

2017 First half results



First half 2017 highlights

- Revenue € 650.9 million, up 10.7%
- EBITDA € 224.0 million or 34.4% of sales, up 19.1%
- Operating income (EBIT) € 203.2 million or 31.2% of sales, up 19.4%
- Net income € 147.0 million or 22.6% of sales, up 19.8%
- Net debt € 356.3 million, an increase of € 157.5 million as compared to year-end 2016, after dividend distribution and product acquisition for an overall disbursement of € 324.9 million.
- Approval of Cystadrops® for the ocular manifestations of cystinosis
- Agreement with the Meyer Hospital in Florence for the development of a treatment for ROP
- Acquisition of the European rights to Seloken®/Seloken® ZOK (metoprolol) and Logimax® (metoprolol+felodipine) from AstraZeneca
- Private placement of notes for a total of € 125.0 million
- Agreement with MimeTech for the development of a new compound for neurotrophic keratitis
- Approval of Reagila® (cariprazine) for the treatment of schizophrenia

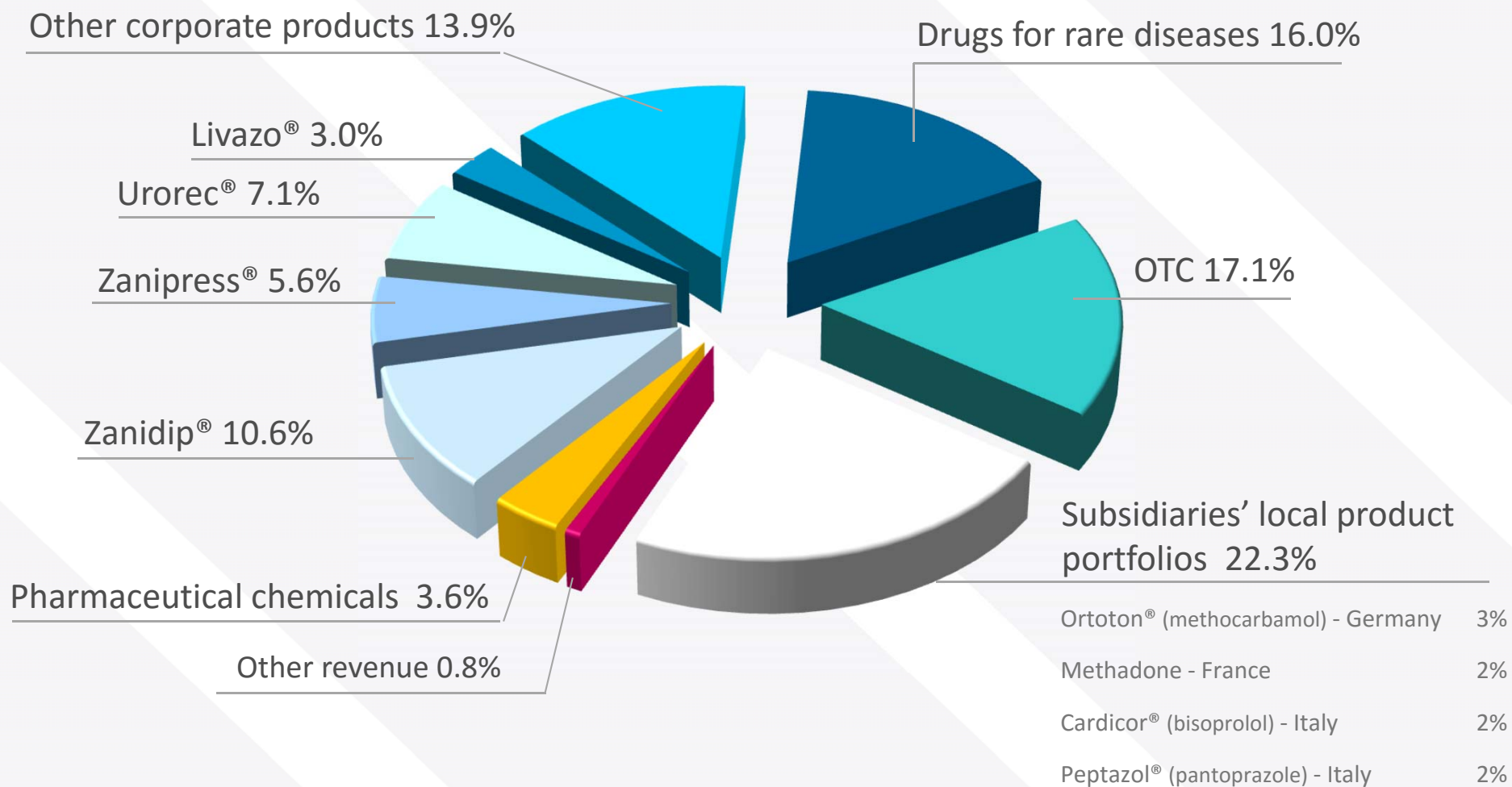
Main product sales

Corporate products including drugs for rare diseases account for 64.6% of revenue

(million Euro)	1H 2017	1H 2016	Change %
Zanidip [®] (lercanidipine)	69.2	63.7	8.7
Zanipress [®] (lercanidipine+enalapril)	36.3	35.0	3.9
Urorec [®] (silodosin)	46.5	42.7	8.9
Livazo [®] (pitavastatin)	19.4	17.7	9.5
Other corporate products*	144.7	119.0	21.6
Drugs for rare diseases	104.1	95.3	9.2

* Include the OTC corporate products for an amount of € 54.5 million in 2017 and € 40.3 million in 2016 (up 35.3%).

