

RECORDATI: EXCELLENT RESULTS IN THE FIRST HALF 2016. CONTINUED GROWTH IN SALES +9.1%, OPERATING INCOME +17.2%, NET INCOME +18.9%.

- Consolidated revenues € 587.9 million, +9.1%.
- EBITDA⁽¹⁾ € 188.1 million, +14.8%
- Operating income € 170.2 million, +17.2%.
- Net income € 122.7 million, +18.9%.
- Net financial position⁽²⁾: net debt of € 164.4 million.
- Shareholders' equity € 929.1 million.
- Full year 2016 targets increased: sales of around € 1,140 million, operating income around € 325 million and net income around € 230 million.

Milan, 28 July 2016 – The Board of Directors of Recordati S.p.A. approved the Group's consolidated results for the first half 2016 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 2016 are € 587.9 million, up by 9.1% compared to the same period of the preceding year. International sales grow by 10.0%.
- **EBITDA⁽¹⁾**, at 32.0% of sales, is € 188.1 million, an increase of 14.8% over the same period of the preceding year.
- **Operating income**, at 29.0% of sales, is € 170.2 million, an increase of 17.2%. This result includes non recurring expenses of € 8.6 million due to ancillary costs related to the recent acquisition of Italcimici S.p.A. and accrued charges for the organizational restructuring of the company.
- **Net income**, at 20.9% of sales, is € 122.7 million, an increase of 18.9% over the first half of 2015.
- **Net financial position⁽²⁾** at 30 June 2016 records a net debt of € 164.4 million. During the period the acquisition of the Italian company Italcimici S.p.A. and the distribution of the 2015 dividend balance accounted for a total amount € 188.3 million. **Shareholders' equity** increases to € 929.1 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.

RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.

Sede Legale
VIA M. CIVITALI, 1
20148 MILANO, ITALIA
TEL. (39) 0248787.1
FAX (39) 0240073747

CAPITALE SOCIALE € 26.140.644,50 I.V.
REG. IMP. MILANO N. 00748210150
CODICE FISCALE/P.IVA 007482210150
R.E.A. MILANO N. 401832

Corporate development news

During May 100% of the share capital of Italchimici S.p.A., an Italian pharmaceutical company with operational headquarters in Milan was acquired. The value of the transaction (enterprise value) was of around € 130 million and was be funded from existing liquidity.

Italchimici, with over 40 years of history and revenues in 2015 of € 46 million, is a consolidated firm in the Italian pharmaceutical market with well-known products. The company offers therapeutical solutions mainly in the gastroenterological and respiratory areas which consist of both pharmaceutical products as well as food supplements and medical devices to improve the health and well-being of patients. The main brands in its extensive product portfolio are Reuflor, Peridon and Lacidigest in the gastroenterological offering and Aircort among the respiratory products.

Management Comments

“The first half results confirm the sustained growth of the group with revenues and profitability increasing significantly”, declared Giovanni Recordati, Chairman and CEO. “Furthermore, the group’s business performance during July was in line with the first half and therefore targets for the full year 2016 were reviewed upwards of those announced on 5 May 2016. Taking into account the consolidation of the two recently acquired companies, Italchimici S.p.A. in Italy and Pro Farma AG in Switzerland, expectations are now to achieve sales of around € 1,140 million, operating income of around € 325 million and net income of around € 230 million.”

Conference call

Recordati will be hosting a *conference call* **today 28 July 2016** 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 69 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 2015 was € 1,047.7 million, operating income was € 278.5 million and net income was € 198.8 million.

For further information:

Recordati website: www.recordati.com

Investor Relations

Marianne Tatschke
(39)0248787393

e-mail: inver@recordati.it

Media Relations

Studio Noris Morano
(39)0276004736, (39)0276004745

e-mail: norismorano@studionorismorano.com

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 2016	First half 2015	Change %
REVENUE	587,864	539,060	9.1
Cost of sales	(180,472)	(172,289)	4.7
GROSS PROFIT	407,392	366,771	11.1
Selling expenses	(155,215)	(152,503)	1.8
Research and development expenses	(41,626)	(37,911)	9.8
General & administrative expenses	(31,798)	(29,582)	7.5
Other income (expenses), net	(8,537)	(1,550)	n.s.
OPERATING INCOME	170,216	145,225	17.2
Financial income (expenses), net	(5,978)	(8,203)	(27.1)
PRE-TAX INCOME	164,238	137,022	19.9
Provision for income taxes	(41,520)	(33,779)	22.9
NET INCOME	122,718	103,243	18.9
Attributable to:			
Equity holders of the parent	122,704	103,236	18.9
Minority interests	14	7	100.0

