

2016 Preliminary FY results



MILAN – 9 FEBRUARY 2017

Full year 2016 highlights

- Revenue € 1,153.9 million, up 10.1%
- EBITDA € 371.2 million or 32.2% of sales, up 17.1%
- Operating income (EBIT) € 327.4 million or 28.4% of sales, up 17.6%
- Net income € 237.4 million or 20.6% of sales, up 19.4%
- Net debt € 198.8 million, an increase of € 110.0 million as compared to year-end 2015 following the acquisition of Italchimici S.p.A., Pro Farma AG and payment of the remaining 2015 dividend and interim 2016 dividend
- Acquisition of the Italian pharmaceutical company Italchimici S.p.A.
- Acquisition of the Swiss pharmaceutical company Pro Farma AG
- Agreement with Gedeon Richter for the commercialization of cariprazine
- Agreement with French public hospital (Assistance Publique - Hopitaux de Paris) for the development and commercialization of a treatment for MSUD
- Subsequent event: In January of this year the European Commission approved the marketing of Cystadrops®, an orphan drug for the treatment of the ocular manifestations of cystinosis.

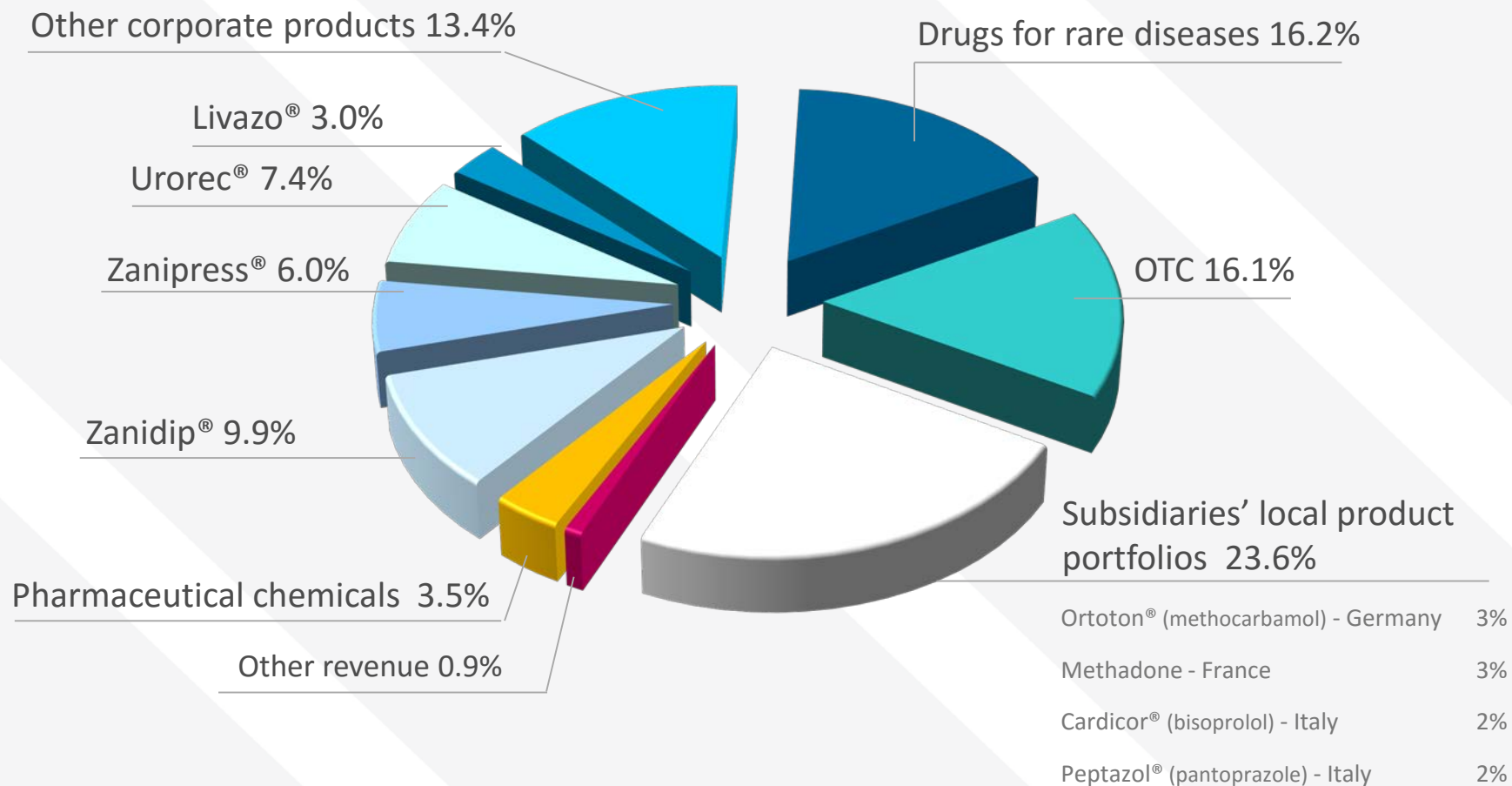
Main product sales

Corporate products including drugs for rare diseases account for 61.2% of revenue

