

RECORDATI: SALES GROWTH AND SIGNIFICANT MARGIN IMPROVEMENT IN THE FIRST QUARTER 2014 (SALES +6.5%, OPERATING INCOME +18.1%, NET INCOME +13.2%)

- Consolidated revenue € 260.4 million, +6.5%.
- EBITDA⁽¹⁾ € 71.4 million, +16.4%
- Operating income € 62.2 million, +18.1%.
- Net income € 42.8 million, +13.2%.
- Net financial position⁽²⁾: net debt of € 229.1 million.
- Exclusive license agreement with Apricus Biosciences for Vitaros®.
- Full year 2014 targets: sales slightly below € 1,000 million, operating income above € 220 million and net income above € 150 million.

Milan, 6 May 2014 – The Board of Directors of Recordati S.p.A. approved the Group's consolidated results for the first quarter 2014 prepared in accordance with International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) and in particular as per IAS 34 requirements for interim reporting. These financial statements will be available today at the company's offices and on the company's website:

http://www.recordati.it/investors/reports/2014.aspx?sc_lang=en and can also be viewed on the website of Borsa Italiana S.p.A.

Financial highlights

- **Consolidated revenue** in the first quarter 2014 is € 260.4 million, up by 6.5% compared to the same period of the preceding year. International sales grow by 7.0%.
- **EBITDA⁽¹⁾**, at 27.4% of sales, is € 71.4 million, an increase of 16.4% over the same period of the preceding year.
- **Operating income**, at 23.9% of sales, is € 62.2 million, an increase of 18.1%.
- **Net income**, at 16.4% of sales, is € 42.8 million, an increase of 13.2% over the first quarter of 2013.
- **Net financial position⁽²⁾** at 31 March 2014 records a net debt of € 229.1 million. **Shareholders' equity** increases to € 742.2 million.

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

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

Business development news

In February an exclusive license agreement was entered into with Apricus Biosciences Inc., a pharmaceutical company based in San Diego, U.S.A., for the marketing and sales of Vitaros® (alprostadil), an innovative topical product for the treatment of erectile dysfunction, in certain W.

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European countries including, among others, Spain, EU member countries in Central and Eastern Europe, Russia, Ukraine and the Commonwealth of Independent States (C.I.S.), Turkey and certain African countries.

Vitaros[®] is approved for the treatment of erectile dysfunction by a number of European health authorities and by Health Canada. Vitaros[®] is a topically-applied cream formulation of alprostadil, a vasodilator, which directly increases blood flow to the penis, causing an erection. Alprostadil is an alternative to the PDE-5 inhibitors for difficult to treat patients, and Vitaros[®] offers a patient-friendly form versus other alprostadil dosage forms.

Management Comments

“The first quarter results are particularly positive; the consolidation of the new companies acquired at the end of 2013 and the performance of our product portfolio have allowed us to further improve our profitability”, declared Giovanni Recordati, Chairman and CEO. “For the full year 2014 we confirm our expectations to achieve operating income of more than € 220 million and net income of more than € 150 million thanks to margin improvement. Revenues, as of today, are expected to be slightly below € 1,000 million due to a significant negative currency effect.”

Conference call

Recordati will be hosting a *conference call* **today 6 May 2014** at 4.00 pm Italian time (3.00 pm London time, 10.00 am New York time). The 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 855 2656959
France	+33 170918703
Germany	+49 65 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 or call +39 02 8061371. A recording of the conference call will be placed on the website www.recordati.com.

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.

Recordati, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), with a total staff of around 4,000, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Russia, in other Central and Eastern European countries, in Turkey, in North Africa and in the United States of America. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses for its territories. Recordati is committed to the research and development of new specialties within the urogenital therapeutic area and of treatments for rare diseases. Consolidated revenue for 2013 was € 941.6 million, operating income was € 195.4 million and net income was € 133.7 million.

