

**DISTRIBUTION OF AN INTERIM
DIVIDEND BY RECORDATI S.P.A. FOR THE
FINANCIAL YEAR 2015 IN ACCORDANCE
WITH ARTICLE 2433-BIS OF THE ITALIAN
CIVIL CODE**

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DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ART 154-BIS, PARAGRAPH 2 OF LEGISLATIVE DECREE NO. 58/1998

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**DIRECTORS' REPORT ON THE
DISTRIBUTION OF AN INTERIM
DIVIDEND TO THE SHAREHOLDERS OF
RECORDATI S.P.A.**

Directors' considerations on the distribution of an interim dividend

An interim dividend may be distributed if the conditions specified in the relative legislation (Art. 2433-*bis* of the Italian Civil Code) are met.

Recordati S.p.A. ("Recordati") is in possession of the requirements to exercise that right for the following reasons:

- a) the financial statements are subject by law to audit by a firm of auditors registered in the special roll;
- b) payment of interim dividends is permitted by Art. 29 of the Corporate By-Laws;
- c) the external auditors have issued a positive opinion on the financial statements for the previous year, which were subsequently approved by the shareholders;
- d) no losses relating to the current year or to prior years have been incurred since the last financial statements were approved.

The distribution of the dividend must be approved by the Board of Directors on the basis of financial statements and a report showing that the capital, operating and financial position of the Company would allow that distribution to be made. Additionally, an opinion of the external auditors on those documents must be obtained.

Art. 2433-*bis* of the Italian Civil Code also states that the amount of an interim dividend cannot be greater than the lower of the net income earned at the end of the previous financial year, less the amounts allocated to the statutory or by-law reserves, and the reserves available for distribution.

In Recordati's case, the distribution of an interim dividend is based on the accounts at 30 June 2015 for the six month period ended on that date, prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission, applicable at 30 June 2015.

The available reserves resulting from the accounts at 30 June 2015 amounted to € 381,980 thousand, while the net income available at 30 June 2015 amounted to € 77,064 thousand consisting of the net income earned, since an amount equal to one fifth of the share capital had already been allocated to the statutory reserve and no other obligations for allocations to reserves existed.

A summary of the relevant data for determining the amount of the interim dividend distributable is attached in the following table:

• net income at 30 June 2015	€ 77,064 thousand
• net income available	€ 77,064 thousand
• reserves available at 30 June 2015	€ 381,980 thousand
• Interim dividend distributable (maximum amount)	€ 77,064 thousand
• Interim dividend per share	€ 0.30

In accordance with Art. 2433-*bis*, paragraph 4 of the Italian Civil Code, the interim dividend distributable cannot exceed € 77,064 thousand, corresponding to the part of the net income for the period that may be distributed on an interim basis.

Taking into account the above, and in light of the information reported in the following pages concerning the operating, capital and financial performance of Recordati S.P.A. and the Group at 30 June 2015, the Board of Directors intends to distribute an interim dividend amounting to € 0.30 on each share outstanding on the ex dividend date of 9 November 2015, to be paid from 11 November 2015 (record date 10 November 2015).

Milan, 28 October 2015

on behalf of the Board of Directors
The Chairman
Giovanni Recordati

Operating and financial review of Recordati SpA in the first six months of 2015

The financial statements of Recordati S.p.A. at 30 June 2015 show net income of € 77,064 thousand.

The items in the income statement are given below with the relative percentage of revenue and the change compared to the first six months of 2014.

€ (thousands)	First half 2015	% of revenue	First half 2014	% of revenue	Change 2015/2014	%
Revenue	165,382	100.0	154,940	100.0	10,442	6.7
Cost of sales	(73,267)	(44.3)	(77,170)	(49.8)	3,903	(5.1)
Gross profit	92,115	55.7	77,770	50.2	14,345	18.4
Selling expenses	(28,253)	(17.1)	(27,040)	(17.5)	1,213	(4.5)
R&D expenses	(11,381)	(6.9)	(12,658)	(8.1)	(1,277)	10.1
G&A expenses	(13,855)	(8.3)	(10,743)	(6.9)	3,112	(29.0)
Other income (expense), net	(283)	(0.2)	(272)	(0.2)	(11)	4.0
Operating income	38,343	23.2	27,057	17.5	11,286	41.7
Dividends	55,018	33.3	50,011	32.3	5,007	10.0
Financial income (expense), net	(4,059)	(2.5)	(4,888)	(3.2)	829	(17.0)
Pretax income	89,302	54.0	72,180	46.6	17,122	23.7
Provision for income taxes	(12,238)	(7.4)	(8,608)	(5.6)	(3,630)	42.2
Net income	77,064	46.6	63,572	41.0	13,492	21.2

Revenue in the first six months of 2015 was € 165,382 thousand, an increase of 6.7% compared with the same period of the previous year.

Good sales performance was recorded in Italy by the following: Urorec® (silodosin), a new specialty indicated for the treatment of the symptoms of benign prostatic hypertrophy (BPH); Cardicor® (bisoprolol), a drug belonging to the beta blocker class indicated for the treatment of chronic cardiac insufficiency; and a fixed combination of lercanidipine with enalapril developed by Recordati and indicated for the treatment of hypertension.

Total R&D costs came to € 11,381 thousand accounting for 6.9% of revenue.

Operating income was € 38,343 thousand, amounting to 23.2% of revenue.

Net income of € 77,064 thousand was up by € 13,492 thousand compared with the first six months of the preceding year, mainly as a result of the increase in gross profit.

NET FINANCIAL POSITION

The net financial position is set out in the following table:

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Cash and cash equivalents and current receivables	150,848	143,575	7,273
Short-term borrowings	(215,090)	(187,411)	(27,679)
Net current financial position	(64,242)	(43,836)	(20,406)
Loans and receivables – due after one year	25,379	46,328	(20,949)
Borrowings – due after one year	(199,992)	(202,869)	2,877
Net financial position	(238,855)	(200,377)	(38,478)

MANAGEMENT REVIEW

The section “Management review” of the Recordati Group interim report at 30 June 2015 may be consulted for more information on operations and financial analysis (from page 9 to page 18 of this document).

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

The Company's business performance was in line with expectations and, in the absence of events which are unforeseeable at present, no specific significant events were observed occurring subsequent to the reporting date of 30 June, which might affect the positive performance in the first six months of the year, for the achievement of the results forecast for 2015.

These results are forecast to be much greater than the interim dividend currently being approved.

The above information has been confirmed by the operating results of the Company to 30 September 2015.

Page 18 of this document may be consulted for a report and discussion of subsequent events and the business outlook for the Group.

Milano, 28 October 2015

On behalf of the Board of Directors
The Chairman
Giovanni Recordati

MANAGEMENT REVIEW HIGHLIGHTS

First half 2015

REVENUE

€ (thousands)	First half 2015	%	First half 2014	%	Change 2015/2014	%
Total revenue	539,060	100.0	507,621	100.0	31,439	6.2
Italy	115,969	21.5	123,066	24.2	(7,097)	(5.8)
International	423,091	78.5	384,555	75.8	38,536	10.0

KEY CONSOLIDATED P&L DATA

€ (thousands)	First half 2015	% of revenue	First half 2014	% of revenue	Change 2015/2014	%
Revenue	539,060	100.0	507,621	100.0	31,439	6.2
EBITDA ⁽¹⁾	163,891	30.4	141,850	27.9	22,041	15.5
Operating income	145,225	26.9	121,796	24.0	23,429	19.2
Net income	103,243	19.2	83,045	16.4	20,198	24.3

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

KEY CONSOLIDATED B/S DATA

€ (thousands)	30 June 2015	31 December 2014	Change 2015/2014	%
Net financial position ⁽²⁾	(139,864)	(186,045)	46,181	(24.8)
Shareholders' equity	874,862	787,422	87,440	11.1

⁽²⁾ Short-term financial investments, cash and cash equivalents, less bank overdrafts and loans which include the measurement at fair value of hedging derivatives (fair value hedge).

Second quarter 2015

REVENUE

€ (thousands)	Second quarter 2015	%	Second quarter 2014	%	Change 2015/2014	%
Total revenue	263,314	100.0	247,259	100.0	16,055	6.5
Italy	54,086	20.5	56,030	22.7	(1,944)	(3.5)
International	209,228	79.5	191,229	77.3	17,999	9.4

KEY CONSOLIDATED P&L DATA

€ (thousands)	Second quarter 2015	% of revenue	Second quarter 2014	% of revenue	Change 2015/2014	%
Revenue	263,314	100.0	247,259	100.0	16,055	6.5
EBITDA ⁽¹⁾	81,117	30.8	70,434	28.5	10,683	15.2
Operating income	71,754	27.3	59,609	24.1	12,145	20.4
Net income	51,275	19.5	40,279	16.3	10,996	27.3

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

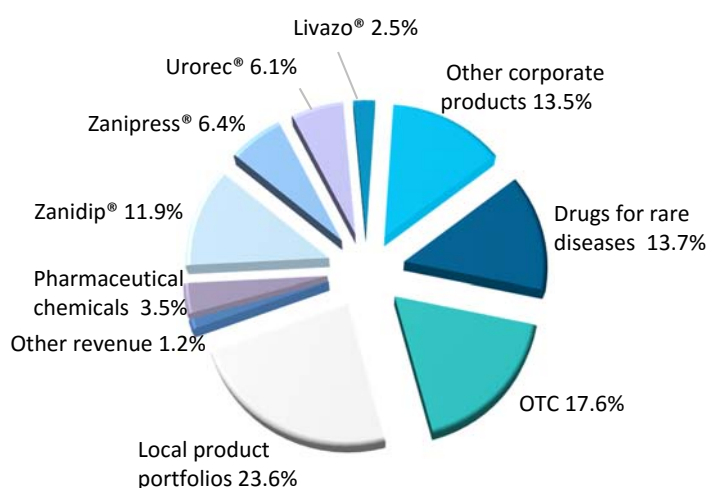
The first half 2015 results confirm continued revenue growth and further margin improvement. Consolidated revenue is € 539.1 million, up by 6.2% compared to the same period of the preceding year. International sales grow by 10.0%. EBITDA, at 30.4% of sales, is € 163.9 million, an increase of 15.5% over the first half of 2014. Operating income, at 26.9% of sales, is € 145.2 million, an increase of 19.2% while net income, at 19.2% of sales, is € 103.2 million, an increase of 24.3% over the first half of 2014.

