

RECORDATI: PRELIMINARY 2016 RESULTS CONFIRM CONTINUED GROWTH OF REVENUES AND PROFITABILITY. NEW THREE YEAR BUSINESS PLAN PRESENTED.

- Consolidated revenues € 1,153.9 million, +10.1%.
- EBITDA ⁽¹⁾ € 371.2 million, +17.1%
- Operating income € 327.4 million, +17.6%.
- Net income € 237.4 million, +19.4%.
- Net financial position ⁽²⁾: net debt of € 198.8 million.
- Acquisition of the Italian pharmaceutical company Italchimici S.p.A.
- Acquisition of the Swiss pharmaceutical company Pro Farma AG.
- Agreement with Gedeon Richter for the commercialization of cariprazine.
- Subsequent event: Marketing approval received from the European Commission for Cystadrops®.
- 2017-2019 Business Plan presented.

Milan, 9 February 2017 – The Board of Directors of Recordati S.p.A. examined the preliminary consolidated results for 2016 and the 2017-2019 plan. The company's definite consolidated annual financial reports will be submitted to the Board for approval on 1 March 2017.

Recordati presents its preliminary 2016 results and its 2017-2019 Business Plan, which was approved by the Board of Directors, to the financial community and specialized press today at 4.00 pm at Borsa Italiana. The complete presentation will be placed on the company's website www.recordati.com.

Financial highlights

- **Consolidated revenues** in 2016 are € 1,153.9 million, up by 10.1% compared to the preceding year. International sales grow by 9.6%.
- **EBITDA** ⁽¹⁾, at 32.2% of sales, is € 371.2 million, an increase of 17.1% over the preceding year.
- **Operating income**, at 28.4% of sales, is € 327.4 million, an increase of 17.6%. This result includes non recurring expenses of € 12.8 million due to ancillary costs and charges for organizational restructuring related to the recent acquisitions of Italchimici S.p.A. and Pro Farma AG as well as the write-down of certain intangible assets.
- **Net income**, at 20.6% of sales, is € 237.4 million, an increase of 19.4% over that of 2015.
- **Net financial position** ⁽²⁾ at 31 December 2016 records a net debt of € 198.8 million compared to net debt of € 88.7 million at 31 December 2015, including the acquisition of Italchimici S.p.A. and Pro Farma AG, the distribution of dividends and share buy-backs that accounted for a total amount of more than € 300 million during the period.

⁽¹⁾ Operating income before depreciation, amortization and write down of both tangible and intangible assets.

⁽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.

2017-2019 Business Plan

The development of the Recordati group will continue to be generated by the organic growth of its current product portfolio, the launch of new medicines currently in the pipeline and by the acquisition of companies and/or products to reinforce the group's presence in the main markets. Furthermore, the group intends to continue investing in research and development to further enrich the pipeline which will also include partnerships with research institutions and drug-discovery companies as well as with other pharmaceutical companies.

Including the contribution of further acquisitions which may be completed within the period under analysis, our financial performance expectations for the 2017-2019 period are the following:

- For 2017, our targets are to achieve sales of around € 1,220 million, EBITDA ⁽¹⁾ of around € 410 million, operating income of around € 365 million and net income of around € 260 million.
- For 2019, we expect to achieve sales of around € 1,450 million, EBITDA ⁽¹⁾ of around € 500 million, operating income of around € 450 million and net income of around € 325 million.

⁽¹⁾ Operating income before depreciation, amortization and write down of both tangible and intangible assets

Management comments

“During the year just ended significant results were obtained and important transactions concluded for the growth and the reinforcement of our group” declared Andrea Recordati, Vice Chairman and Chief Executive Officer. “In May we acquired the Italian pharmaceutical company Italmichimici, which, with its interesting portfolio of well-known products represents an excellent opportunity to accelerate growth, in particular in the Italian market. In July we acquired the Swiss pharmaceutical company Pro Farma which represents an excellent base on which to develop our operations in Switzerland where Recordati has recently started to sell its product portfolio directly to the market. Regarding the enrichment of our product portfolio, an agreement was finalized in France for the development and subsequent marketing of a treatment for maple syrup urine disease, a severe invalidating condition, and an important exclusive license agreement was signed with Gedeon Richter for the commercialization of cariprazine, a novel atypical antipsychotic drug. More recently, marketing approval was received from the European Commission for Cystadrops®, a treatment for patients suffering from cystinosis, a rare metabolic disease” continued Andrea Recordati. “My priority will be to proceed along the lines of the development strategy outlined by Giovanni Recordati with the objective of continuing the internationalization and growth of the group through the organic development of our business, the reinforcement of our pipeline and a focused policy of acquisitions of companies and/or products. The 2017-2019 business plan reflects the execution of this strategy and poses ambitious targets which we are confident can be delivered.”

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.

Meeting with the financial community and specialized press

Recordati S.p.A. will be hosting a meeting with the financial community and specialized press today, Thursday 9 February at 4 pm at Palazzo Mezzanotte, Piazza degli Affari, 6, Milan. The meeting will be held in English.

For those who are unable to attend the proceedings followed by a Q&A session will be available via conference call. Dial-in numbers are:

Italy	+39 02 8058811, toll free 800 213 858
UK	+44 1 212818003, toll free 800 0156384
USA	+1 718 7058794, toll free +1 855 2656959
France	+33 170918703
Germany	+49 69 255114451

Callers are invited to dial-in 10 minutes before conference time. If conference operator assistance is required during the connection, please digit * followed by 0.

A set of slides which will be referred to during the call will be available on our website www.recordati.com under Investors/Company Presentations.

A recording of the conference call will be subsequently placed on the website www.recordati.com.

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, in the United States of America and in some Latin 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 within the urogenital therapeutic area and of treatments for rare diseases. Consolidated revenue for 2015 was € 1,047.7 million, operating income was € 278.5 million and net income was € 198.8 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.