



**2015**  
***First quarter results***

CONFERENCE CALL – 5 MAY 2015

## *First quarter 2015 highlights*

- Revenue € 275.7 million, up 5.9%
- EBITDA € 82.8 million or 30.0% of sales, up 15.9%
- Operating income (EBIT) € 73.5 million or 26.6% of sales, up 18.1%
- Net income € 52.0 million or 18.8% of sales, up 21.5%
- Net debt € 136.8 million, a reduction of € 49.2 million

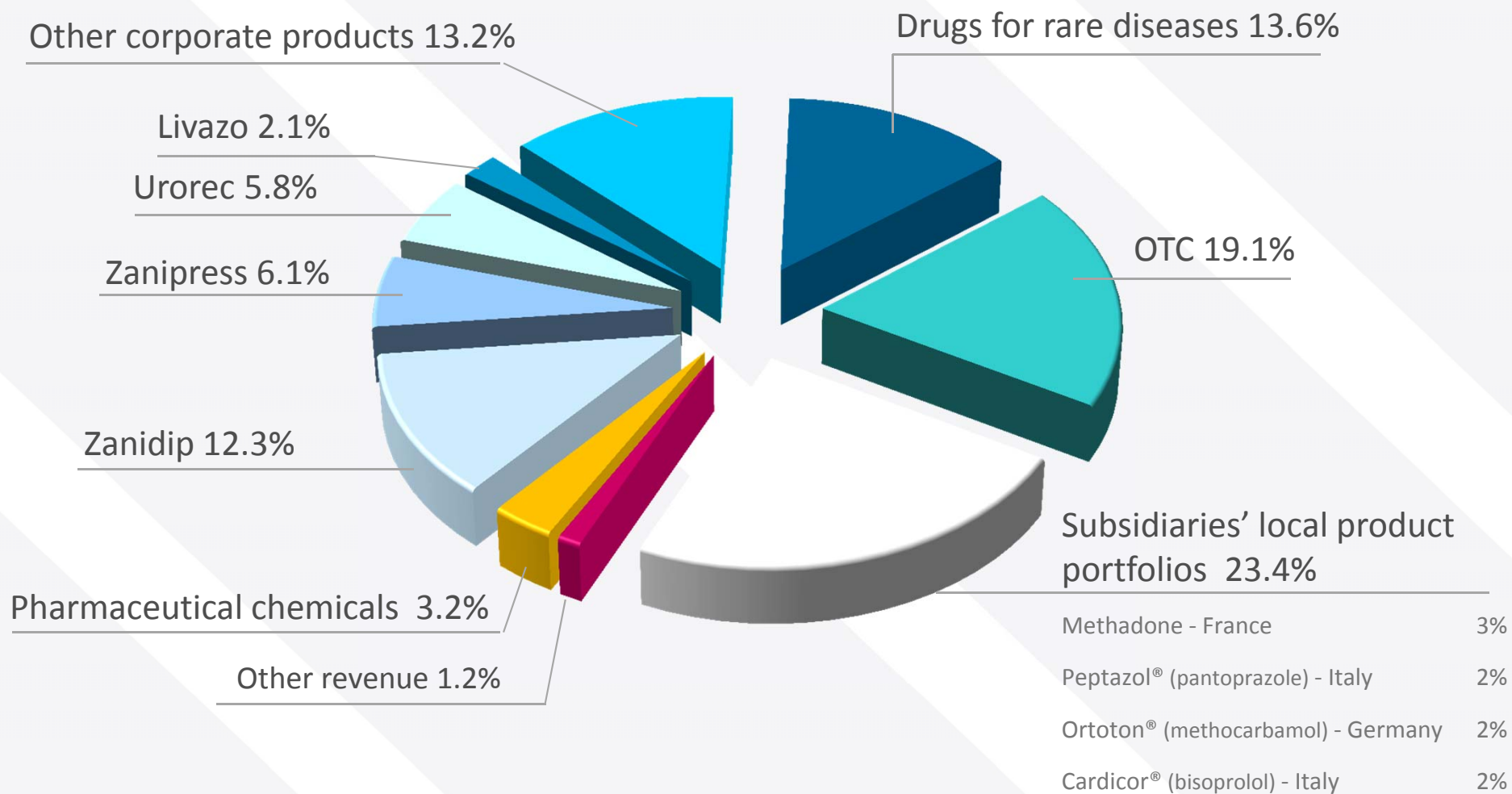
## Main product sales

**Corporate products including drugs for rare diseases account for 58.4% of revenue**

| (million Euro)                                   | 1Q 2015     | 1Q 2014 | Change % |
|--|-------------|---------|----------|
| Zanidip <sup>®</sup> (lercanidipine)             | <b>33.8</b> | 31.3    | 8.1      |
| Zanipress <sup>®</sup> (lercanidipine+enalapril) | <b>16.9</b> | 15.7    | 7.3      |
| Urorec <sup>®</sup> (silodosin)                  | <b>16.0</b> | 14.5    | 10.8     |
| Livazo <sup>®</sup> (pitavastatin)               | <b>5.9</b>  | 6.4     | (8.0)    |
| Other corporate products*                        | <b>51.0</b> | 47.6    | 7.1      |
| Drugs for rare diseases                          | <b>37.4</b> | 27.8    | 34.6     |

\* Include the OTC corporate products for an amount of € 14.5 million in 2015 and € 11.5 million in 2014.