Net financial position at 30 June 2015 records a net debt of € 139.9 million. Shareholders' equity increases to € 874.9 million.

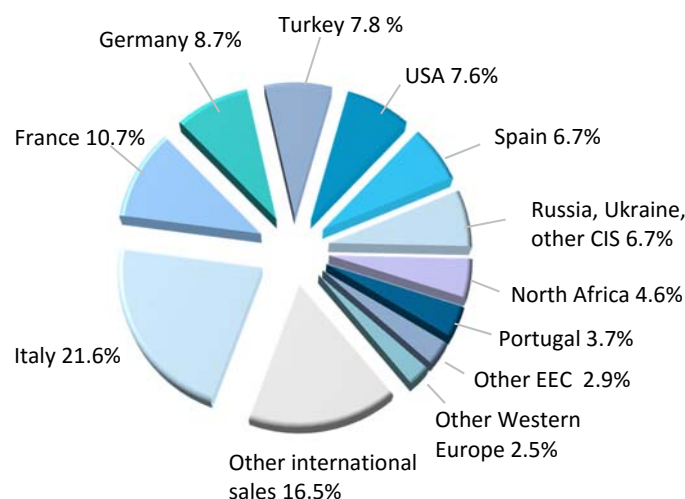
REVIEW OF OPERATIONS

Net consolidated revenue in the first half of 2015 is € 539.1 million, up 6.2% over the same period of the preceding year, with an increase in international sales of 10.0% to € 423.1 million, which represent 78.5% of total sales. Pharmaceutical sales are € 520.3 million, up by 6.2%. Pharmaceutical chemicals sales are € 18.8 million, up by 6.8%, and represent 3.5% of total revenues.

Sales by business



Pharmaceutical sales



The group's pharmaceutical business, which represents 96.5% of total revenue, is carried out in the main European markets, including Central and Eastern Europe, in Russia, in Turkey, in North Africa and in the United States of America through our own subsidiaries and in the rest of the world through licensing agreements with pharmaceutical companies of high standing. We have gradually extended our international presence through the acquisition of existing marketing organizations with the aim to add our proprietary products, and those obtained under multi-territorial licenses, to the local portfolios.

The performance of products sold directly in more than one market (corporate products) during the first half of 2015 is shown in the table below.

€ (thousands)	First half 2015	First half 2014	Change 2015/2014	%
Zanidip® (lercanidipine)	63,926	58,421	5,505	9.4
Zanipress® (lercanidipine+enalapril)	34,321	31,239	3,082	9.9
Urorec® (silodosin)	33,000	28,436	4,564	16.1
Livazo® (pitavastatin)	13,397	12,411	986	7.9
Other corporate products*	100,984	96,223	4,761	4.9
Drugs for rare diseases	73,933	60,299	13,634	22.6

* Include the OTC corporate products for an amount of € 28.0 million in 2015 and € 23.8 million in 2014.

Zanidip® is a specialty containing lercanidipine, Recordati's original calcium channel blocker for the treatment of hypertension. Our lercanidipine based products are sold directly to the market by our own marketing organizations in Europe, including Central and Eastern Europe, in Russia, in Turkey and in North Africa. In the other markets they are sold by licensees, and in some of the above co-marketing agreements are in place.

€ (thousands)	First half 2015	First half 2014	Change 2015/2014	%
Direct sales	30,380	30,393	(13)	(0.0)
Sales to licensees	33,546	28,028	5,518	19.7
Total lercanidipine sales	63,926	58,421	5,505	9.4

Lercanidipine direct sales are substantially stable overall. Sales increase in Turkey and in Germany while they are down in France. Sales to licensees, which represent 52.5% of total lercanidipine sales, are up by 19.7% and grow significantly in Australia and in China.

Zanipress® is an original specialty also indicated for the treatment of hypertension developed by Recordati which consists of a fixed combination of lercanidipine with enalapril. To date this product is successfully marketed directly by Recordati and/or by its licensees in 25 countries.

€ (thousands)	First half 2015	First half 2014	Change 2015/2014	%
Direct sales	23,880	22,167	1,713	7.7
Sales to licensees	10,441	9,072	1,369	15.1
Total lercanidipine+enalapril sales	34,321	31,239	3,082	9.9

Direct sales of Zanipress® in the first half of 2015 are up by 7.7% mainly due to the performance of the product in Italy and in Turkey. Sales to licensees represent 30.4% of total Zanipress® sales and are up by 15.1%.

Urorec® (silodosin) is a specialty indicated for the treatment of symptoms associated with benign prostatic hyperplasia (BPH). Urorec® was initially launched in 2010. Currently the product has been successfully launched in 30 countries with sales of € 33.0 million in the first half of 2015, up 16.1% mainly due to the good performance of the product in Italy, Turkey and France. Urorec® was recently launched in Tunisia.

Sales of Livazo® (pitavastatin), a novel statin indicated for the reduction of elevated total and LDL cholesterol, in Spain, in Portugal, in Ukraine, in Greece and through a licensee in Switzerland are € 13.4 million during the first half of 2015, up by 7.9% due to the good performance of the product in Portugal, Spain and Greece.

In the first half of 2015 sales of other corporate products totaled € 101.0 million, up by 4.9% compared to the same period of the preceding year. These comprise both prescription and OTC products and are: Lomexin® (fenticonazole), Urispas® (flavoxate), Kentera® (oxybutynin transdermal patch), TransAct® LAT (flurbiprofen transdermal patch), Rupafin®/Wystamm® (rupatadine), Lopresor® (metoprolol), Procto-Glyvenol® (tribenoside), Tergynan® (fixed association of anti-infectives) as well as CitraFleet®, Casenlax®, Fleet enema and Fosfosoda®, gastroenterological products, Polydexa®, Isofra® and Otofa®, ENT anti-infective products, the Hexa line of products indicated for seasonal disorders of the upper respiratory tract, Abufene®, a product for menopausal symptoms, Muvagyn® a topical product for gynecological use and Virirec® (alprostadil), a topical product for erectile dysfunction recently launched in Spain.

Our specialties indicated for the treatment of rare and orphan diseases, marketed directly throughout Europe, in the Middle East and in the U.S.A., and through partners in other parts of the world, generated sales of € 73.9 million in the first half of 2015, up by 22.6% mainly due to the good performance of the U.S. business as well as to the positive foreign exchange effect following the revaluation of the U.S. dollar.

The pharmaceutical sales of the Recordati subsidiaries, which include the abovementioned product sales, are shown in the following table.

€ (thousands)	First half 2015	First half 2014	Change 2015/2014	%
Italy	112,679	119,692	(7,013)	(5.9)
France	55,502	55,260	242	0.4
Germany	45,324	40,537	4,787	11.8
Turkey	40,565	33,649	6,916	20.6
U.S.A.	39,766	27,659	12,107	43.8
Spain	34,821	33,778	1,043	3.1
Russia, other C.I.S. countries and Ukraine	34,649	39,315	(4,666)	(11.9)
North Africa	23,896	19,914	3,982	20.0
Portugal	19,057	18,018	1,039	5.8
Other C.E.E. countries	15,226	12,403	2,823	22.8
Other Western European countries	13,008	11,592	1,416	12.2
Other international sales	85,771	78,201	7,570	9.7
Total pharmaceutical revenue	520,264	490,018	30,246	6.2

Both years include sales as well as other income.

Sales in countries affected by strong currency exchange oscillations in 2014 and in 2015 are shown hereunder in their relative local currencies.

Local currency (thousands)	First half 2015	First half 2014	Change 2015/2014	%
Russia (RUB)	1,918,164	1,539,926	378,238	24.6
Turkey (TRY)	110,053	94,480	15,573	16.5
U.S.A. (USD)	44,370	37,871	6,499	17.2

Net revenues in Russia and in Turkey exclude sales of products for rare diseases.

Sales of pharmaceuticals in Italy are down by 5.9% compared to those of the same period of the preceding year due to the termination of the license for Entact[®] (escitalopram), an antidepressant, as from the month of June 2014. Urorec[®], Zanipril[®]/Lercaprel[®] and Cardicor[®] (bisoprolol) are performing well and the treatments for rare diseases are growing significantly.

Pharmaceutical sales in France are up by 0.4%. Worth mentioning are the good performance of Urorec[®] and methadone as well as the introduction of CitraFleet[®].

In Germany sales are up by 11.8% mainly thanks to the significant sales growth of Ortoton[®] (methocarbamol).

