

## RECORDATI REPORTS SALES +5.7%, OPERATING INCOME +18.1% AND NET INCOME +23.0% IN THE FIRST NINE MONTHS 2015. THE INTERNATIONAL BUSINESS GROWS BY 8.8%.

- Consolidated revenues € 784.4 million, +5.7%.
- EBITDA<sup>(1)</sup> € 240.5 million, +13.0%
- Operating income € 213.0 million, +18.1%.
- Net income € 152.5 million, +23.0%.
- Net financial position<sup>(2)</sup>: net debt of € 58.2 million.
- Shareholders' equity € 899.3 million.
- Interim 2015 dividend of € 0.30 per share to be distributed.

Milan, 28 October 2015 – The Board of Directors of Recordati S.p.A. approved the Group's consolidated results for the first nine months 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](http://www.recordati.com) and can also be viewed on the authorized storage system 1Info ([www.1Info.it](http://www.1Info.it)).

### Financial highlights

- **Consolidated revenues** in the first nine months 2015 are € 784.4 million, up by 5.7% compared to the same period of the preceding year. International sales, which represent 79.3% of total sales, grow by 8.8% while sales in Italy, at 20.7% of the total, decrease by 4.6%.
- **EBITDA<sup>(1)</sup>** is € 240.5 million, an increase of 13.0% over the first nine months of 2014, with a margin of 30.7% of sales thanks to gross margin improvement and the relatively low increase in operational costs.
- **Operating income**, at 27.2% of sales, is € 213.0 million, an increase of 18.1% the same period of the preceding year.
- **Net income**, at 19.4% of sales, is € 152.5 million, an increase of 23.0% over the first nine months of 2014.
- **Net financial position<sup>(2)</sup>** at 30 September 2015 records a net debt of € 58.2 million, a reduction of € 127.8 million compared to that at 31 December 2014, after payment of dividends for an amount of € 49.2 million. **Shareholders' equity** increases to € 899.3 million. Cash and cash equivalent of € 261.3 million is held for investment in further future development initiatives.

<sup>(1)</sup> Earnings before interest, taxes, depreciation and amortization.

<sup>(2)</sup> 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).

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## Business outlook

The group's business performance was in line with expectations during October. For the full year 2015 targets to achieve sales of around € 1,040 million, operating income of around € 270 million and net income of around € 190 million are confirmed.

## Further resolutions

### *2015 Interim dividend*

The Board of Directors resolved to distribute an interim dividend relating to the financial year 2015 amounting to € 0.30 (before withholding tax) on each outstanding share, excluding shares in treasury stock. The interim dividend will be paid, through the authorised intermediaries, as from November 11, 2014 (record date November 10, 2014) on coupon No. 16 to be presented on November 9, 2014.

The Independent Auditor's opinion on the distribution of the interim dividend is also available at the Company's registered offices as per article 2433-bis of the Italian Civil Code.

The Directors' Report and financial statements of Recordati S.p.A. as at 30 June 2015, on which the Board of Directors based its resolution to distribute the abovementioned interim dividend, are available at the Company's registered offices and published on the Company's website ([www.recordati.com](http://www.recordati.com)). Such documents can also be viewed on the authorized storage system 1Info ([www.1Info.it](http://www.1Info.it)).

## Conference call

Recordati will be hosting a *conference call* **today 28 October 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](http://www.recordati.com).

A set of slides which will be referred to during the call will be available on our website [www.recordati.com](http://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:

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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 €)

<b>INCOME STATEMENT</b>	First nine months 2015	First nine months 2014	Change %
REVENUE	784,432	742,088	5.7
Cost of sales	(251,648)	(244,785)	2.8
GROSS PROFIT	532,784	497,303	7.1
Selling expenses	(219,519)	(211,279)	3.9
Research and development expenses	(55,223)	(61,960)	(10.9)
General & administrative expenses	(42,953)	(42,049)	2.1
Other income (expenses), net	(2,042)	(1,645)	24.1
OPERATING INCOME	213,047	180,370	18.1
Financial income (expenses), net	(10,167)	(13,126)	(22.5)
PRE-TAX INCOME	202,880	167,244	21.3
Provision for income taxes	(50,375)	(43,222)	16.5
NET INCOME	152,505	124,022	23.0
Attributable to:			
Equity holders of the parent	152,495	124,017	23.0
Minority interests	10	5	100.0

<b>EARNINGS PER SHARE</b>	First nine months 2015	First nine months 2014	Change %
Basic	€ 0.743	€ 0.610	21.8
Diluted	€ 0.729	€ 0.593	22.9

Earnings per share (EPS) are based on average shares outstanding during each year, 205,157,190 in 2015 and 203,336,543 in 2014, net of average treasury stock which amounted to 3,967,966 shares in 2015 and to 5,788,613 shares in 2014.  
Diluted earnings per share is calculated taking into account stock options granted to employees.

