

2017 First quarter results



CONFERENCE CALL - 4 MAY 2017

First quarter 2017 highlights

- Revenue € 341.9 million, up 13.1%
- EBITDA € 117.7 million or 34.4% of sales, up 18.9%
- Operating income (EBIT) € 107.3 million or 31.4% of sales, up 19.0%
- Net income € 78.5 million or 23.0% of sales, up 19.9%
- Net debt € 105.6 million, a reduction of € 93.1 million as compared to year-end 2016
- Approval of Cystadrops® for the ocular manifestations of cystinosis
- Agreement with the Meyer Hospital in Florence for the development of a treatment for ROP

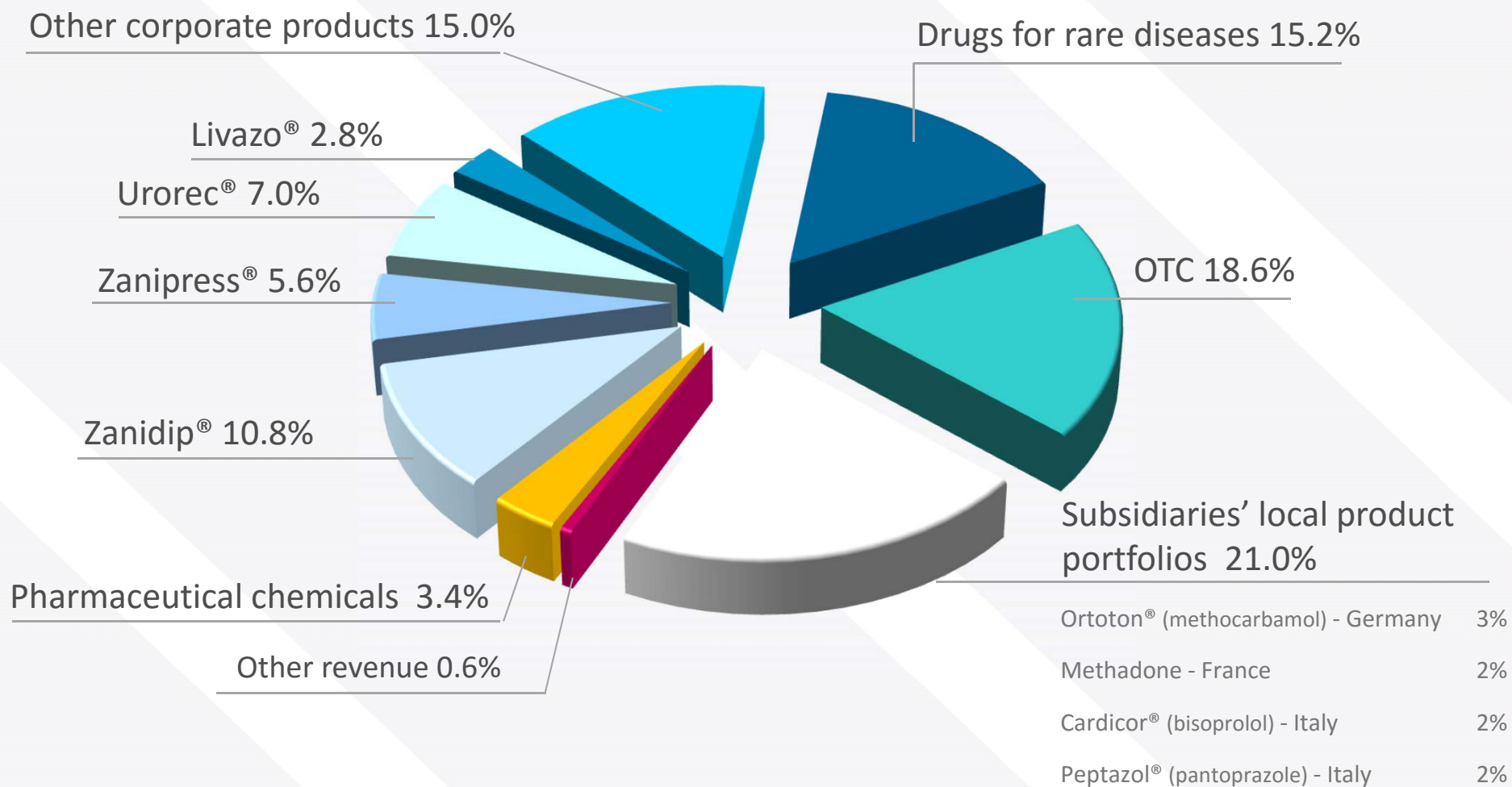
Main product sales

Corporate products including drugs for rare diseases account for 65.1% of revenue

(million Euro)	1Q 2017	1Q 2016	Change %
Zanidip® (lercanidipine)	36.9	35.0	5.5
Zanipress® (lercanidipine+enalapril)	19.1	17.8	6.9
Urorec® (silodosin)	23.8	22.1	8.0
Livazo® (pitavastatin)	9.6	8.9	7.1
Other corporate products*	81.0	60.6	33.7
Drugs for rare diseases	52.1	46.0	13.3

* Include the OTC corporate products for an amount of € 29.8 million in 2017 and € 20.2 million in 2016 (up 47.3%).