Sales in Turkey are up by 20.6% and include a positive currency exchange effect following the revaluation of the Turkish lira. In local currency sales of our Turkish subsidiary grow by 16.5% thanks mainly to the good performance of the corporate products Lercadip[®], Urorec[®] and Zanipress[®] and of the local products Mictonorm[®] (propiverine), Kreal[®] (butamirate) and Cabral[®] (phenyramidol).

The group's pharmaceutical business in the U.S.A. is dedicated mainly to the marketing of products for the treatment of rare diseases. Sales in the first half of 2015 are € 39.8 million, up by 43.8%, and include a positive currency exchange effect following the strengthening of the U.S. dollar. Sales in local currency grow by 17.2%. The main products are Panhematin[®] (haemin for injection) for the amelioration of recurrent attacks of acute intermittent porphyria, Cosmegen[®] (dactinomycin for injection) used mainly in the treatment of three rare cancers and Carbaglu[®] (carglumic acid), indicated for the treatment of acute hyperammonaemia associated with NAGS deficiency.

In Spain sales are € 34.8 million, up by 3.1% mainly due to the performance of Livazo[®] and Urorec[®] and to the launch of Virirec[®] (alprostadil), a new topical treatment for erectile dysfunction. Sales of treatments for rare diseases are growing significantly.

Revenue generated in Russia, Ukraine and in the countries within the Commonwealth of Independent States (C.I.S.) is € 34.6 million, down by 11.9% compared to the same period of the preceding year mainly due to a negative currency exchange effect of € 11.5 million. Sales in Russia, in local currency, are RUB 1,918.2 million, up by 24.6% over the same period of the preceding year thanks to the growth of all products including the corporate products Procto-Glyvenol[®] and Urorec[®] and taking into account the low level of sales generated in the first half of 2014 following the reorganization of the distribution channel. Sales generated in Ukraine and in the C.I.S. countries, mainly Belarus, are € 4.4 million.

Sales in North Africa are € 23.9 million, up by 20.0%, and comprise both the export sales generated by Bouchara Recordati in these territories, in particular in Algeria, and sales generated by Opalia Pharma, the Tunisian pharmaceutical company acquired during the fourth quarter of 2013. Opalia Pharma sales in the first half of 2015 are € 11.9 million and include sales of products previously handled by Bouchara Recordati through local distribution agreements in Tunisia.

Sales in Portugal are up by 5.8% thanks mainly to the good performance of corporate products Livazo[®] and Urorec[®].

Sales in other Central and Eastern European countries include the sales of Recordati subsidiaries in Poland, the Czech Republic, Slovakia and Romania, in addition to sales generated by Orphan Europe in this area. In the first half of 2015 they are up by 22.8% mainly due to the good performance of our Polish subsidiary.

Sales in other countries in Western Europe, up by 12.2%, comprise sales of products for the treatment of rare diseases in these countries and sales generated by Recordati Pharmaceuticals (U.K.), Recordati Ireland and Recordati Hellas Pharmaceuticals in their respective local markets. The increase in sales is to be attributed mainly to the good performance of the Greek subsidiary, in part thanks to the launch of Livazo® during 2014, as well as of the segment dedicated to treatments for rare diseases.

Other international sales grow by 9.7% and comprise the sales to, and other revenues from, our licensees for our corporate products, Bouchara Recordati's and Casen Recordati's export sales and Orphan Europe's exports worldwide excluding the U.S.A..

FINANCIAL REVIEW

INCOME STATEMENT

The following table shows the profit and loss accounts, including their expression as a percent of sales and change versus the first half of 2014:

€ (thousands)	First half 2015	% of revenue	First half 2014	% of revenue	Change 2015/2014	%
Revenue	539,060	100.0	507,621	100.0	31,439	6.2
Cost of sales	(172,289)	(32.0)	(171,038)	(33.7)	(1,251)	0.7
Gross profit	366,771	68.0	336,583	66.3	30,188	9.0
Selling expenses	(152,503)	(28.3)	(145,558)	(28.7)	(6,945)	4.8
R&D expenses	(37,911)	(7.0)	(40,698)	(8.0)	2,787	(6.8)
G&A expenses	(29,582)	(5.5)	(28,065)	(5.5)	(1,517)	5.4
Other income (expense), net	(1,550)	(0.3)	(466)	(0.1)	(1,084)	232.6
Operating income	145,225	26.9	121,796	24.0	23,429	19.2
Financial income (expense), net	(8,203)	(1.5)	(8,772)	(1.7)	569	(6.5)
Pretax income	137,022	25.4	113,024	22.3	23,998	21.2
Provision for income taxes	(33,779)	(6.3)	(29,979)	(5.9)	(3,800)	12.7
Net income	103,243	19.2	83,045	16.4	20,198	24.3
Attributable to:						
Equity holders of the parent	103,236	19.2	83,042	16.4	20,194	24.3
Minority interests	7	0.0	3	0.0	4	133.3

Revenue for the period is € 539.1 million, an increase of € 31.4 million compared to the first half of 2014. For a detailed analysis please refer to the preceding "Review of Operations".

Gross profit is € 366.8 million with a margin of 68.0% on sales, a significant increase over that of the same period of the preceding year due to the higher proportion of higher margin product sales to total product sales.

Selling expenses increase less than sales and are therefore down as a percent of revenue compared to the same period of the preceding year thanks to the increased efficiency of the group's commercial organizations. R&D expenses are € 37.9 million, down by 6.8% compared to those recorded in the first half of 2014 due to the interruption of expenses related to the phase III clinical trial ERNEST involving the product NX-1207 for benign prostatic hyperplasia under license from Nymox. G&A expenses are up by 5.4% remaining stable as percent of sales.

Other expenses net of other income are € 1.6 million and include an accrual of € 0.6 million for re-organization costs as well as € 0.4 million pay-back due to AIFA (the Italian medicines agency) in substitution for the 5% price reduction on selected products.

Net financial charges are € 8.2 million, a decrease of € 0.6 million compared to the same period of the preceding year due mainly to the reduction of interest charges related to medium/long-term loans.

The effective tax rate during the period is 24.7%, an improvement compared to that of the same period of the preceding year.

Net income at 19.2% of sales is € 103.2 million, an increase of 24.3% over the same period of the preceding year.

NET FINANCIAL POSITION

The net financial position is set out in the following table:

€ (thousands)	30 June 2015	31 December 2014	Change 2015/2014	%
Cash and short-term financial investments	186,754	136,990	49,764	36.3
Bank overdrafts and short-term loans	(9,963)	(8,552)	(1,411)	16.5
Loans – due within one year	(29,883)	(28,281)	(1,602)	5.7
Net liquid assets	146,908	100,157	46,751	46.7
Loans – due after one year	(286,772)	(286,202)	(570)	0.2
Net financial position	(139,864)	(186,045)	46,181	(24.8)

At 30 June 2015 the net financial position shows a net debt of € 139.9 million compared to net debt of € 186.0 million at 31 December 2014. During the second quarter dividends were paid for a total amount of € 49.2 million.

RELATED PARTY TRANSACTIONS

Tax liabilities shown in the consolidated balance sheet at 30 June 2015 include those payable to the controlling company Fimei S.p.A. for an amount of € 4.6 million. This amount refers to tax liabilities computed by the parent Recordati S.p.A. based on estimated taxable income and transferred to the controlling company consequent to the participation in a tax consolidation grouping under tax laws in Italy.

Except for the above, to our knowledge, no transactions or contracts have been entered into with related parties that can be considered significant, in value or conditions, or which could in any way materially affect the accounts.

SECOND QUARTER 2015 REVIEW

The following table shows the profit and loss accounts, including their expression as a percent of sales and change versus the second quarter of 2014:

€ (thousands)	Second quarter 2015	% of revenue	Second quarter 2014	% of revenue	Change 2015/2014	%
Revenue	263,314	100.0	247,259	100.0	16,055	6.5
Cost of sales	(83,996)	(31.9)	(84,043)	(34.0)	47	(0.1)
Gross profit	179,318	68.1	163,216	66.0	16,102	9.9
Selling expenses	(74,525)	(28.3)	(70,049)	(28.3)	(4,476)	6.4
R&D expenses	(18,019)	(6.8)	(19,912)	(8.1)	1,893	(9.5)
G&A expenses	(14,231)	(5.4)	(13,603)	(5.5)	(628)	4.6
Other income (expense), net	(789)	(0.3)	(43)	0.0	(746)	n.s.
Operating income	71,754	27.3	59,609	24.1	12,145	20.4
Financial income (expense), net	(4,475)	(1.7)	(4,685)	(1.9)	210	(4.5)
Pretax income	67,279	25.6	54,924	22.2	12,355	22.5
Provision for income taxes	(16,004)	(6.1)	(14,645)	(5.9)	(1,359)	9.3
Net income	51,275	19.5	40,279	16.3	10,996	27.3
Attributable to:						
Equity holders of the parent	51,272	19.5	40,278	16.3	10,994	27.3
Minority interests	3	0.0	1	0.0	2	200.0

Net revenue is € 263.3 million, up by 6.5% over the second quarter 2014. Pharmaceutical sales are € 253.3 million, up by 6.2%. Pharmaceutical chemical sales are € 10.1 million, up by 14.0%.

Gross profit is € 179.3 million with a margin of 68.1% on sales, a significant increase over that of the same period of the preceding year due to the higher proportion of higher margin product sales to total product sales.

