

IMPORTANT NOTICE

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NOTICE OF THE ISSUER

PURSUANT TO ARTICLE 103, PARAGRAPH 3 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AND ARTICLE 39 OF CONSOB REGULATION ADOPTED BY RESOLUTION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED

Notice of the Board of Directors of Recordati S.p.A. issued pursuant to article 103, paragraph 3 of Legislative Decree no 58 of 24 February 1998, as subsequently amended and supplemented, and article 39 of Consob Regulation adopted by resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented, in relation to the mandatory full take-over bid launched by Rossini Investments S.p.A. pursuant to articles 102, 106, paragraphs 1 and 3(a), and 109 of Legislative Decree no 58 of 24 February 1998, as subsequently amended and supplemented

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DEFINITIONS

Below is a list of the main definitions used in this Issuer's Notice. Where the context so requires, the terms defined in the singular retain the same meaning in the plural, and vice versa.

102 Notice	The notice published on 6 December 2018 in accordance with article 102, paragraph 1 TUF and article 37, paragraph 1 of the Issuers' Regulation, with which the Bidder has made known that the legal prerequisites for making the Offer had been satisfied.
103 Notice or the Issuer's Notice	This notice drawn up pursuant to article 103, paragraph 3 TUF and article 39 of the Issuers' Regulation, approved by the Board of Directors of Recordati on 19 December 2018.
2010-2013 Stock Option Plan	The stock option plan for the 2010 to 2013 period, approved by the ordinary shareholders' meeting of Recordati of 13 April 2010.
2014-2018 Stock Option Plan	The stock option plan for the 2014 to 2018 period, approved by the ordinary shareholders' meeting of Recordati of 17 April 2014.
2018-2022 Stock Option Plan	The stock option plan for the 2018 to 2022 period, approved by the ordinary shareholders' meeting of Recordati of 18 April 2018.
Acquisition	The acquisition completed on 6 December 2018, by which Rossini Investimenti acquired the FIMEI Shares from the Vendors and indirectly became the owner of the Shareholding.
Additional LP Co-Investors	GTB Capital Partners II LP, HL/AS Global Coinvest LP, HL International Investors LP, Series P, PRIT PEC LLC, AlpInvest North Rush II, LP, PSP, HarbourVest Mercurius L.P. and HarbourVest Vulcanus L.P., which will invest through Jersey Co in the share capital of Rossini Luxembourg (and, indirectly, the Issuer) alongside Fondi CVC Fund VII (through Rossini Holdings) and the Initial LP Co-Investors, provided that Fondi CVC Fund

	VII has invested certain predetermined minimum amounts in the Bidder.
AlpInvest or Alpinvest	Collectively, Finance Street SSMA C.V., AlpInvest LIVE Co C.V., ACIF VII C.V., ACIF (Euro) VII C.V., AG Co-Investment C.V., AJ Co C.V., AlpInvest GA Co 2018 C.V. and APSS Co-Investment C.V.
Alpinvest Shareholders' Agreement	The shareholders' agreement related to Rossini Luxembourg, signed on 6 December 2018 between Rossini Holdings, Rossini Luxembourg, Rossini Co-Invest GP Limited, as general partner of Jersey Co and Alpinvest, of which the essential information is published on the website of the Issuer (www.recordati.it) pursuant to articles 122 TUF and article 130 of the Issuers' Regulation.
AR Agreements	The investment agreements signed on 29 June 2018 by Rossini Holdings and Rossini Luxembourg with Andrea Recordati, as amended on 6 December 2018.
Beneficiaries of Stock Options	Each holder of stock options granted to him or her pursuant to the Stock Option Plans.
Bidder or Rossini Investimenti	Rossini Investments S.p.A., a joint stock company incorporated under Italian law, sole proprietorship, and headquartered in Milan, Italy at Via del Vecchio Politecnico 9, registered in the Milan-Monza-Brianza-Lodi Companies' Register under number 10428410962, having as at the Date of the Offer Document an issued and paid-up share capital equal to EUR 75,050,000 represented by 75,050,000 ordinary shares with a nominal value of EUR 1.00 each, which launches the Offer in the name and on behalf of all Persons Acting in Concert with it.
Borsa Italiana	Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari 6.
Commitment to Squeeze-Out pursuant to article 108, paragraph 1 TUF	The Bidder's commitment to purchase the Recordati shares remaining in circulation by those who so request, in accordance with article 108, paragraph 1 TUF, if the Bidder and the Persons Acting in Concert with it

(considered together pursuant to article 109 TUF) are to hold, as a result of subscriptions to the Offer (including the possible Reopening of Terms), of purchases outside of the Offer during the acceptance period and/or during the eventual Reopening of Terms and/or as a result of the execution of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF, overall participation in the Issuer at least equal to 95% of the share capital issued and paid-out by the Issuer itself.

Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF

The Bidder's obligation to purchase from anyone who so requests the Recordati shares that are not tendered to the Offer, pursuant to article 108, paragraph 2 TUF if, as a result of the Offer, the Bidder and the Persons Acting in Concert with it (considered together pursuant to article 109 TUF) hold, as a result of subscriptions to the Offer (including the possible Reopening of the Terms) and purchases eventually made outside of the Offer during the acceptance period and/or during the eventual Reopening of Terms, a total shareholding exceeding 90% of the share capital subscribed and paid by the Issuer, but less than 95% of the share capital.