A diversified product portfolio



Data: First quarter 2017
Total revenue € 341.9 m

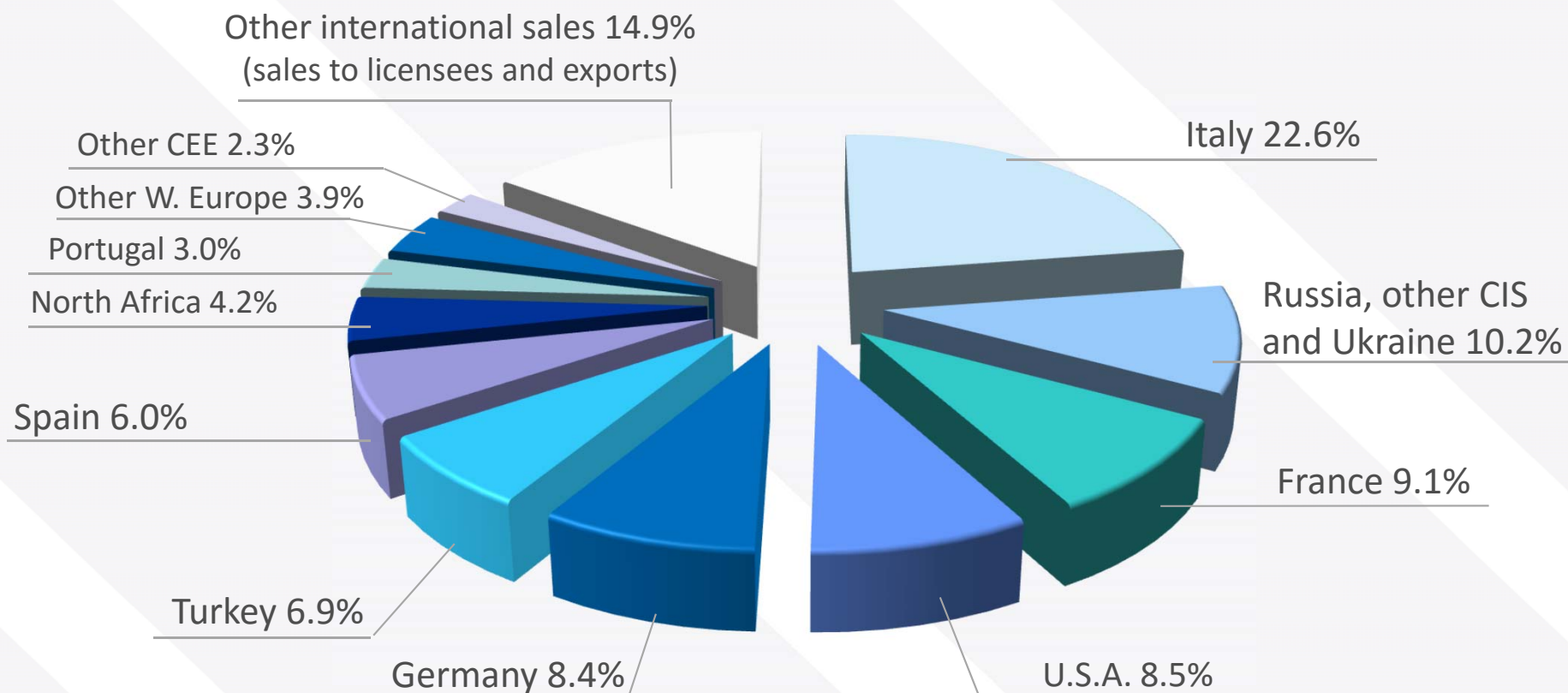
Composition of revenue by geography

Continued growth

(million Euro)	1Q 2017	1Q 2016	Change %
Italy	74.8	61.5	21.5
Russia, other CIS countries and Ukraine	33.7	19.2	75.9
France	29.9	28.5	5.0
U.S.A.	28.0	25.8	8.5
Germany	27.7	24.2	14.6
Turkey	22.7	22.5	1.1
Spain	19.8	18.4	7.7
North Africa	13.8	15.8	(12.9)
Portugal	10.0	9.8	1.6
Other W. Europe countries	12.8	8.3	53.4
Other CEE countries	7.7	7.8	(1.4)
Other international sales	49.4	49.8	(0.9)
TOTAL PHARMACEUTICALS	330.3	291.7	13.2
PHARMACEUTICAL CHEMICALS	11.6	10.5	10.4