Selling expenses increase in line with sales growth. R&D expenses are down by 9.5% compared to those recorded in the second quarter of 2014 due to the interruption of expenses related to the phase III clinical trial ERNEST involving the product NX-1207 for benign prostatic hyperplasia under license from Nymox. G&A expenses increase by 4.6%, slightly down as percent of sales.

Other expenses net of other income are € 0.8 million and include an accrual of € 0.6 million for re-organization costs as well as € 0.2 million pay-back due to AIFA (the Italian medicines agency) in substitution for the 5% price reduction on selected products.

Net financial charges are € 4.5 million, a decrease of € 0.2 million compared to the second quarter 2014 due mainly to the reduction of interest charges related to medium/long-term loans.

Net income at 19.5% of sales is € 51.3 million, an increase of 27.3% over the same period of the preceding year.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

The group's business performance during July was in line with the first half and consequently targets for the full year 2015 were reviewed upwards of those announced on 12 February 2015. Expectations are now to achieve sales of around € 1,040 million, operating income of around € 270 million and net income of around € 190 million.

INTERIM FINANCIAL STATEMENTS OF RECORDATI S.P.A. AT 30 JUNE 2015

RECORDATI S.p.A.
INCOME STATEMENTS FOR THE PERIODS ENDED
30 JUNE 2015 AND 30 JUNE 2014

Income statement

Amounts in euro	Notes	First half 2015	First half 2014
Revenue	3	165,337,757	154,801,587
Other revenues and income	4	453,332	1,001,157
Total revenue		165,791,089	155,802,744
Raw materials costs	5	(53,612,320)	(53,464,484)
Personnel costs	6	(39,921,869)	(37,184,518)
Amortization	7	(4,811,778)	(4,465,346)
Other operating expenses	8	(32,925,217)	(31,440,196)
Changes in inventories	9	3,823,202	(2,192,463)
Operating income		38,343,107	27,055,737
Income from investments	10	55,018,101	50,011,457
Financial income (expense), net	11	(4,059,418)	(4,887,552)
Pre-tax income		89,301,790	72,179,642
Provision for income taxes	12	(12,238,000)	(8,608,000)
Net income for the period		77,063,790	63,571,642
Earnings per share			
Basic		0.376	0.313
Diluted		0.369	0.301

Basic earnings per share is calculated on average shares outstanding in the relative periods, consisting of 204,754,003 shares in 2015 and 202,930,868 in 2014. The figures are calculated net of average treasury stock held, which amounted to 4,371,153 shares in 2015 and 6,194,288 shares in 2014.

Diluted earnings per share is calculated taking into account stock options granted to employees.

BALANCE SHEETS AT 30 JUNE 2015 AND AT 31 DECEMBER 2014

Assets

Amounts in euro	Notes	30 June 2015	31 December 2014
Non-current assets			
Property, plant and equipment	13	41,179,149	42,283,945
Intangible assets	14	28,121,997	29,207,456
Investments	15	476,106,513	476,292,241
Loans and receivables	16	25,435,811	46,384,323
Deferred tax assets	17	3,904,455	3,860,390
Total non-current assets		574,747,925	598,028,355
Current assets			
Inventories	18	53,533,137	49,709,935
Trade receivables	19	79,241,073	55,828,974
Other receivables	20	61,390,827	6,962,145
Other current assets	21	1,568,197	738,563
Fair value of hedging derivatives (cash flow hedges)	22	10,584,657	4,132,094
Other short-term receivables	23	42,463,891	66,642,102
Short-term financial investments, cash and cash equivalents	24	108,383,991	76,932,497
Total current assets		357,165,773	260,946,310
Total assets		931,913,698	858,974,665

BALANCE SHEETS AT 30 JUNE 2015 AND AT 31 DECEMBER 2014

Equity and Liabilities

Amounts in euro	Notes	30 June 2015	31 December 2014
Equity			
Share capital	25	26,140,645	26,140,645
Additional paid-in capital	25	83,718,523	83,718,523
Treasury shares	25	(23,817,120)	(30,727,055)
Statutory reserve	25	5,228,129	5,228,129
Other reserves	25	246,044,417	254,125,545
Revaluation reserve	25	2,602,229	2,602,229
Interim dividend	25	0	(53,079,646)
Profit for the period	25	77,063,790	88,926,182
Total shareholders' equity		416,980,613	376,934,552
Non-current liabilities			
Loans	26	199,991,549	202,868,659
Personnel leaving indemnities	27	11,645,141	12,124,661
Deferred tax liabilities	28	4,436,560	2,662,105
Other non-current liabilities	29	596,502	585,042
Total non-current liabilities		216,669,752	218,240,467
Current liabilities			
Trade payables	30	39,451,945	39,745,582
Other payables	31	19,249,984	19,447,619
Tax liabilities	32	9,627,066	2,598,975
Other current liabilities	33	12,883	18,768
Provisions	34	10,669,179	9,503,288
Fair value of hedging derivatives (cash flow hedges)	35	4,162,262	5,074,753
Loans – due within one year	36	29,318,182	27,651,515
Bank overdrafts and short-term loans	37	1,687,848	2,114,752
Other short-term borrowings	38	184,083,984	157,644,394
Total current liabilities		298,263,333	263,799,646
Total equity and liabilities		931,913,698	858,974,665

RECORDATI S.p.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2015 AND 30 JUNE 2014

€ (thousands)	First half 2015	First half 2014
Net income for the period	77,064	63,572
Gains/(losses) on cash flow hedges	5,339	(1,511)
Income (expense) for the year recognized directly in equity	5,339	(1,511)
Comprehensive income for the period	82,403	62,061

RECORDATI S.p.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€ (thousands)	Share capital	Add. paid-in capital	Treasury stock	Statutory reserve	Sundry reserves	Other reserves Fair Value hedging instrument reserve	IAS compl- iance reserve	Revalua- tion reserves	Interim dividend	Net income for the period	Total
Balance at 31 December 2013	26,141	83,718	(37,791)	5,228	156,850	(2,269)	92,165	2,602	(44,525)	73,573	355,692
Allocation of 2013 net income as per shareholders' resolution of 17.04.2014:											
to reserves					6,732					(6,732)	0
dividends to shareholders									44,525	(66,841)	(22,316)
Sales of treasury stock			8,236		(201)						8,035
Comprehensive income for the period						(1,511)				63,572	62,061
IAS compliance at 30.6.2014											0
Personnel leaving indemnity IAS 19 compliance											0
Stock options								357			357
Balance at 30 June 2014	26,141	83,718	(29,555)	5,228	163,381	(3,780)	92,522	2,602	0	63,572	403,829
Balance at 31 December 2014	26,141	83,718	(30,727)	5,228	162,557	(682)	92,251	2,602	(53,080)	88,926	376,934
Allocation of 2014 net income as per shareholders' resolution of 15.4.2015:											
dividends to shareholders									(53,080)	(88,926)	(35,846)
distribution of reserves					(13,318)						(13,318)
Sales of treasury stock			9,134		(828)						8,306
Purchase of treasury stock			(2,224)								(2,224)
Comprehensive income for the year						5,339				77,064	82,403
IAS compliance at 30.6.2015											0
Personnel leaving indemnity IAS 19 compliance											0
Stock Options								726			726
Balance at 30 June 2015	26,141	83,718	(23,817)	5,228	148,411	4,657	92,977	2,602	0	77,064	416,981

RECORDATI S.p.A.
CASH FLOW STATEMENTS FOR THE PERIODS ENDED 30 JUNE 2015 AND 30 JUNE 2014

€ (thousands)	First half 2015	First half 2014
Operating activities		
Net income for the period	77,064	63,572
Income from investments	(55,018)	(50,011)
Depreciation of property, plant and equipment	3,211	2,819
Amortization of intangible assets	1,600	1,646
(Increase)/decrease in deferred tax liabilities	1,730	173
Increase/(decrease) in personnel leaving indemnities	(480)	(22)
Other provisions	1,166	89
Increase/(decrease) in other non-current liabilities	11	(1)
Dividends received	18	17
Trade receivables	(23,412)	254
Other receivables and other current assets	(259)	(921)
Inventories	(3,823)	2,193
Trade payables	(294)	6,341
Other payables and other current liabilities	(204)	(1,467)
Tax liabilities	7,028	2,198
Net cash from operating activities	8,338	26,880
Investing activities		
Net (investments)/disposals in property, plant and equipment	(2,106)	(2,498)
Net (investments)/disposals in intangible assets	(515)	(901)
Net (increase)/decrease in equity investments	186	0
Net (increase)/decrease in other non-current assets	20,949	(34,685)
Net cash used in investing activities	18,514	(38,084)
Financing activities		
Loans – due after one year	49,960	29,820
Dividends distributed	(49,164)	(22,316)
(Purchase)/sale of treasury stock	6,082	8,035
Effect on shareholders' equity of application of IAS/IFRS	(1,300)	357
Repayment of loans	(51,170)	(7,435)
Net cash from/(used in) financing activities	(45,592)	8,461
CHANGE IN SHORT-TERM FINANCIAL POSITION	(18,740)	(2,743)
Short-term financial position at beginning of year *	(16,184)	(27,371)
Short-term financial position at end-of-year *	(34,924)	(30,114)

* Includes the total of other short term loans, short-term financial investments and cash and cash equivalents, bank overdrafts and other short-term borrowings excluding the current portion of medium and long-term loans.