A diversified product portfolio



Data: First half 2017
Total revenue € 650.9 m

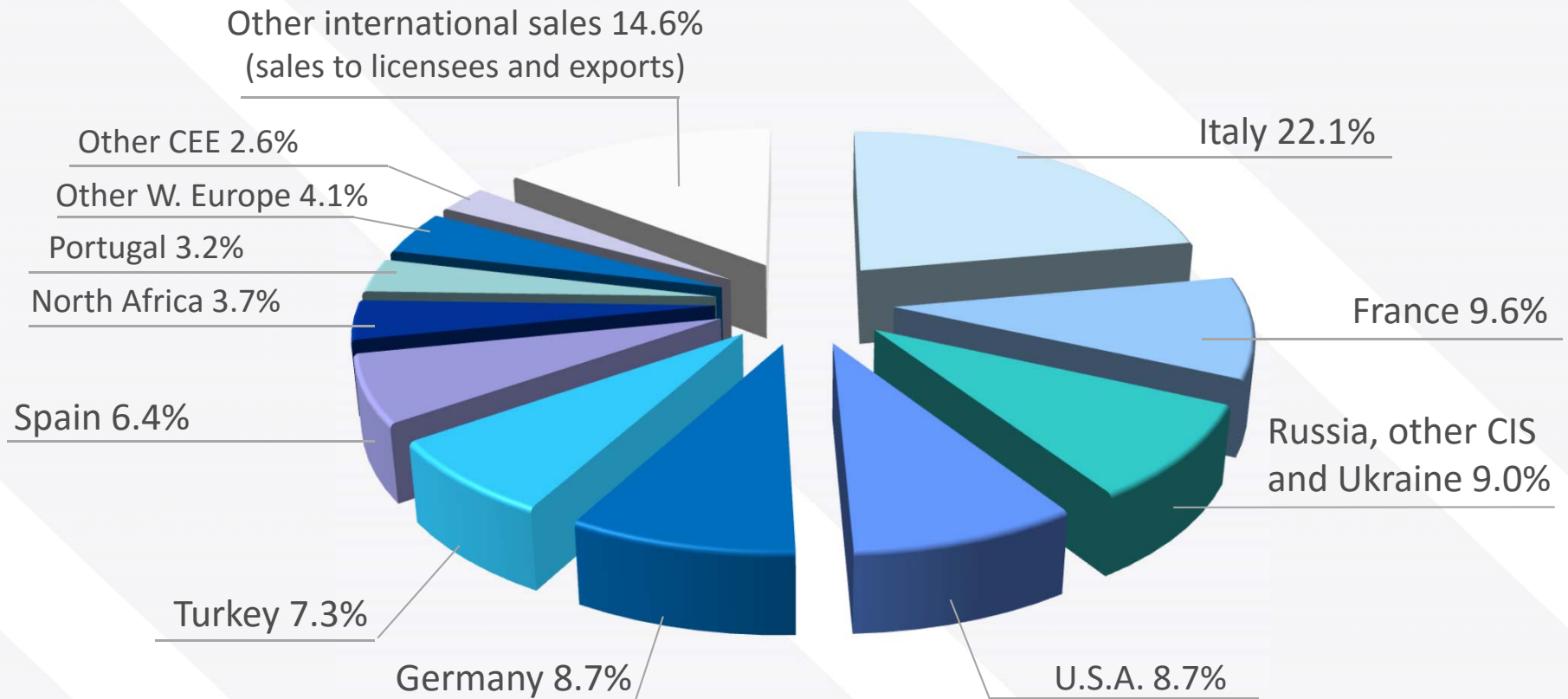
Composition of revenue by geography

Continued growth

(million Euro)	1H 2017	1H2016	Change %
Italy	138.7	118.0	17.6
France	60.1	57.2	5.0
Russia, other CIS countries and Ukraine	56.4	35.7	58.0
U.S.A.	54.7	52.8	3.5
Germany	54.3	48.1	13.1
Turkey	45.7	45.1	1.3
Spain	40.2	37.6	7.0
North Africa	23.1	26.7	(13.3)
Portugal	20.4	19.8	3.0
Other W. Europe countries	25.6	16.8	52.0
Other CEE countries	16.5	16.2	2.2
Other international sales	91.9	92.8	(0.9)
TOTAL PHARMACEUTICALS	627.7	566.7	10.8
PHARMACEUTICAL CHEMICALS	23.1	21.2	9.3