(In local currency, millions)	1Q 2017	1Q 2016	Change %
Russia (RUB)	1,808.5	1,319.6	37.0
Turkey (TRY)	84.4	68.9	22.5
U.S.A. (USD)	30.4	29.0	4.8

Geographical breakdown of pharmaceutical revenue



Data: First quarter 2017
Pharmaceutical revenue € 330.3 m

First quarter 2017 results

Further margin growth

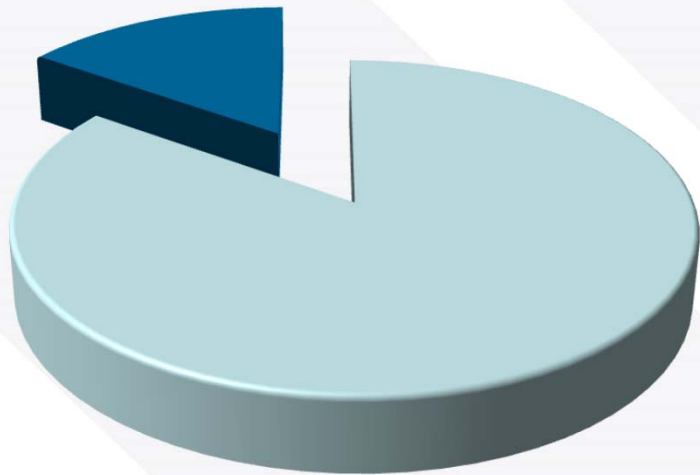
(million Euro)	1Q 2017	1Q 2016	Change %
Revenue	341.9	302.2	13,1
Gross Profit as % of revenue	236.1 69.1	208.5 69.0	13.2
SG&A Expenses as % of revenue	105.8 30.9	95.6 31.6	10.6
R&D Expenses as % of revenue	23.2 6.8	22.3 7.4	4.0
Other Income (Expense), net as % of revenue	0.1 0.0	(0.5) (0.2)	n.s.
Operating Income as % of revenue	107.3 31.4	90.2 29.8	19.0
Net Income as % of revenue	78.5 23.0	65.5 21.7	19.9

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Operating segments

Revenue

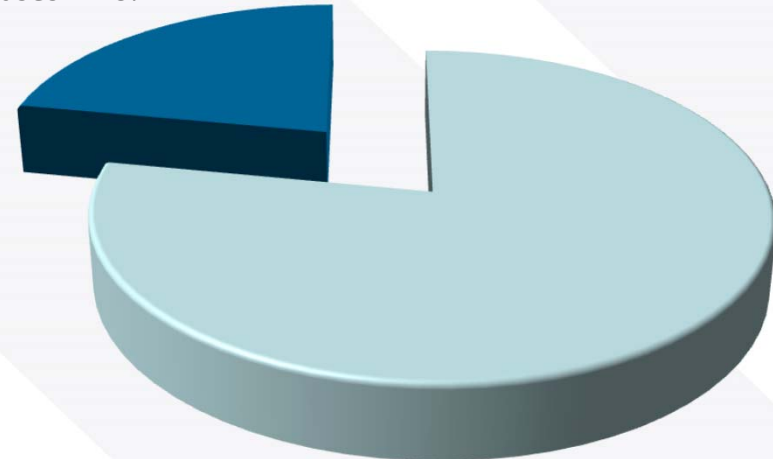
Treatments for rare diseases 15.2%



Primary & specialty care
84.8%

EBIT

Treatments for rare diseases 22.0%



Primary & specialty care
78.0%

EBIT margin on sales:

Treatments for rare diseases, 45.2%

Primary & Specialty care, 28.9%

Net financial position

(million Euro)	31 Mar 2017	31 Dec 2016	Change
Cash and short-term financial investments	219.8	138.5	81.3
Bank overdrafts and short-term loans	(17.1)	(15.7)	(1.4)
Loans – due within one year	(40.3)	(40.4)	0.1
Loans – due after one year	(268.0)	(281.1)	13.1
NET FINANCIAL POSITION	(105.6)	(198.8)	93.1

Financial projections

2017 targets

(million Euro)	2016 Actual	2017 Targets
Revenue	1,154	± 1,250
EBITDA	371	± 425
Operating income (EBIT)	327	± 380
Net Income	237	± 275

Company declarations, disclaimers and profile

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 presentation corresponds to the document results, books and accounting records.

Statements contained in this presentation, 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, 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, in other Central and Eastern European countries, in Turkey, in the United States of America and in North Africa. 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 is € 1,153.9 million, operating income is € 327.4 million and net income is € 237.4 million.

Contact Information

Offices:

**Recordati S.p.A.
Via M. Civitali 1
20148 Milano, Italy**

Investor Relations:

**Marianne Tatschke
+39 02 48787393
tatschke.m@recordati.it**

Website:

www.recordati.com