RECORDATI S.p.A.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

1. GENERAL

These separate interim financial statements at 30 June 2015 comprise the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and these notes to the interim financial statements.

The presentation adopted by the Company for the income statement in these interim financial statements classifies revenues and expenses by nature. The distinction between the principle of current and non-current was adopted for the presentation of assets and liabilities in the balance sheet.

These interim financial statements are presented in euro (€) and all amounts in the notes to the statements are rounded to the nearest thousand euro unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements at 30 June 2015 have been prepared in condensed form, in compliance with IAS 34 "Interim financial reporting". The interim financial statements do not therefore include all the information required of annual financial statements and must be read together with the annual report for the full year ended 31 December 2014, prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and endorsed by the EU in accordance with Regulation No. 1606/2002.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the reporting date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgment, deviate from the actual circumstances, they will be modified in accordance with the changes in the circumstances.

These measurement activities, and especially the more complex calculations such as those required to identify impairment loss, are carried out in depth only for the preparation of the year-end consolidated financial statements, except when there is an indication that an asset has suffered an impairment loss which would require an immediate estimate of the loss.

3. REVENUE

In the first six months of 2015 this amounted to € 165,338 thousand (€ 154,802 thousand in the same period of 2014) and was composed as follows:

€ (thousands)	First six months 2015	First six months 2014	Change 2015/2014
Net sales	160,996	152,292	8,704
Royalties and up-front payments	1,490	176	1,314
Revenue from services	2,852	2,334	518
Total revenue	165,338	154,802	10,536

4. OTHER REVENUES AND INCOME

Other revenues in the first six months of 2015 amounted to € 453 thousand to 30 June 2015, compared with € 1,001 thousand in the first six months of 2014. It includes employees charges for the use of hired cars, other indemnities, non-recurring income, prior year income receivables and gains on the sale of non-current assets.

5. RAW MATERIALS COSTS

These are composed as follows:

€ (thousands)	First six months 2015	First six months 2014	Change 2015/2014
Raw materials and goods for resale	46,388	46,933	(545)
Packaging materials	3,845	3,130	715
Others and consumables	3,379	3,401	(22)
Total	53,612	53,464	148

6. PERSONNEL COSTS

Personnel costs were composed as follows:

€ (thousands)	First six months 2015	First six months 2014	Change 2015/2014
Wages and salaries	28,043	26,163	1,880
Social security costs	9,126	8,519	607
Salary resulting from stock option plans	726	357	369
Other costs	2,027	2,146	(119)
Total personnel costs	39,922	37,185	2,737

The expense for stock option plans is a result of the application of IFRS 2, which requires the valuation of those options as a component of the wages of the beneficiaries and recognition of the cost determined in that manner in the income statement.

Other costs include the portions of the leaving indemnity charges for the year destined to pension funds in accordance with the legislation introduced by Law 296 of 27 December 2006.

7. DEPRECIATION AND AMORTIZATION

This is composed as follows:

Amortization of intangible assets

€ (thousands)	First six months 2015	First six months 2014	Change 2015/2014
Patent rights and marketing authorizations	217	217	0
Distribution, license, trademark and similar rights	1,383	1,429	(46)
Total	1,600	1,646	(46)

Depreciation of property, plant and equipment

€ (thousands)	First six months 2015	First six months 2014	Change 2015/2014
Industrial buildings	596	593	3
Light constructions	1	3	(2)
General plant	251	248	3
Accelerated depreciation machinery	1,124	837	287
Normal depreciation machinery	486	484	2
Miscellaneous laboratory equipment	396	325	71
Office furnishings and machines	21	45	(24)
Electronic equipment	324	269	55
Motor vehicles	12	12	0
Vehicles for internal transport	0	3	(3)
Total	3,211	2,819	392

8. OTHER OPERATING EXPENSES

Other operating expenses were composed as follows:

€ (thousands)	First six months 2015	First six months 2014	Change 2015/2014
Services	26,745	26,865	(120)
Lease expenses	1,480	1,520	(40)
Provisions	28	97	(69)
Sundry expenses	4,672	2,958	1,714
Total	32,925	31,440	1,485

Other operating expenses include the following:

- the item services includes costs incurred for scientific meetings and publications, market research, expenses for medical and scientific communications, advertising, clinical and drugs trials and professional advice;
- the item lease expenses is composed mainly of car hire expenses;
- the item sundry expenses is composed almost entirely of “pay back” costs and the 1.83% discount to be reimbursed to regions.

9. CHANGES IN INVENTORIES

Details of changes in inventories are as follows:

€ (thousands)	First six months 2015	First six months 2014	Change 2015/2014
Raw materials	816	1,190	(374)
Supplies	207	(658)	865
Intermediates and work-in-process	(11)	217	(228)
Finished goods	2,811	(2,941)	5,752
Total	3,823	(2,192)	6,015

10. INCOME FROM INVESTMENTS

Income from investments amounted to € 55,018 thousand (€ 50,011 thousand in the first six months of 2014) and related to dividends declared by subsidiaries.

11. FINANCIAL INCOME (EXPENSE), NET

Net financial income/(expense) showed net expense of € 4,059 thousand for the first six months of 2015 (€ 4,888 thousand in the same period of 2014). The main items are summarized in the table below.

€ (thousands)	First six months 2015	First six months 2014	Change 2015/2014
Losses for elimination of investments	(148)	0	(148)
Foreign exchange gains (losses)	(1,107)	(476)	(631)
Interest income from subsidiaries	1,947	1,325	622
Interest expense payable to subsidiaries	(875)	(2,469)	1,594
Interest expense on loans	(3,043)	(1,944)	(1,099)
Net interest on short-term financial positions	(461)	(730)	269
Bank charges	(290)	(449)	159
Interest cost in respect of defined benefit plans (IAS 19)	(82)	(145)	63
Total	(4,059)	(4,888)	829

The loss for the elimination of investments relates to the Polish company Recordati Services which was wound up.

Interest income from subsidiaries relates to loans granted to subsidiaries (€ 1,361 thousand) and to the centralized cash pooling treasury system in operation at the Parent Company since 2007 on the basis of which monthly interest receivable and payable is recognized at market rates (€ 586 thousand).

Interest expense paid to subsidiaries relates to loans granted by subsidiaries (€ 28 thousand) and to the centralized cash pooling system amounting to € 847 thousand.

Interest expense in respect of personnel leaving indemnities (Italian *trattamento fine rapporto* scheme) relates to the interest cost component of the adjustment to the relative provision in compliance with IAS 19.

12. TAXES

Taxes recognized in the income statement are composed as follows:

€ (thousands)	First six months 2015	First six months 2014	Change 2015/2014
Current taxation:			
IRES (corporate income tax)	10,822	6,608	4,214
IRAP (regional tax on production)	1,711	1,827	(116)
Total current taxation	12,533	8,435	4,098
Deferred taxation:			
Movement in deferred tax assets/liabilities, net	(750)	(95)	(655)
Use of prior years deferred tax assets/liabilities	455	268	187
Total deferred tax (assets)/liabilities	(295)	173	(468)
Total	12,238	8,608	3,630

Provisions for taxes were made on the basis of estimated taxable income.

13. PROPERTY, PLANT AND EQUIPMENT

Property plant and equipment, net of accumulated depreciation, at 30 June 2015 and at 31 December 2014 amounted to € 41,179 thousand and € 42,284 thousand respectively. Changes in this item are given below.

€ (thousands)	Property and buildings	Plant and machinery	Other fixtures	Construction in progress	Total property, plant and equipment
Cost of acquisition					
Balance at 31.12.14	37,257	142,534	34,245	9,017	223,053
Additions	56	341	134	1,576	2,107
Disposals	0	0	(283)	0	(283)
Reclassifications	390	6,080	291	(6,761)	0
Balance at 30.06.15	37,703	148,955	34,387	3,832	224,877
Accumulated depreciation					
Balance at 31.12.14	26,713	125,178	28,878	0	180,769
Depreciation for the period	597	1,861	753	0	3,211
Disposals	0	0	(282)	0	(282)
Reclassifications	0	0	0	0	0
Balance at 30.06.15	27,310	127,039	29,349	0	183,698
Carrying amount					
at 30 June 2015	10,393	21,916	5,038	3,832	41,179
at 31 December 2014	10,544	17,356	5,367	9,017	42,284

Depreciation for the period amounted to € 3,211 thousand and was calculated on all depreciable assets using rates which are held to be representative of the estimated useful life of the assets.

14. INTANGIBLE ASSETS

Intangible assets, net of accumulated amortization, at 30 June 2015 and at 31 December 2014 amounted to € 28,122 thousand and € 29,207 thousand respectively. Changes in this item are given below.

€ (thousands)	Patent rights and marketing authorizations	Concessions, licenses, trademarks and similar rights	Other	Assets under construction and advances	Total intangible assets
Cost of acquisition					
Balance at 31.12.14	30,575	40,739	13,244	738	85,296
Additions	0	231	0	284	515
Disposals	0	0	0	0	0
Reclassifications	0	160	0	(160)	0
Balance at 30.06.15	30,575	41,130	13,244	862	85,811
Accumulated amortization					
Balance at 31.12.14	26,113	16,732	13,244	0	56,089
Amortization for the period	217	1,383	0	0	1,600
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Balance at 30.06.15	26,330	18,115	13,244	0	57,689
Carrying amount					
at 30 June 2015	4,245	23,015	0	862	28,122
at 31 December 2014	4,462	24,007	0	738	29,207

All intangible assets have a defined useful life and are amortized over a period not exceeding 20 years.