(million Euro)	2016	2015	Change %
Zanidip® (lercanidipine)	114.0	115.7	(1.5)
Zanipress® (lercanidipine+enalapril)	69.1	65.7	5.2
Urorec® (silodosin)	85.2	68.3	24.8
Livazo® (pitavastatin)	35.1	28.4	23.6
Other corporate products*	215.5	199.3	8.2
Drugs for rare diseases	186.8	153.1	22.0

* Include the OTC corporate products for an amount of € 61.4 million in 2016 and € 55.1 million in 2015 (up 11.5%).

A diversified product portfolio



Data: Full year 2016

Total revenue € 1,153.9 m

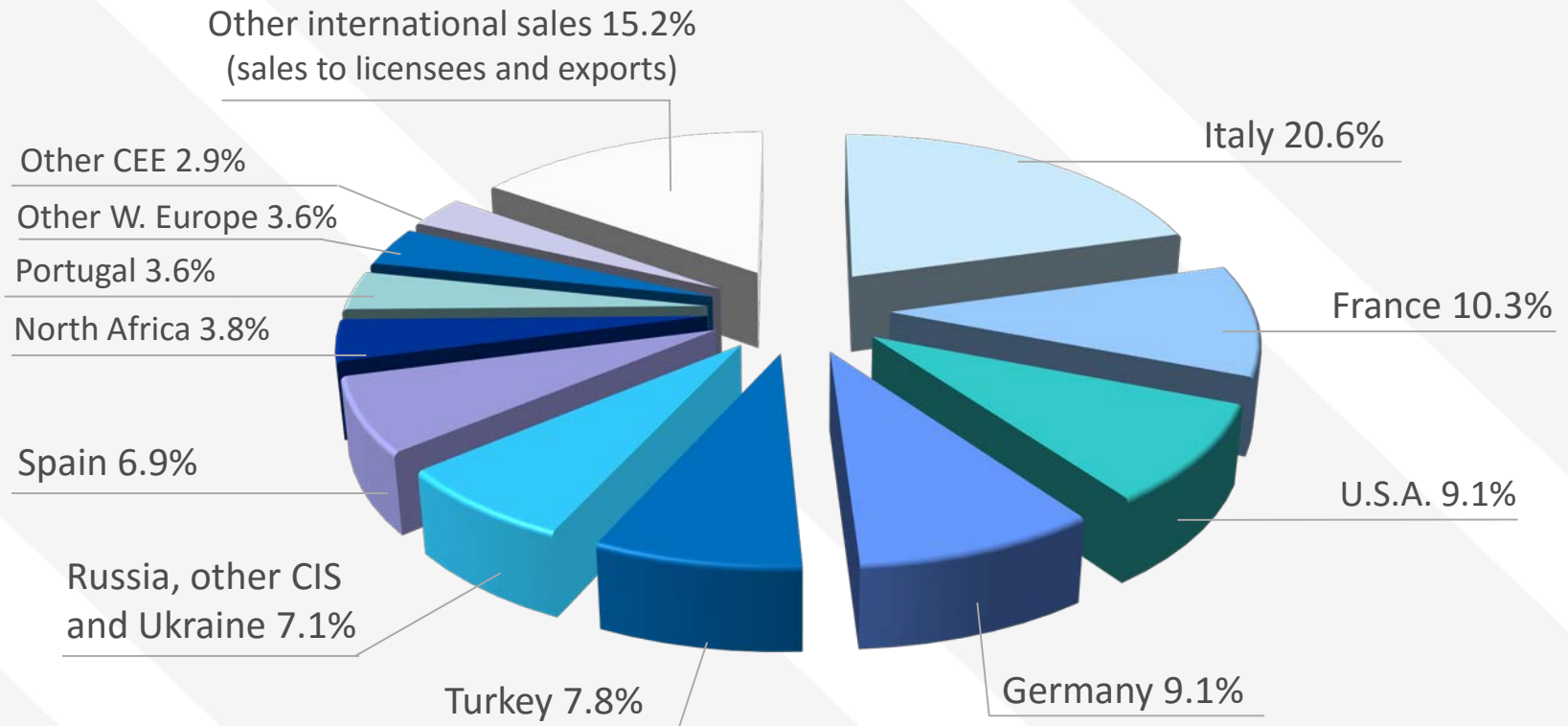
Composition of revenue by geography

Sustained growth

(million Euro)	2016	2015	Change %
Italy	229.9	204.8	12.2
France	115.1	110.6	4.0
U.S.A.	101.1	82.1	23.2
Germany	101.1	94.8	6.7
Turkey	86.3	74.1	16.5
Russia, other CIS countries and Ukraine	79.5	72.4	9.9
Spain	76.4	72.0	6.2
North Africa	42.3	43.7	(3.1)
Portugal	40.3	39.3	2.4
Other W. Europe countries	40.1	28.5	40.6
Other CEE countries	32.5	30.9	5.2
Other international sales	169.1	158.4	6.7
TOTAL PHARMACEUTICALS	1,113.8	1,011.6	10.1
PHARMACEUTICAL CHEMICALS	40.2	36.1	11.4