<b>COMPOSITION OF REVENUE</b>	First nine months 2015	First nine months 2014	Change %
Total revenue	784,432	742,088	5.7
Italy	162,584	170,369	(4.6)
International	621,848	571,719	8.8

**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	Third Quarter 2015	Third Quarter 2014	Change %
REVENUE	245,372	234,467	4.7
Cost of sales	(79,359)	(73,747)	7.6
GROSS PROFIT	166,013	160,720	3.3
Selling expenses	(67,016)	(65,721)	2.0
Research and development expenses	(17,312)	(21,262)	(18.6)
General & administrative expenses	(13,371)	(13,984)	(4.4)
Other income (expenses), net	(492)	(1,179)	(58.3)
OPERATING INCOME	67,822	58,574	15.8
Financial income (expenses), net	(1,964)	(4,354)	(54.9)
PRE-TAX INCOME	65,858	54,220	21.5
Provision for income taxes	(16,596)	(13,243)	25.3
NET INCOME	49,262	40,977	20.2
Attributable to:			
Equity holders of the parent	49,259	40,975	20.2
Minority interests	3	2	50.0

COMPOSITION OF REVENUE	Third Quarter 2015	Third Quarter 2014	Change %
Total revenue	245,372	234,467	4.7
Italy	46,615	47,303	(1.5)
International	198,757	187,164	6.2

**RECORDATI GROUP**

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

<b>ASSETS</b>	<b>30.9.2015</b>	<b>31.12.2014</b>
Property, plant and equipment	101,187	92,273
Intangible assets	252,201	266,018
Goodwill	449,844	463,474
Equity investments	29,634	17,079
Non-current receivables	3,810	4,743
Deferred tax assets	33,065	33,021
<b>TOTAL NON-CURRENT ASSETS</b>	<b>869,741</b>	<b>876,608</b>
Inventories	143,102	141,223
Trade receivables	180,823	179,029
Other receivables	24,577	32,316
Other current assets	7,346	4,927
Fair value of hedging derivatives (cash flow hedge)	11,348	4,132
Short-term financial investments, cash and cash equivalents	261,275	136,990
<b>TOTAL CURRENT ASSETS</b>	<b>628,471</b>	<b>498,617</b>
<b>TOTAL ASSETS</b>	<b>1,498,212</b>	<b>1,375,225</b>
<b>EQUITY AND LIABILITIES</b>	<b>30.9.2015</b>	<b>31.12.2014</b>
Share capital	26,141	26,141
Capital in excess of par value	83,719	83,719
Treasury stock	(21,144)	(30,727)
Hedging reserve	4,955	(683)
Translation reserve	(72,532)	(56,314)
Other reserves	39,675	29,865
Retained earnings	685,952	627,240
Net income for the period	152,495	161,187
Interim dividend	0	(53,080)
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>899,261</b>	<b>787,348</b>
Minority interest	84	74
<b>SHAREHOLDERS' EQUITY</b>	<b>899,345</b>	<b>787,422</b>
Loans due after one year	273,934	286,202
Employees' termination pay	18,606	18,388
Deferred tax liabilities	26,875	21,553
Other non-current liabilities	2,517	3,102
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>321,932</b>	<b>329,245</b>
Trade payables	108,076	112,536
Other payables	68,999	64,886
Tax liabilities	23,185	12,541
Other current liabilities	640	903
Provisions	25,985	25,784
Fair value of hedging derivatives (cash flow hedge)	4,513	5,075
Loans due within one year	33,620	28,281
Bank overdrafts	11,917	8,552
<b>TOTAL CURRENT LIABILITIES</b>	<b>276,935</b>	<b>258,558</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,498,212</b>	<b>1,375,225</b>

**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.