15. INVESTMENTS

Investments amounted to € 476,106 thousand at 30 June 2015 (€ 476,292 at 31 December 2014). Movements in the item are shown in the table in Attachment 1. The percentage of ownership and the number of shares or quotas possessed are reported in Attachment 2. The change is due to the investment in Recordati Services Sp. zoo, which was wound up in the first half of 2015.

16. LOANS AND RECEIVABLES (non-current)

Non-current loans and receivables at 30 June 2015 amounted to € 25,436 thousand (€ 46,384 thousand at 31 December 2014) and related mainly to a long-term loan granted to Casen Recordati. S.L. (€ 24,000 thousand due in 2020).

17. DEFERRED TAX ASSETS

These amounted to € 3,904 thousand at 30 June 2015 (€ 3,860 thousand at 31 December 2014), an increase of € 44 thousand.

18. INVENTORIES

Inventories at 30 June 2015 and at 31 December 2014 amounted to € 53,533 thousand and € 49,710 thousand respectively, as shown in the following table:

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Raw materials, ancillary materials, consumables and supplies	12,178	11,206	972
Intermediates and work-in-process	14,953	14,964	(11)
Finished goods	26,402	23,540	2,862
Total	53,533	49,710	3,823

19. TRADE RECEIVABLES

Trade receivables at 30 June 2015 and at 31 December 2014 amounted to € 79,241 thousand and € 55,829 thousand respectively as shown below:

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Trade receivables from subsidiaries	34,832	18,878	15,954
Trade receivables from others:			
Italy	39,125	31,372	7,753
Abroad	6,241	6,586	(345)
	80,198	56,836	23,362
less:			
Allowance for doubtful accounts	(957)	(1,007)	50
Total trade receivables	79,241	55,829	23,412

20. OTHER RECEIVABLES

Other receivables at 30 June 2015 amounted to € 61,391 thousand (€ 6,962 thousand at 31 December 2014). The composition is given in the following table:

€ (thousands)	30.06.2015	31.12.2014	Change
---------------	------------	------------	--------

			2015/2014
Tax income	626	2,872	(2,246)
From parent companies	8	19	(11)
From subsidiaries	56,394	642	55,752
Advances to employees and agents	2,752	1,566	1,186
Other	1,611	1,863	(252)
Total other receivables	61,391	6,962	54,429

Receivables from subsidiaries at 30 June 2015 relate mainly to dividends declared and still to be received.

21. OTHER CURRENT ASSETS

Other current assets amounted to € 1,568 thousand (€ 739 thousand at 31 December 2014) and related mainly to prepaid expenses. They consisted of premiums paid in advance to insurance companies for policies and advance payments for various services.

22. FAIR VALUE OF HEDGING DERIVATIVES (CASH FLOW HEDGES) (current assets)

The market value (fair value) at 30 June 2015 of the currency rate swaps, entered into by the Company to hedge a bond issued for \$ 75 million on 30 September 2014, totaled € 10,585 thousand (€ 4,132 thousand at 31 December 2014). That value represents the potential benefit resulting from a lower value in euro of the future cash flows in United States dollars in terms of principal and interest, due to an appreciation of the foreign currency with respect to the time of finalizing the loan and acquiring the hedge instruments. More specifically, the fair value of the derivative to hedge the \$ 50 million tranche of the loan granted by Mediobanca was positive by € 7,060 thousand, while that of the instrument to hedge the \$ 25 million tranche of the loan granted by Unicredit was positive by € 3,525 thousand.

23. OTHER SHORT-TERM RECEIVABLES

Other short-term receivables amounted to € 42,464 thousand (€ 66,642 thousand at 31 December 2014) and all consisted of amounts due from subsidiaries.

These receivables are mainly attributable to a cash pooling treasury system in operation at the Parent Company and to loans granted to some Group companies. Interest is paid on these receivables at short-term market rates.

24. SHORT-TERM FINANCIAL INVESTMENTS, CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 30 June 2015 amounted to € 108,384 thousand (€ 76,932 thousand at 31 December 2014) and consisted of current accounts and short-term bank deposits.

Adequate funding was maintained in order to support the growth strategies of the Group.

25. SHAREHOLDERS' EQUITY

A summary of the changes in the shareholders' equity accounts is reported in the relative statement. Following the entry into force of Legislative Decree 6/2003, which amended the Italian Civil Code, the table contained in Attachment 3 was introduced which gives the composition of reserves on the basis of availability for use and distribution.

Share capital - The share capital at 30 June 2015 amounting to € 26,140,644.50 was fully paid up and consists of 209,125,156 ordinary shares with a par value of € 0.125 each. It remained unchanged over the first six months of 2015.

At 30 June 2015 the Company had two stock option plans in place in favor of certain Group employees, the 2010-2013 plan with options granted on 9 February 2011, 8 May 2012, 17 April 2013 and 30 October 2013 and the 2014-2018 plan with options granted on 29 July 2014. The exercise price of the options is the average of the company's listed share price during the 30 days prior to the grant date. The options vest over a period of five years and options not exercised within the eighth year of the date of grant expire. Options cannot be exercised if the employee leaves the Company before they are vested.

Details of stock options outstanding at 30 June 2015 are given in the table below.

	Strike price (€)	Options outstanding at 1.1.2015	Options granted during 2015	Options exercised during 2015	Options cancelled and expired	Options outstanding at 30.6.2015
Grant date						
27 October 2009*	4.8700	35,000	-	(35,000)	-	-
9 February 2011	6.7505	2,192,500	-	(520,000)	(70,000)	1,602,500
8 May 2012	5.3070	3,412,500	-	(672,500)	(115,000)	2,625,000
17 April 2013	7.1600	190,000	-	(47,500)	-	142,500
30 October 2013	8.9300	360,000	-	(80,000)	0	280,000
29 July 2014	12.2900	6,075,000	-	-	(80,000)	5,995,000
Total		12,265,000	-	(1,355,000)	(265,000)	10,645,000

* The decision to exercise was made before the expiry date of 31 December 2014, while waiting for the official transfer of the shares.

Additional paid-in capital

Additional paid-in capital at 30 June 2015 amounted to € 83,718,523 and was unchanged compared with 31 December 2014.

The adoption of international accounting standards resulted in the elimination of revaluation reserves amounting to € 68,644 thousand. The tax obligation on these (untaxed – taxation suspended) was transferred to the additional paid-in capital reserve.

Treasury stock

At 30 June 2015 treasury shares held in portfolio numbered 3,480,232, down by 1,227,438 compared with 31 December 2014. The change is due to the sale of 1,355,000 shares for valuable consideration of € 9,134 thousand in order to allow the exercise of stock options granted to employees as part of stock option plans and to the purchase of 127,562 shares for valuable consideration of € 2,224 thousand. The expense incurred for the purchase of treasury shares held in portfolio totaled € 23,817 thousand (€ 30,727 thousand at 31 December 2014), at an average price per share of € 6.84.

Statutory reserve

This amounted to € 5,228 thousand and was unchanged compared with 31 December 2014.

Other reserves

Other reserves totaled € 246,045 thousand. Details are as follows:

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Extraordinary reserve	126,972	141,119	(14,147)
Reserve under Art. 13 Par. 6 of Legislative Decree 124/1993	99	99	0
Extraordinary VAT concession reserve	517	517	0
Research and investment grants	17,191	17,191	0
Non-distributable reserve for investments in southern Italy	3,632	3,632	0
International accounting standards reserve	92,977	92,251	726
Total	241,388	254,809	(13,421)
Fair value derivative instruments	4,657	(683)	(5,340)
Total other reserves	246,045	254,126	(8,081)

Extraordinary reserve

This amounted at 30 June 2015 and at 31 December 2014 to € 126,972 thousand and € 141,119 thousand respectively, a decrease of € 14,147 thousand. This decrease was due mainly to use for the distribution of a dividend amounting to € 13,318 thousand in accordance with a shareholders' resolution of 15 April 2015. Following the assignment of treasury stock to Group employees who exercised options under stock option plans, a difference arose between the amount paid by employees and the carrying amount of that treasury stock. That difference of € 829 thousand was recognized as a decrease in the extraordinary reserve in compliance with international accounting standards.

Reserve under Art. 13, paragraph 6 of Legislative Decree 124/1993

This amounted to € 99 thousand at 30 June 2015 and was unchanged compared with 31 December 2014.

Extraordinary VAT concession reserve

This reserve (Laws 675/1977, 526/1982, 130/1983 and 64/1986), amounting to € 517 thousand, relates to special VAT allowances on investments and is unchanged compared with 31 December 2014.

Research and investment grants

These amounted to € 17,191 thousand, unchanged compared with 31 December 2014.

The grants are subject to taxation if they are used for purposes other than to cover losses, which, however, is not planned by the Company. The assets corresponding to the grants received from the Ministry of Industry and Commerce (formerly Asmez) have been mainly fully depreciated.

Non-distributable reserve for investments in southern Italy

This amounted to € 3,632 thousand and was unchanged compared with 31 December 2014.

