

RECORDATI: PRELIMINARY 2017 RESULTS CONFIRM CONTINUED GROWTH OF SALES AND PROFITABILITY. SALES +11.6%, OPERATING INCOME +24.1%, NET INCOME +21.6%.

- Consolidated revenues € 1,288.1 million, +11.6%.
- EBITDA ⁽¹⁾ € 454.7 million, +22.5%
- Operating income € 406.5 million, +24.1%.
- Net income € 288.8 million, +21.6%.
- Net financial position ⁽²⁾: net debt of € 381.8 million.
- Approval of Cystadrops® in Europe.
- Agreement with the Meyer Hospital in Florence for the development of a treatment for retinopathy of prematurity.
- Acquisition of the European rights to the metoprolol based brands Seloken®/Seloken® ZOK and Logimax® from AstraZeneca.
- Agreement with MimeTech for the development of a new compound for neurotrophic keratitis.
- Acquisition of three gastroenterological consumer health products from Bayer for the French market.
- Objectives for 2018.

Milan, 8 February 2018 – The Board of Directors of Recordati S.p.A. examined the preliminary consolidated results for 2017 and 2018 objectives. The company's definite consolidated annual financial reports will be submitted to the Board for approval on 15 March 2018.

Financial highlights

- **Consolidated revenues** in 2017 are € 1,288.1 million, up by 11.6% compared to the preceding year. International sales grow by 12.4%.
- **EBITDA** ⁽¹⁾, at 35.3% of sales, is € 454.7 million, an increase of 22.5% over the preceding year.
- **Operating income**, at 31.6% of sales, is € 406.5 million, an increase of 24.1%.
- **Net income**, at 22.4% of sales, is € 288.8 million, an increase of 21.6% over 2016.
- **Net financial position** ⁽²⁾ at 31 December 2017 shows a net debt of € 381.8 million compared to net debt of € 198.8 million at 31 December 2016. During the period dividends were distributed, the acquisition of the marketing rights to the metoprolol based products from AstraZeneca was concluded and three Bayer Consumer Health products were acquired for an overall disbursement of € 456.5 million.

⁽¹⁾ Operating income before depreciation, amortization and write down of both tangible and intangible assets.

⁽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.

Management comments

“During the year just ended significant results were obtained and important transactions concluded for the growth and the reinforcement of our group” declared Andrea Recordati, Vice Chairman and Chief Executive Officer. “In January the European Union Commission granted the European marketing authorization for our orphan medicinal product Cystadrops®. In February we signed an exclusive worldwide licensing agreement with the Meyer Hospital in Florence (Italy) for the development of a treatment for pre-term babies affected by retinopathy of prematurity (ROP). In July we concluded the agreement with AstraZeneca for the acquisition of the European rights to Seloken®/Seloken® ZOK and Logimax®, metoprolol based cardiovascular treatments. This important transaction will enable us to reinforce our product portfolios in a number of our European subsidiaries and will provide the base to enter new markets and thus complete our European geographical footprint. In June we signed an exclusive license agreement with MimeTech, an Italian development stage company founded by scientists from the University in Florence, for the development and subsequent commercialization on a global basis of an innovative treatment for neurotrophic keratitis, a rare degenerative corneal disease. During July Gedeon Richter Plc. was granted marketing authorization from the European Commission for Reagila® (cariprazine), a novel antipsychotic for which Recordati has the Western European marketing rights. Finally, in December three gastroenterological consumer health brands were acquired from Bayer for the French market” continued Andrea Recordati. “We are very pleased with the success and excellent results obtained in 2017. Going forward we will continue to develop the business, both organically as well as through a focused acquisition strategy, with the objective of strengthening our local product portfolios, entering new markets and further reinforcing our pipeline, especially in the rare disease business segment. In 2018 the objective is to achieve sales ranging from € 1,350 million to € 1,370 million, EBITDA of between € 490 and € 500 million, EBIT of between € 430 and € 440 million and net income of between € 310 and € 315 million.”

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 8 February 2018** 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 more than 4,100, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Russia, other Central and Eastern European countries, Turkey, North Africa, the United States of America, Canada, Mexico and in some South American countries. 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 with a focus on treatments for rare diseases. Consolidated revenue for 2016 was € 1,153.9 million, operating income was € 327.4 million and net income was € 237.4 million.

For further information:

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