## A diversified product portfolio



Data: First Quarter 2015  
Total revenue € 275.7 m

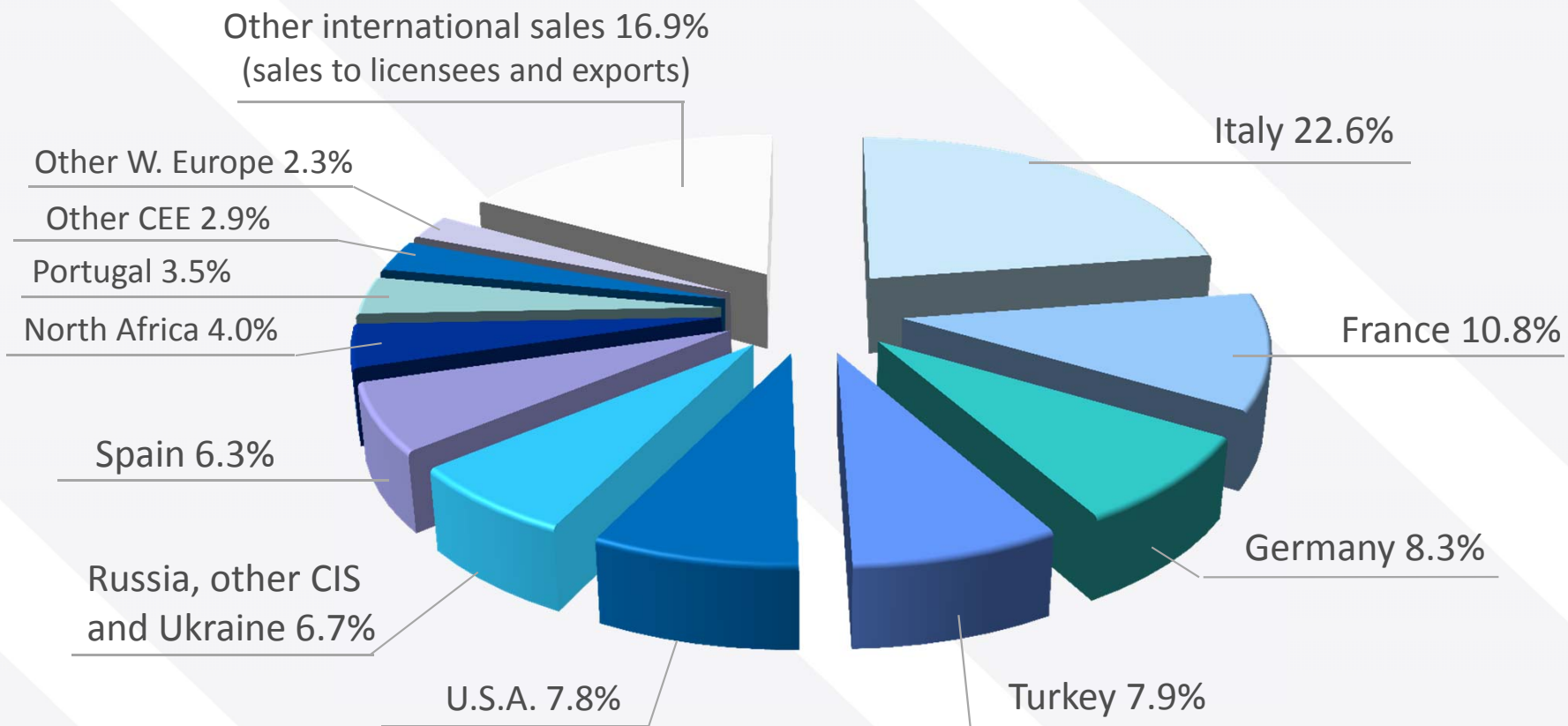
# Composition of revenue by geography

## Solid volume growth

| (million Euro)                          | 1Q 2015      | 1Q 2014 | Change % |
|---|--------------|---------|----------|
| Italy                                   | <b>60.3</b>  | 65.1    | (7.4)    |
| France                                  | <b>28.7</b>  | 27.8    | 3.1      |
| Germany                                 | <b>22.2</b>  | 19.6    | 13.1     |
| Turkey                                  | <b>21.1</b>  | 16.4    | 28.5     |
| U.S.A.                                  | <b>20.7</b>  | 11.4    | 81.0     |
| Russia, other CIS countries and Ukraine | <b>18.0</b>  | 19.6    | (8.3)    |
| Spain                                   | <b>16.9</b>  | 17.5    | (3.3)    |
| North Africa                            | <b>10.8</b>  | 10.2    | 5.6      |
| Portugal                                | <b>9.3</b>   | 9.0     | 3.4      |
| Other CEE countries                     | <b>7.8</b>   | 6.5     | 20.9     |
| Other W. Europe countries               | <b>6.3</b>   | 5.7     | 10.0     |
| Other international sales               | <b>45.1</b>  | 42.8    | 5.3      |
| <b>TOTAL PHARMACEUTICALS</b>            | <b>267.0</b> | 251.6   | 6.1      |
| PHARMACEUTICAL CHEMICALS                | <b>8.7</b>   | 8.8     | (0.5)    |

| (In local currency, millions) | 1Q 2015        | 1Q 2014 | Change % |
|-------------------------------|----------------|---------|----------|
| Russia (RUB)                  | <b>1,104.7</b> | 752.4   | 46.8     |
| Turkish subsidiary (TRY)      | <b>55.3</b>    | 46.8    | 18.3     |
| U.S.A. (USD)                  | <b>23.3</b>    | 15.6    | 48.8     |