International accounting standards reserve

This amounted to € 92,977 thousand (€ 92,251 thousand at 31 December 2014) and is composed as follows:

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Reversal of fixed asset revaluations	40,479	40,479	0
Revaluation of investments	43,054	43,054	0
Inventories	463	463	0
Personnel leaving indemnities	(641)	(641)	0
Stock options	9,622	8,896	726
Total	92,977	92,251	726

With regard to those items on which movements occurred in 2015 the amount of € 9,622 thousand relates to the personnel expense for stock options issued and granted after 7 November 2002 of which € 2,908 thousand not yet exercised, valued in accordance with IFRS 2.

Revaluation reserve

This amounted to € 2,602 thousand (unchanged compared to 31 December 2014) and consisted of revaluation balances within the meaning of Law 413/1991.

25. LOANS

The composition of medium and long-term loans at 30 June 2015 and at 31 December 2014 is shown below.

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Bond subscribed by the investor Prudential	55,970	55,970	0
Loan granted by Ing Bank at a floating interest rate repayable in six monthly installments by 2020.	30,000	30,000	0
Loan granted by Unicredit at a floating interest rate repayable in semi-annual installments by 2020.	50,000	0	50,000
Loan granted by UniCredit at a floating interest rate prematurely reimbursed during 2015.	0	41,667	(41,667)

Loan granted by BNL at a floating interest rate repayable in semi-annual installments by 2018.	43,750	50,000	(6,250)
Loan granted by Centrobanca (now UBI Banca) at a floating interest rate repayable in semi-annual installments by 2022.	51,136	54,545	(3,409)
Total amortized cost of loans	230,856	232,182	(1,326)
Portion due within one year	(29,318)	(27,651)	(1,667)
Portion due after one year	201,538	204,531	(2,993)
Expenses relating to loans	(1,546)	(1,662)	116
Total	199,992	202,869	(2,877)

In May 2015, the Company signed a loan agreement with UniCredit for € 50.0 million and it made an early repayment of the remaining amount owed of € 41.7 million on a loan taken out with that same bank on 26 November 2013. The main terms and conditions of the new loan are a floating interest rate equal to the six month Euribor plus a spread of 80 basis points (compared with a spread of 190 basis points under the terms and conditions of the previous loan) and a life of five years with six monthly repayments of the principal from November 2015 and until May 2020. The loan is partially hedged by an interest rate swap (a cash flow hedge), with which a portion of the debt is transformed to a fixed interest rate of 1.734%. Measurement of the fair value of the derivative instrument at 30 June 2015 for the hedge of € 37.5 million was negative by € 0.7 million and this was recognized directly as an reduction in equity and an increase in the liability item "Fair value of hedging derivatives – cash flow hedges" (see note 35).

The loan contract with UniCredit contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were amply fulfilled.

Other main outstanding loans – due after one year are as follows:

- a) A loan agreement with ING Bank for € 30.0 million, originally signed by the Company on 8 January 2014 and renegotiated on 17 June 2015 with a change made solely to the interest rate. The new terms and conditions are for a floating interest rate equal to the six month Euribor plus a spread of 85 basis points (compared with 190 basis points under the previous agreement), while the semi-annual repayments of the principal from July 2016 and until January 2020 remain unchanged. The loan was fully hedged by an interest rate swap (a cash flow hedge), which transformed the whole debt to a fixed interest rate of 1.913% after the renegotiation described above. Measurement of the fair value of the derivative instrument at 30 June 2015 for the hedge was negative by € 0.8 million and this was recognized directly as an reduction in equity and an increase in the liability item "Fair value of hedging derivatives – cash flow hedges" (see note 35).

The loan contract with ING Bank contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;

- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were amply fulfilled.

- b) A bond subscribed by the Company on 30 September 2014 for a total of \$ 75 million, divided into two tranches: \$ 50 million at a fixed rate of 4.28% per annum, repayable semi-annually from 30 March 2022 and maturing on 30 September 2026; and \$ 25 million at a fixed rate of 4.51% per annum, repayable semi-annually from 30 March 2023 and maturing on 30 September 2029. The loan was hedged at the same time by two currency rate swap transactions, which involved transformation of the debt totaling € 56.0 million as follows: € 37.3 million to a fixed interest rate of 2.895% per annum for the tranche maturing in 12 years and € 18.7 million to a fixed interest rate of 3.15% per annum for that maturing in 15 years. Measurement of the fair value of the hedges at 30 June 2015 was positive overall by € 10.6 million and this was recognized directly as an increase in equity and an increase in the asset item “Fair value of hedging derivatives – cash flow hedges” (see note 22).

The bond loan is subject to covenants and failure to comply with them may result in the immediate call of the loan.

The financial covenants are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were amply fulfilled.

- c) A loan agreement signed by the Company on 30 September 2013 with Banca Nazionale del Lavoro for € 50.0 million, disbursed net of expenses and commissions of € 0.6 million. The main terms and conditions were a floating interest rate equal to the six month Euribor plus a spread (which, following a renegotiation between the two parties, was reduced from 200 basis points to 70 basis points from 1 April 2015) and a life of 5 years with semi-annual repayments of the principal by September 2018 commencing from March 2015. The loan was fully hedged with an interest rate swap (a cash flow hedge), which transformed the whole debt to a fixed interest rate which now stands at 1.6925% following the recent renegotiation. Measurement of the fair value of the derivative instrument at 30 June 2015 for the hedge was negative by € 0.7 million and this was recognized directly as a reduction in equity and an increase in the liability item “Fair value of hedging derivatives – cash flow hedges” (see note 35).

The loan contract with Banca Nazionale del Lavoro contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were amply fulfilled.

- d) a loan contract signed on 30 November 2010 with Centrobanca, for a three year program of investments in Research & Development. The loan, which Centrobanca funded through a loan from the European Investment Bank, amounted to € 75.0 million of which € 30.0 million, net of expenses of € 0.3 million, was disbursed in 2010 and € 45.0 million in the first quarter of 2011. The main terms and conditions were a floating interest rate and a life of 12 years with repayment in semi-annual installments of the principal from June 2012 and through December 2022. In June 2012 the loan was hedged by an interest rate swap (a cash flow hedge), which transformed the whole debt to an interest rate of 2.575%. Measurement of the fair value of the derivative instrument at 30 June 2015 was negative by € 2.0 million and this was recognized directly as a reduction in equity and an increase in the liability item “Fair value of hedging derivatives – cash flow hedges” (see note 35).

The loan contract contains financial covenants which, if not complied with, may result in the immediate call of the loan. The financial covenants are as follows:

- the ratio of consolidated net debt to consolidated shareholders' equity must be less than 0.75;
- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBITDA to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were amply fulfilled.

27. PERSONNEL LEAVING INDEMNITIES AND OTHER BENEFITS

The balance at 30 June 2015 was € 11,645 thousand (€ 12,125 thousand at 31 December 2014), down by € 480 thousand.

28. DEFERRED TAX LIABILITIES

Deferred tax liabilities amounted to € 4,437 thousand (€ 2,662 thousand at 31 December 2014), up by € 1,775 thousand in relation to changes in the fair values of derivatives to hedge outstanding loans.

29. OTHER NON-CURRENT LIABILITIES

These amounted to € 597 thousand (€ 585 thousand at 31 December 2014). They consisted of installments to be paid in 2016 totaling PLN 2,500,000 in relation to the acquisition of the company Farma-Projekt.

30. TRADE PAYABLES

Trade accounts payable, which are entirely of a business nature and include end-of-year provisions for invoices to be received, amounted at 30 June 2015 and at 31 December 2014 to € 39,452 thousand and € 39,746 thousand, respectively.

Balances at 30 June 2015 were as follows:

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Suppliers, subsidiaries	2,949	3,912	(963)
Suppliers, others	36,503	35,834	669
Total trade payables	39,452	39,746	(294)

There were no concentrations of large debts to a single or a small number of suppliers.

31. OTHER CURRENT PAYABLES

At 30 June 2015 other accounts payable amounted to € 19,250 thousand (€ 19,448 thousand at 31 December 2014). They were composed as follows:

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Payables to third parties	597	585	12
Subsidiaries	1,740	0	1,740
Employees	7,478	7,349	129
Social security	6,004	6,105	(101)
Commissions to agents	971	738	233
Other	2,460	4,671	(2,211)
Total other payables	19,250	19,448	(198)

Amounts due to employees include amounts accrued and not paid, vacations not taken and bonuses for presence and for achieving objectives.

Social security payables not only include contribution expenses for those periods but also the amount due to pension institutes for June.

Other payables include directors' remuneration accrued at 30 June and those for the debt to regions pursuant to Law 122 of 30 July 2010.

32. TAX LIABILITIES

Tax liabilities amounted to € 9,627 thousand (€ 2,599 thousand at 31 December 2014).

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Liabilities payable to Fimei S.p.A. for IRES (corporate income tax)	4,624	0	4,624
Liabilities for current taxation	276	104	172
VAT liabilities	548	0	548
Liabilities for employee withholding taxes	4,076	2,308	1,768
Liabilities for self-employed withholding taxes	102	75	27
Other tax liabilities	1	112	(111)
Total tax liabilities	9,627	2,599	7,028

Payables to the parent company Fimei S.p.A. for IRES relate to the balance for taxes for the year transferred by Recordati S.p.A. to its parent company as a consequence of opting for tax consolidation in accordance with articles 117 to 128 of Presidential Decree 917/1986 as amended by Legislative Decree 344/2003.

