

RECORDATI REPORTS SALES +6.2%, OPERATING INCOME +19.2% AND NET INCOME +24.3% IN THE FIRST HALF 2015 THANKS TO ITS INTERNATIONAL BUSINESS.

- Consolidated revenues € 539.1 million, +6.2%.
- EBITDA⁽¹⁾ € 163.9 million, +15.5%
- Operating income € 145.2 million, +19.2%.
- Net income € 103.2 million, +24.3%.
- Net financial position⁽²⁾: net debt of € 139.9 million.
- Shareholders' equity € 874.9 million.
- Full year 2015 targets increased: sales of around € 1,040 million, operating income around € 270 million and net income around € 190 million.

Milan, 29 July 2015 – The Board of Directors of Recordati S.p.A. approved the Group's consolidated results for the first half 2015 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 (www.recordati.com) and can also be viewed on the authorized storage system 1Info (www.1Info.it). The independent auditors' report on the consolidated condensed half-year financial statements will be available within the legal deadline at the company's offices and on the company's website (www.recordati.com) and can also be viewed on the authorized storage system 1Info (www.1Info.it).

Financial highlights

- **Consolidated revenues** in the first half 2015 are € 539.1 million, up by 6.2% compared to the same period of the preceding year. International sales, which represent 78.5% of total sales, grow by 10.0% while sales in Italy, at 21.5% of the total, decrease by 5.8%.
- **EBITDA⁽¹⁾** is € 163.9 million, an increase of 15.5% over the same period of the preceding year, with a margin of 30.4% of sales thanks to gross margin improvement and the relatively low increase in operational costs.
- **Operating income**, at 26.9% of sales, is € 145.2 million, an increase of 19.2%.
- **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⁽²⁾** at 30 June 2015 records a net debt of € 139.9 million, a reduction of € 46.2 million compared to that at 31 December 2014, after payment of dividends for an amount of € 49.2 million. **Shareholders' equity** increases to € 874.9 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

“The first quarter results confirm continued revenue growth and further improvement of our profitability”, declared Giovanni Recordati, Chairman and CEO. “Furthermore, 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.”

Conference call

Recordati will be hosting a *conference call* **today 29 July 2015** 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 8020911, toll free 800 231525
UK	+44 1 212818004, toll free 800 0156371
USA	+1 718 7058796, toll free 855 2656958
France	+33 170918704
Germany	+49 65 255114450

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 2014 was € 987.4 million, operating income was € 231.0 million and net income was € 161.2 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 half 2015	First half 2014	Change %
REVENUE	539,060	507,621	6.2
Cost of sales	(172,289)	(171,038)	0.7
GROSS PROFIT	366,771	336,583	9.0
Selling expenses	(152,503)	(145,558)	4.8
Research and development expenses	(37,911)	(40,698)	(6.8)
General & administrative expenses	(29,582)	(28,065)	5.4
Other income (expenses), net	(1,550)	(466)	232.6
OPERATING INCOME	145,225	121,796	19.2
Financial income (expenses), net	(8,203)	(8,772)	(6.5)
PRE-TAX INCOME	137,022	113,024	21.2
Provision for income taxes	(33,779)	(29,979)	12.7
NET INCOME	103,243	83,045	24.3
Attributable to:			
Equity holders of the parent	103,236	83,042	24.3
Minority interests	7	3	133.3

EARNINGS PER SHARE	First half 2015	First half 2014	Change %
Basic	€ 0.504	€ 0.409	23.2
Diluted	€ 0.494	€ 0.393	25.7

Earnings per share (EPS) are based on average shares outstanding during each year, 204,754,003 in 2015 and 202,930.868 in 2014, net of average treasury stock which amounted to 4,371,153 shares in 2015 and to 6,194,288 shares in 2014. Diluted earnings per share is calculated taking into account stock options granted to employees.

COMPOSITION OF REVENUE	First half 2015	First half 2014	Change %
Total revenue	539,060	507,621	6.2
Italy	115,969	123,066	(5.8)
International	423,091	384,555	10.0

Pending the completion of independent audit.

RECORDATI GROUP

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(thousands of €)

INCOME STATEMENT	Second Quarter 2015	Second Quarter 2014	Change %
REVENUE	263,314	247,259	6.5
Cost of sales	(83,996)	(84,043)	(0.1)
GROSS PROFIT	179,318	163,216	9.9
Selling expenses	(74,525)	(70,049)	6.4
Research and development expenses	(18,019)	(19,912)	(9.5)
General & administrative expenses	(14,231)	(13,603)	4.6
Other income (expenses), net	(789)	(43)	n.s.
OPERATING INCOME	71,754	59,609	20.4
Financial income (expenses), net	(4,475)	(4,685)	(4.5)
PRE-TAX INCOME	67,279	54,924	22.5
Provision for income taxes	(16,004)	(14,645)	9.3
NET INCOME	51,275	40,279	27.3
Attributable to:			
Equity holders of the parent	51,272	40,278	27.3
Minority interests	3	1	200.0

COMPOSITION OF REVENUE	Second Quarter 2015	Second Quarter 2014	Change %
Total revenue	263,314	247,259	6.5
Italy	54,086	56,030	(3.5)
International	209,228	191,229	9.4

Pending the completion of independent audit.

RECORDATI GROUP

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(thousands of €)

ASSETS	30.6.2015	31.12.2014
Property, plant and equipment	101,819	92,273
Intangible assets	263,390	266,018
Goodwill	462,574	463,474
Equity investments	36,173	17,079
Non-current receivables	3,848	4,743
Deferred tax assets	34,389	33,021
TOTAL NON-CURRENT ASSETS	902,193	876,608
Inventories	145,194	141,223
Trade receivables	207,607	179,029
Other receivables	23,960	32,316
Other current assets	7,241	4,927
Fair value of hedging derivatives (cash flow hedge)	10,585	4,132
Short-term financial investments, cash and cash equivalents	186,754	136,990
TOTAL CURRENT ASSETS	581,341	498,617
TOTAL ASSETS	1,483,534	1,375,225
EQUITY AND LIABILITIES	30.6.2015	31.12.2014
Share capital	26,141	26,141
Capital in excess of par value	83,719	83,719
Treasury stock	(23,817)	(30,727)
Hedging reserve	4,656	(683)
Translation reserve	(49,219)	(56,314)
Other reserves	43,935	29,865
Retained earnings	686,130	627,240
Net income for the period	103,236	161,187
Interim dividend	0	(53,080)
GROUP SHAREHOLDERS' EQUITY	874,781	787,348
Minority interest	81	74
SHAREHOLDERS' EQUITY	874,862	787,422
Loans due after one year	286,772	286,202
Employees' termination pay	18,684	18,388
Deferred tax liabilities	29,450	21,553
Other non-current liabilities	3,113	3,102
TOTAL NON-CURRENT LIABILITIES	338,019	329,245
Trade payables	113,478	112,536
Other payables	68,301	64,886
Tax liabilities	17,359	12,541
Other current liabilities	655	903
Provisions	26,852	25,784
Fair value of hedging derivatives (cash flow hedge)	4,162	5,075
Loans due within one year	29,883	28,281
Bank overdrafts	9,963	8,552
TOTAL CURRENT LIABILITIES	270,653	258,558
TOTAL EQUITY AND LIABILITIES	1,483,534	1,375,225

Pending the completion of independent audit.

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.