

RECORDATI: PRELIMINARY 2014 RESULTS: REVENUE GROWTH AND SIGNIFICANT MARGIN IMPROVEMENT, SALES +4.9%, OPERATING INCOME +18.2% AND NET INCOME +20.6%.

- Consolidated revenue € 987.3 million, + 4.9%.
- EBITDA⁽¹⁾ € 273.8 million, + 19.0%
- Operating income € 231.0 million, + 18.2%.
- Net income € 161.2 million, + 20.6%.
- Net financial position⁽²⁾: net debt of € 186.0 million.
- Vitaros®, an innovative product for the treatment of erectile dysfunction licensed in from Apricus Biosciences.
- Orphan drug designation granted in the U.S.A. to Carbaglu® for the treatment of organic acidemias.
- PSD502™, a new product for the treatment of premature ejaculation licensed in from Plethora Solutions.
- NX-1207 phase III European clinical trial prematurely interrupted.
- 2015 targets and plan for 2017.

Milan, 12 February 2015 - The Board of Directors of Recordati S.p.A. examined the preliminary consolidated results for 2014 and the group's development strategies and objectives for the 2015-2017 period. The company's definite consolidated annual financial reports will be submitted to the Board for approval on 4 March 2015.

Financial highlights

- **Consolidated revenue** for the full year 2014 is € 987.3 million, up by 4.9% compared to the preceding year. International sales grow by 7.8%.
- **EBITDA**⁽¹⁾, at 27.7% of sales, is € 273.8 million, an increase of 19.0% over the preceding year.
- **Operating income**, at 23.4% of sales, is € 231.0 million, an increase of 18.2%.
- **Net income**, at 16.3% of sales, is € 161.2 million, an increase of 20.6% over 2013.
- **Net financial position**⁽²⁾ at 31 December 2014 records a net debt of € 186.0 million. **Shareholders' equity** increases to € 787.4 million.

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

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

Management comments

"During the year just ended important initiatives were undertaken for the future development of the company and significant group margin improvement was obtained", declared Giovanni Recordati, Chairman and CEO. "In February an exclusive license agreement was entered into with Apricus Biosciences Inc. for the marketing and sales of Vitaros® (alprostadil), an innovative topical product for

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the treatment of erectile dysfunction, in certain European countries, Russia, Ukraine and the Commonwealth of Independent States (C.I.S.), Turkey and certain African countries. In July the U.S. Food and Drug Administration (FDA) granted approval of Orphan Europe's request for orphan drug designation for the use of Carbaglu® (carglumic acid) in the treatment of organic acidemias (OAs). In September a license agreement with Plethora Solutions Limited and Plethora Solutions Holdings Plc for the commercialization of PSD502™ (Fortacin), a topical spray formulation of lidocaine and prilocaine for the treatment of premature ejaculation, in Europe, Russia, Commonwealth of Independent States (C.I.S.), Turkey and certain countries in North Africa was signed. At the end of September Erytech Pharma, a French biopharmaceutical company with which our subsidiary Orphan Europe has an exclusive agreement for the commercialization and distribution in Europe of Graspaspa®, reported positive top-line phase III results from its clinical study with this product in acute lymphoblastic leukemia (ALL) in frail patients. In view of the results, communicated by Nymox, of the US phase III clinical trials involving the use of NX-1207 in benign prostatic hyperplasia, which showed no significant improvement over placebo, and after profound evaluation over the last months, we decided to prematurely interrupt the European clinical trial before having reached the expected target of 340 patients."

"In the future we expect to further improve on the profitability margins achieved in 2014" continued Giovanni Recordati. "In 2015 our targets are to reach sales of more than € 1,000 million, EBIT of around € 250 million and net income of € 175 million. For the coming years we will continue our growth strategy through the development of our current product portfolio and through acquisitions and for 2017 we expect to obtain revenues of around € 1,150 million with an EBIT margin of between 25 and 26% and a net income margin of between 17 and 18%."

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.

Conference call

Recordati will be hosting a *conference call* **today 12 February 2015** at 4.00 pm Italian time (3.00 pm London time, 9.00 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:

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