory audits.

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.