EARNINGS PER SHARE	First half 2016	First half 2015	Change %
Basic	€ 0.598	€ 0.504	18.7
Diluted	€ 0.587	€ 0.494	18.8

Earnings per share (EPS) are based on average shares outstanding during each year, 205,297,564 in 2016 and 204,754,003 in 2015, net of average treasury stock which amounted to 3,827,592 shares in 2016 and to 4,371,153 shares in 2015. Diluted earnings per share is calculated taking into account stock options granted to employees.

COMPOSITION OF REVENUE	First half 2016	First half 2015	Change %
Total revenue	587,864	539,060	9,1
Italy	122,267	115,969	5.4
International	465,597	423,091	10.0

Pending the completion of independent audit.

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	Second Quarter 2016	Second Quarter 2015	Change %
REVENUE	285,617	263,314	8.5
Cost of sales	(86,771)	(83,996)	3.3
GROSS PROFIT	198,846	179,318	10.9
Selling expenses	(75,650)	(74,525)	1.5
Research and development expenses	(19,350)	(18,019)	7.4
General & administrative expenses	(15,758)	(14,231)	10.7
Other income (expenses), net	(8,027)	(789)	n.s.
OPERATING INCOME	80,061	71,754	11.6
Financial income (expenses), net	(3,454)	(4,475)	(22.8)
PRE-TAX INCOME	76,607	67,279	13.9
Provision for income taxes	(19,367)	(16,004)	21.0
NET INCOME	57,240	51,275	11.6
Attributable to:			
Equity holders of the parent	57,233	51,272	11.6
Minority interests	7	3	133.3

COMPOSITION OF REVENUE	Second Quarter 2016	Second Quarter 2015	Change %
Total revenue	285,617	263,314	8.5
Italy	58,507	54,086	8.2
International	227,110	209,228	8.5

Pending the completion of independent audit.

RECORDATI GROUP

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

(thousands of €)

ASSETS	30.6.2016	31.12.2015
Property, plant and equipment	111,246	108,987
Intangible assets	279,508	246,450
Goodwill	555,133	453,285
Equity investments	27,683	32,444
Non-current receivables	4,968	4,549
Deferred tax assets	30,837	30,500
TOTAL NON-CURRENT ASSETS	1,009,375	876,215
Inventories	148,335	143,093
Trade receivables	222,366	177,219
Other receivables	27,527	28,883
Other current assets	6,644	5,280
Fair value of hedging derivatives (cash flow hedge)	11,883	12,671
Short-term financial investments, cash and cash equivalents	140,749	225,525
TOTAL CURRENT ASSETS	557,504	592,671
TOTAL ASSETS	1,566,879	1,468,886
EQUITY AND LIABILITIES	30.6.2016	31.12.2015
Share capital	26,141	26,141
Capital in excess of par value	83,719	83,719
Treasury stock	(27,245)	(35,061)
Hedging reserve	(3,117)	(3,290)
Translation reserve	(70,931)	(66,918)
Other reserves	39,588	42,543
Retained earnings	758,136	685,587
Net income for the period	122,704	198,792
Interim dividend	0	(61,606)
GROUP SHAREHOLDERS' EQUITY	928,995	869,907
Minority interest	99	85
SHAREHOLDERS' EQUITY	929,094	869,992
Loans due after one year	259,575	282,615
Employees' termination pay	20,522	18,895
Deferred tax liabilities	29,094	22,360
Other non-current liabilities	2,517	2,517
TOTAL NON-CURRENT LIABILITIES	311,708	326,387
Trade payables	127,733	106,597
Other payables	73,737	72,351
Tax liabilities	23,825	14,592
Other current liabilities	1,174	959
Provisions	37,580	29,400
Fair value of hedging derivatives (cash flow hedge)	4,596	4,290
Loans due within one year	39,943	34,469
Bank overdrafts	17,489	9,849
TOTAL CURRENT LIABILITIES	326,077	272,507
TOTAL EQUITY AND LIABILITIES	1,566,879	1,468,886

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.