(In local currency, millions)	1H 2017	1H 2016	Change %
Russia (RUB)	2,958.6	2,337.4	26.6
Turkey (TRY)	169.2	138.3	22.3
U.S.A. (USD)	61.0	60.2	1.3

Geographical breakdown of pharmaceutical revenue



Data: First half 2017
Pharmaceutical revenue € 627.7 m

First half 2017 results

Further margin growth

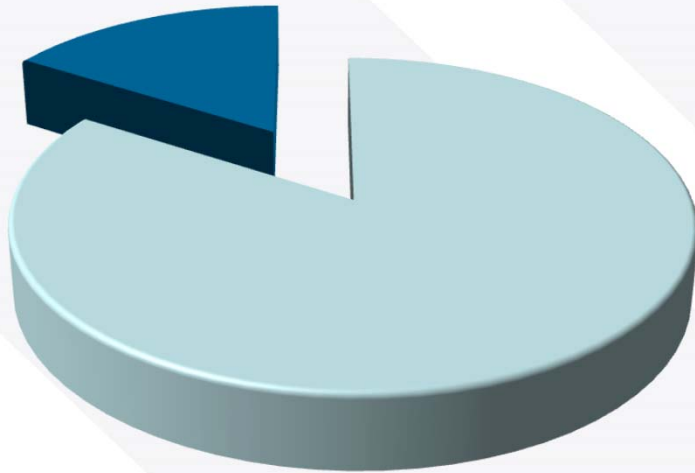
(million Euro)	1H 2017	1H 2016	Change %
Revenue	650.9	587.9	10.7
Gross Profit as % of revenue	454.1 69.8	407.4 69.3	11.5
SG&A Expenses as % of revenue	202.4 31.1	187.0 31.8	8.2
R&D Expenses as % of revenue	47.2 7.2	41.6 7.1	13.3
Other Income (Expense), net as % of revenue	(1.4) (0.2)	(8.5) (1.5)	(83.4)
Operating Income as % of revenue	203.2 31.2	170.2 29.0	19.4
Net Income as % of revenue	147.0 22.6	122.7 20.9	19.8

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Operating segments

Revenue

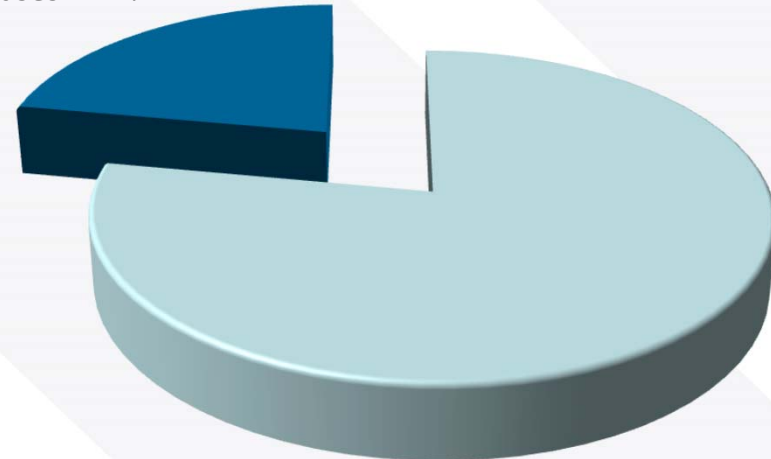
Treatments for rare diseases 16.0%



Primary & specialty care 84.0%

EBIT

Treatments for rare diseases 22.1%



Primary & specialty care 77.9%

EBIT margin on sales:

Treatments for rare diseases, 43.1%

Primary & Specialty care, 28.9%

Net financial position

(million Euro)	30 June 2017	31 Dec 2016	Change
Cash and short-term financial investments	85.8	138.5	(52.7)
Bank overdrafts and short-term loans	(19.9)	(15.7)	(4.2)
Loans – due within one year	(41.6)	(40.4)	(1.2)
Loans – due after one year	(380.5)	(281.1)	(99.4)
NET FINANCIAL POSITION	(356.3)	(198.8)	(157.5)

Financial projections

2017 targets

(million Euro)	2016 Actual	2017 Targets
Revenue	1,154	1,290 - 1,300
EBITDA	371	450 - 460
Operating income (EBIT)	327	400 - 410
Net Income	237	290 - 295

Company declarations, disclaimers and profile

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 presentation corresponds to the document results, books and accounting records.

Statements contained in this presentation, 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, 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, in other Central and Eastern European countries, in Turkey, in the United States of America and in North Africa. 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 2016 is € 1,153.9 million, operating income is € 327.4 million and net income is € 237.4 million.

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