# Geographical breakdown of pharmaceutical revenue



Data: First quarter 2015  
Pharmaceutical revenue € 267.0 m



# First quarter 2015 results

## Further margin growth

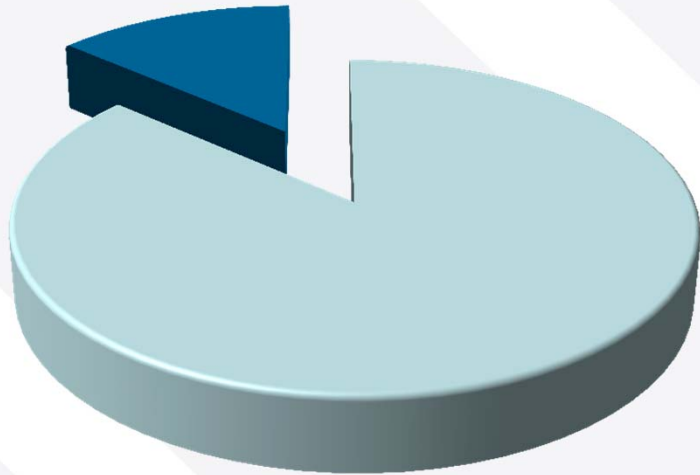
| (million Euro)                                 | 1Q 2015             | 1Q 2014             | Change %    |
|--|---------------------|---------------------|-------------|
| <b>Revenue</b>                                 | <b>275.7</b>        | <b>260.4</b>        | <b>5.9</b>  |
| Gross Profit<br>as % of revenue                | 187.5<br>68.0       | 173.4<br>66.6       | 8.1         |
| SG&A Expenses<br>as % of revenue               | 93.3<br>33.9        | 90.0<br>34.6        | 3.7         |
| R&D Expenses<br>as % of revenue                | 19.9<br>7.2         | 20.8<br>8.0         | (4.3)       |
| Other Income (Expense), net<br>as % of revenue | (0.8)<br>(0.3)      | (0.4)<br>(0.2)      | 79.9        |
| <b>Operating Income</b><br>as % of revenue     | <b>73.5</b><br>26.6 | <b>62.2</b><br>23.9 | <b>18.1</b> |
| <b>Net Income</b><br>as % of revenue           | <b>52.0</b><br>18.8 | <b>42.8</b><br>16.4 | <b>21.5</b> |
| EBITDA<br>as % of revenue                      | 82.8<br>30.0        | 71.4<br>27.4        | 15.9        |

# First quarter 2015 results

## Operating segments

### Revenue

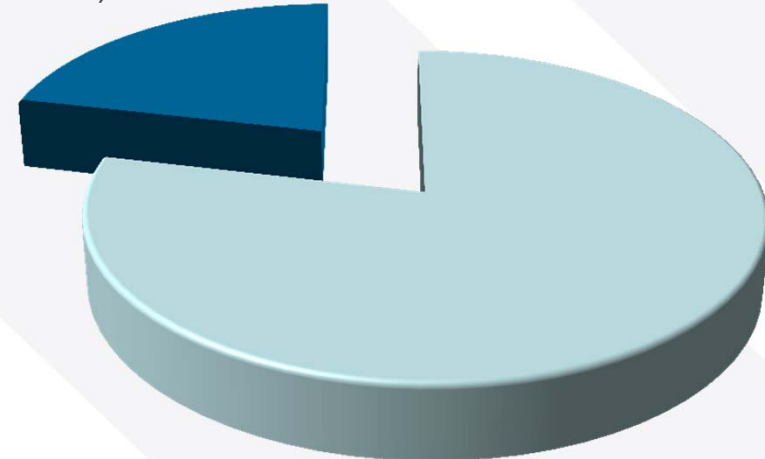
Treatments for rare diseases 13.6%



Primary & specialty care 86.4%

### EBIT

Treatments for rare diseases 21.4%



Primary & specialty care 78,6%

#### EBIT margin on sales:

Treatments for rare diseases, 42.0%

Primary & Specialty care, 24.2%



## Financial position and Shareholders' equity

| (million Euro)                            | 31 Mar 2015    | 31 Dec 2014 | Change |
|---|----------------|-------------|--------|
| Cash and short-term financial investments | <b>187.1</b>   | 137.0       | 50.1   |
| Bank overdrafts and short-term loans      | <b>(8.0)</b>   | (8.6)       | 0.6    |
| Loans – due within one year               | <b>(28.3)</b>  | (28.3)      | 0.0    |
| Loans – due after one year                | <b>(287.6)</b> | (286.2)     | (1.4)  |
| NET FINANCIAL POSITION                    | <b>(136.8)</b> | (186.0)     | 49.2   |
| SHAREHOLDERS' EQUITY                      | <b>865.0</b>   | 787.4       | 77.6   |

# Financial projections

## 2015 targets

| (million Euro)             | 2014<br>Actual | 2015<br>Targets |
|----------------------------|----------------|-----------------|
| Revenue                    | 987.4          | > 1,000         |
| Operating income<br>(EBIT) | 231.0          | ± 250           |
| Net Income                 | 161.2          | ± 175           |

# 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 2014 is € 987.4 million, operating income is € 231.0 million and net income is € 161.2 million.*

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