33. OTHER CURRENT LIABILITIES

Other current liabilities amounted to € 13 thousand (€ 19 thousand at 31 December 2014) and consist of liabilities for grants for investment received between 1998 and 2003 and carried over into subsequent years in relation to the residual useful life of the assets to which they relate.

34. PROVISIONS

These consist of tax and other provisions as reported in the table below.

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Tax	3,328	3,321	7
Other risks	7,341	6,182	1,159
Total other provisions	10,669	9,503	1,166

35. FAIR VALUE OF HEDGING DERIVATIVES (CASH FLOW HEDGES)

The interest rate swaps to hedge the cash flows related to medium and long-term loans measured at fair value at 30 June 2015 gave rise to a € 4,162 thousand liability, recognized within the liability item "Fair value of hedging derivatives (cash flow hedges)", which represents the unrealized benefit of paying the current expected future rates instead of the rates agreed for the duration of the loans. The fair value measurement relates to interest rate swaps entered into by the Company to hedge interest rates on loans granted by Centrobanca (€ 1,964 thousand), Banca Nazionale del lavoro (€ 739 thousand), ING Bank (€ 803 thousand) and Unicredit (€ 656 thousand).

36. LOANS – DUE WITHIN ONE YEAR

The portions of medium and long-term loans due within one year at 30 June 2015 and at 31 December 2014 were composed as follows:

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Loan granted for research by Centrobanca (now UBI Banca) at a floating interest rate repayable in semi-annual installments by 2022.	6,818	6,818	0
Loan granted by BNL at a floating interest rate repayable in semi-annual installments by 2018.	12,500	12,500	0
Loan granted by UniCredit at a floating interest rate prematurely reimbursed during 2015.	0	8,333	(8,333)
Loan granted by Unicredit at a floating interest rate repayable in semi-annual installments by 2020.	10,000	0	10,000
Total	29,318	27,651	1,667

37. BANK OVERDRAFTS AND SHORT-TERM LOANS

Bank overdrafts and short-term loans at 30 June 2015 and at 31 December 2014 amounted to € 1,688 thousand and € 2,115 thousand, respectively.

€ (thousands)	30.06.2015	31.12.2014	Change 2015/2014
Current account overdrafts	782	735	47
Interest on loans	168	711	(543)
Interest on bond debt	738	669	69
Total	1,688	2,115	(427)

38. OTHER SHORT-TERM PAYABLES

The balance on other short term payables consisted entirely of amounts due to subsidiaries and amounted to € 184,084 thousand (€ 157,645 thousand at 31 December 2014).

The liability is the result of the centralized cash pooling treasury system (€ 167,185 thousand) and to loans received from them.

39. LITIGATION AND CONTINGENT LIABILITIES

The Company is party to certain legal actions, the outcomes of which are not expected to result in any significant liability.

On 29 September 2006 a notice of tax assessment was served on the Company by the Milan office 6 of the Tax Authorities relating to the fiscal year 2003. It was assessed for additional taxation as follows: corporate income tax of € 2.3 million, IRAP (regional production tax) of € 0.2 million and VAT of € 0.1 million and the imposition of fines of € 2.6 million. The Company believed no amount was due and considered the assessment flawed both from a legitimacy as well as a substantive point of view, and is supported in its position by professional opinion. An appeal was therefore filed with the Provincial Tax Commission of Milan. The first instance judgment before section 33 of the Provincial Tax Commission was concluded partially in the Company's favor with decision No. 539/33/07 dated 11 October 2007, filed on 16 October 2007. An appeal was subsequently filed against that judgment with the Regional Tax Commission of Milan, firstly by the Milan Office 6 of the Tax Authorities with notice served on 8 November 2008 and secondly by the Company with notice served on 7 January 2009. With judgment No. 139/32/09 of 10 June 2009, filed on 27 November 2009, section 32 of the Regional Tax Commission of Milan rejected the interlocutory appeal filed by the Company and accepted the principal appeal of the Milan Office 6 of the Tax Authorities. As a result of that judgment the claims contained in the aforementioned tax assessment relating to the tax year 2003 were confirmed in their entirety and the Company paid the full amount due. On 26 May 2010, the Company appealed that decision before the Supreme Court of Cassation.

40. SUBSEQUENT EVENTS

The Directors' Operating Review may be consulted for events subsequent to 30 June 2015.

STATEMENT OF CHANGES IN INVESTMENTS

€ (thousands)	Balance at 31 Dec 2014	Share capital sales and redemptions	Acquisitions subscriptions	Write-downs (-) Write-backs (+)	Balance at 30 June 2015
Investments in subsidiaries					
Recordati S.A. – Luxembourg	217,586	-	-	-	217,586
Casen Recordati S.L. – Spain	180,537	-	-	-	180,537
Recofarma S.r.l. – Milan	1,852	-	-	-	1,852
Innova Pharma S.p.A. – Milan	1,733	-	-	-	1,733
Recordati Portuguesa LDA – Portugal	78	-	-	-	78
Bouchara – Recordati S.a.s. – France	54,249	-	-	-	54,249
Recordati Pharmaceuticals Ltd. – United Kingdom	752	-	-	-	752
Recordati Hellas Pharmaceuticals S.A. – Greece	95	-	-	-	95
Recordati Services Sp. Zo.o. – Poland	186	(186)	-	-	0
Herbacos Recordati S.r.o. – Czech Republic	15	-	-	-	15
Recordati Polska Sp. z.o.o. - Poland	19,042	-	-	-	19,042
	476,125	(186)	0	0	475,939
Investments in other companies:					
Tecnofarmaci S.p.A. - in liquidation – Pomezia (Rome)	87	-	-	-	87
SPA Ricerche ed Education S.r.l. – Milan	0	-	-	-	0
Sifir S.p.A. – Reggio Emilia	0	-	-	-	0
Consorzio Dafne – Reggello (Florence)	2	-	-	-	2
Consorzio Nazionale Imballaggi – Rome	0	-	-	-	0
Consorzio C4T – Pomezia (Rome)	78	-	-	-	78
	167	0	0	0	167
TOTAL	476,292	(186)	0	0	476,106

RECORDATI S.p.A.
SUMMARY STATEMENT OF INVESTMENTS

Attachment 2

€ (thousands)	Balance at 30 June 2015	Percentage ownership	Number of shares or quotas possessed
Investments in subsidiaries			
Recordati S.A. – Luxembourg	217,586	100.00	82,500,000
Casen Recordati S.L. – Spain	180,537	68.45	1,635,660
Recofarma S.r.l. – Milan	1,852	100.00	1
Innova Pharma S.p.A. – Milan	1,733	100.00	960,000
Bouchara – Recordati S.a.s. – France	54,249	99.94	9,994
Recordati Portuguesa LDA – Portugal	78	98.00	1
Recordati Pharmaceuticals Ltd. – United Kingdom	752	3.33	500,000
Recordati Hellas Pharmaceuticals – Greece	95	0.68	9,500
Herbacos Recordati S.r.o. – Czech Republic	15	0.08	1
Recordati Polska Sp. z.o.o. - Poland	19,042	100.00	90,000
	475,939		
Investments in other companies:			
Tecnofarmaci S.p.A. - in liquidation – Pomezia (Rome)	87	4.18	79,500
Sifir S.p.A. – Reggio Emilia	0	0.04	1,304
Consorzio Dafne – Reggello (Florence)	2	1.16	1
Consorzio C4T – Pomezia (Rome)	78	0.23	1,300
Consorzio Nazionale Imballaggi – Rome	0	n.s.	1
	167		
TOTAL	476,106		

RECORDATI S.p.A.
DETAILS OF ITEMS IN SHAREHOLDERS' EQUITY

Attachment 3

€ (thousands)	Amount	Possibility of use	Amount available	Amount distributable without tax effects	Amount distributable with tax effects	Notes
Share capital	26,141					
Additional paid-in capital reserve	83,718	A B C	83,718	15,074	68,644	1
Revaluation reserve	2,602	A B C	2,602	0	2,602	
Statutory reserve	5,228	B				
By-law reserves	0					
Treasury stock reserve	(23,817)		(23,817)	(23,817)		
Other reserves						
Extraordinary reserve	126,972	A B C	126,972	126,972	0	
Reserve under Art. 13 Par. 6 of Legislative Decree 124/1993	99	A B C	99	0	99	
Research and investment grants	17,191	A B C	17,191	1,227	15,964	2
Extraordinary VAT concession reserve	517	A B C	517	0	517	
Southern Italy investment fund	3,632					
IAS reserve	97,634	A B C	97,634	97,634	0	
Interim dividend	0		0	0		
Profit (loss) for the year	77,064	A B C	77,064	77,064	0	
Total shareholders' equity	416,981		381,980	294,154	87,826	

Legend:

A for share capital increase
B to replenish losses
C to distribute to shareholders

Notes:

- 1 The additional paid-in capital reserve may be distributed when the statutory reserve has reached one fifth of the share capital
- 2 The research and investment grant reserve has already been subject to taxation of € 1,227 thousand.

DECLARATION OF THE MANAGER APPOINTED TO PREPARE CORPORATE ACCOUNTING DOCUMENTS

The manager appointed to prepare the corporate accounting documents, Fritz Squindo, declares, in accordance with paragraph 2 Article 154-*bis* of the Consolidated Finance Act, that the accounting information contained in this financial report corresponds to the amounts shown in the Company's accounts, books and records.

Milano, 28 October 2015

Fritz Squindo
*Manager appointed to prepare
the corporate accounting documents*