For further information:

Recordati website: www.recordati.com

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Statements contained in this release, other than historical facts, are "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are based on currently available information, on current best estimates, and on assumptions believed to be reasonable. This information, these estimates and assumptions may prove to be incomplete or erroneous, and involve numerous risks and uncertainties, beyond the Company's control. Hence, actual results may differ materially from those expressed or implied by such forward-looking statements. All mentions and descriptions of Recordati products are intended solely as information on the general nature of the company's activities and are not intended to indicate the advisability of administering any product in any particular instance.

RECORDATI GROUP

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

INCOME STATEMENT	First quarter 2014	First quarter 2013	Change %
REVENUE	260,362	244,577	6.5
Cost of sales	(86,995)	(85,360)	1.9
GROSS PROFIT	173,367	159,217	8.9
Selling expenses	(75,509)	(73,566)	2.6
Research and development expenses	(20,786)	(18,468)	12.6
General & administrative expenses	(14,462)	(13,530)	6.9
Other income (expenses), net	(423)	(1,018)	(58.4)
OPERATING INCOME	62,187	52,635	18.1
Financial income (expenses), net	(4,087)	(1,288)	217.3
PRE-TAX INCOME	58,100	51,347	13.2
Provision for income taxes	(15,334)	(13,581)	12.9
NET INCOME	42,766	37,766	13.2
Attributable to:			
Equity holders of the parent	42,764	37,762	13.2
Minority interests	2	4	(50.0)

EARNINGS PER SHARE	First quarter 2014	First quarter 2013	Change %
Basic	€ 0.211	€ 0.188	12.2
Diluted	€ 0.202	€ 0.178	13.5

Earnings per share (EPS) are based on average shares outstanding during each year, 202.722.546 in 2014 and 200.796.533 in 2013, net of average treasury stock which amounted to 6.402.610 shares in 2014 and to 8.328.623 shares in 2013.

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

COMPOSITION OF REVENUE	First quarter 2014	First quarter 2013	Change %
Total revenue	260,362	244,577	6.5
Italy	67,036	63,879	4.9
International	193,326	180,698	7.0

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(thousands of €)

ASSETS	31.03.2014	31.12.2013
Property, plant and equipment	81,302	81,288
Intangible assets	287,955	295,498
Goodwill	467,680	468,807
Equity investments	7,491	5,939
Non-current receivables	4,404	4,256
Deferred tax assets	26,586	25,205
TOTAL NON-CURRENT ASSETS	875,418	880,993
Inventories	135,087	140,430
Trade receivables	203,203	179,775
Other receivables	21,663	24,979
Other current assets	7,972	5,363
Short-term financial investments, cash and cash equivalents	105,380	52,271
TOTAL CURRENT ASSETS	473,305	402,818
TOTAL ASSETS	1,348,723	1,283,811
EQUITY AND LIABILITIES	31.03.2014	31.12.2013
Share capital	26,141	26,141
Capital in excess of par value	83,719	83,719
Treasury stock	(36,427)	(37,791)
Hedging reserve	(3,591)	(2,270)
Translation reserve	(46,548)	(42,853)
Other reserves	26,937	25,776
Retained earnings	693,641	559,878
Net income for the year	42,764	133,678
Interim dividend	(44,526)	(44,526)
GROUP SHAREHOLDERS' EQUITY	742,110	701,752
Minority interest	70	68
SHAREHOLDERS' EQUITY	742,180	701,820
Loans due after one year	220,423	196,788
Employees' termination pay	16,691	16,698
Deferred tax liabilities	20,375	21,072
Other non-current liabilities	4,037	4,040
TOTAL NON-CURRENT LIABILITIES	261,526	238,598
Trade payables	110,773	107,156
Other payables	69,464	71,193
Tax liabilities	20,615	15,951
Other current liabilities	720	855
Provisions	25,795	29,454
Fair value of hedging derivatives (cash flow hedge)	3,591	2,270
	2,202	2,210
Loans due within one year	86,522	80,280
Bank overdrafts	25,335	34,024
TOTAL CURRENT LIABILITIES	345,017	343,393
TOTAL EQUITY AND LIABILITIES	1,348,723	1,283,811

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.