(In local currency, millions)	2016	2015	Change %
Russia (RUB)	4,928.6	4,038.5	22.0
Turkey (TRY)	267.6	211.1	26.8
U.S.A. (USD)	115.0	91.1	26.2

Geographical breakdown of pharmaceutical revenue



Data: Full year 2016
Pharmaceutical revenue € 1,113.8 m

Full year 2016 results

Further margin growth

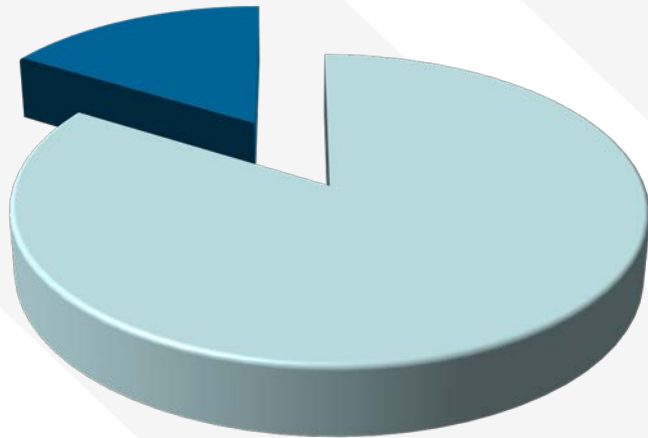
(million Euro)	2016	2015	Change %
Revenue	1,153.9	1,047.7	10.1
Gross Profit as % of revenue	793.0 68.7	712.5 68.0	11.3
SG&A Expenses as % of revenue	369.2 32.0	352.2 33.6	4.8
R&D Expenses as % of revenue	83.7 7.3	76.7 7.3	9.1
Other Income (Expense), net as % of revenue	(12.6) (1.1)	(5.0) (0.5)	151.2
Operating Income as % of revenue	327.4 28.4	278.5 26.6	17.6
Net Income as % of revenue	237.4 20.6	198.8 19.0	19.4

Full year 2016 results

Operating segments

Revenue

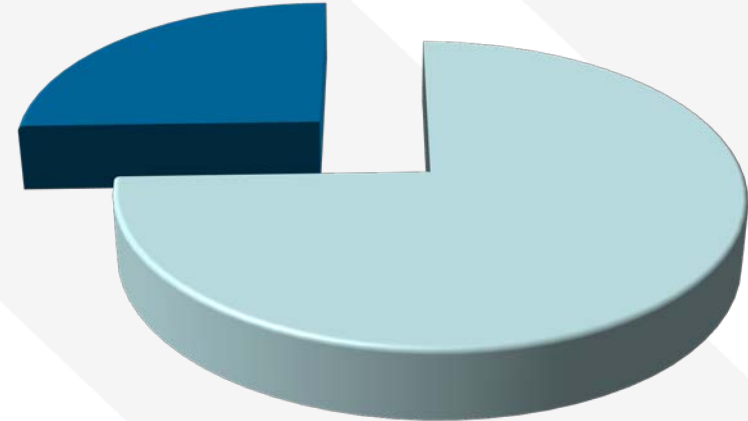
Treatments for rare diseases 16.2%



Primary & specialty care
83.8%

EBIT

Treatments for rare diseases 25.5%



Primary & specialty care
74.5%

EBIT margin on sales:

Treatments for rare diseases, 44.6%

Primary & Specialty care, 25.2% (or 26.0% excluding non-recurring expenses of € 7.0 million resulting from the acquisitions of Italchimici S.p.A. and Pro Farma AG)

Net financial position

(million Euro)	31 Dec 2016	31 Dec 2015	Change
Cash and short-term financial investments	138.5	225.5	(87.0)
Bank overdrafts and short-term loans	(15.7)	(9.8)	(5.8)
Loans – due within one year	(40.4)	(34.5)	(5.9)
Loans – due after one year	(281.1)	(269.9)	(11.2)
NET FINANCIAL POSITION	(198.8)	(88.7)	(110.0)

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 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 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 of new drug entities within the cardiovascular and urogenital therapeutic areas and of treatments for rare diseases. Consolidated revenue for 2015 is € 1,047.7 million, operating income is € 278.5 million and net income is € 198.8 million.

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