Consob

The *Commissione Nazionale per le Società e la Borsa* (the Italian Companies and Stock Exchange Commission), based in Rome at Via G.B. Martini 3.

CVC or CVC Capital Partners VII

CVC Capital Partners VII Limited, a company incorporated under the laws of Jersey with registered office at 1 Waverley Street, Union Street, St Helier, Jersey JE1 1SG registered under no 122497, acting as general partner of the Fondi CVC Fund VII.

Date of Completion

On 6 December 2018, when: (i) in performance of the Sale and Purchase Agreement, the transaction for the Acquisition of Shareholding was completed by the Bidder; and (ii) the 102 Notice was sent to Consob and disclosed to the market.

Date of the Notice

The approval date of this 103 Notice.

Date of the Offer Document	The date of approval of the Offer Document.
Delisting	The delisting of shares of Recordati from the MTA.
DP Notes	The bonds issued on 6 December 2018 by Rossini Investments totalling EUR 750,000,000.00, maturing 2025 (unless there is an extension), traded on the multilateral trading system referred to as the Third Market organized and operated by the Vienna Stock Exchange, which serves to cover a portion of the purchase price of the acquisition.
Equity Cash Confirmation Financing Agreement	The financing agreement that will be used to finance part of the Offer, signed on 19 December 2018 between Rossini Luxembourg, Rossini Investimenti and UniCredit S.p.A., concerning the issuance by UniCredit S.p.A. of a cash confirmation letter for a maximum amount of EUR 592,604,209.
FIMEI	FIMEI S.p.A., with registered office in Milano at Via Rembrandt 22, registered with the Milan Companies' Register under no. 01001630159
FIMEI Shares	The 10 million ordinary shares of FIMEI, representing 100% of the share capital of FIMEI held by the Bidder as at the Date of the Offer Document.
First Amendment Agreement	The amendment agreement signed on 5 December 2018 between the Bidder, Rossini Luxembourg, acting as buyer, and the Sellers concerning the amendment of the non-compete clauses provided for in the Sale and Purchase Agreement in accordance with the requests from antitrust authorities of the Russian Federation of 6 September 2018.
Fondi CVC Fund VII	CVC Capital Partners VII (A) L.P.; CVC Capital Partners VII Associates L.P.; and CVC Capital Partners Investment Europe VII L.P.
FS Agreement	The investment agreement signed on 29 June 2018 by Rossini Holdings and Rossini Luxembourg with Fritz Squindo, as amended on 6 December 2018.

Group of the Bidder	The group companies belonging to the Bidder.
Guarantor Banks for the Performance Guarantee	Collectively, Banca IMI S.p.A., Crédit Agricole Corporate and Investment Bank - Milan Branch, Credit Suisse AG, Milan Branch, Deutsche Bank S.p.A., Natixis S.A.-Milan Branch, Société Générale, Milan Branch, Unione di Banche Italiane S.p.A. and Unicredit S.p.a.
Independent Expert or Mediobanca	Mediobanca – Banca di Credito Finanziario S.p.A., appointed by the Company on 5 November 2018 as independent expert of the Board of Directors of the Issuer in accordance with article 39, paragraph 1(d) IR.
Initial LP Co-Investors	Collectively, AlpInvest, Stepstone and PSP, which have invested, through Jersey Co, in the share capital of Rossini Luxembourg alongside Fondi CVC Fund VII.
Investment Agreements	Collectively, the AR Agreements, the FS Agreement and the Shareholders' Agreements.
Issuer or Company or Recordati	Recordati S.p.A., with registered office in Milan at Via M. Civitali 1, registered with the Milan Companies' Register under no. 00748210150, having as at the Date of the Offer Document a fully an issued and paid-up share capital equal to EUR 26,140,644.50, divided into 209,125,156 ordinary shares with a nominal value of EUR 0.125 each, listed on the MTA, with ISIN code IT0003828271.
Issuers' Regulation or IR	The implementation rules of the TUF, concerning the regulation of issuers, adopted by Consob through resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.
Jersey Co	Rossini Co-Invest LP, a limited partnership incorporated under the laws of Jersey, having its registered office at 1 Waverley Street, Union Street, St Helier, Jersey, Channel Islands JE1 1SG, registered with number LP2825.
Joint Procedure	The only procedure, agreed with Consob and Borsa Italiana pursuant to article 50- <i>quinquies</i> , paragraph 1 of the Issuers' Regulation, by

which the Bidder, by exercising the Right to Purchase, will fulfil the Commitment to Squeeze-Out pursuant to article 108, paragraph 1 TUF vis-à-vis the shareholders of the Issuer who so request.

LP Co-Investors

Collectively, the Initial LP Co-Investors and the Additional LP Co-Investors.

MAR

EU Regulation no 596/2014 of the European Parliament and of the Council of 16 April 2014 regarding market abuse (rules on market abuse).

Maximum Disbursement

The maximum total value of the Offer calculated on the basis of the Purchase Price per share and the total maximum number of Recordati shares under the Offer, which, in the event of a full take-over bid, is equal to EUR 2,692,604,209.

MTA

The MTA market of the Italian Stock Exchange (*Mercato Telematico Azionario*) organized and managed by Borsa Italiana.

Offer

The mandatory full take-over bid concerning 95,643,680 ordinary shares of Recordati, in addition to maximum 2,091,500 treasury shares of the Issuer serving the exercise of all of the stock options arising from the Stock Option Plans, launched by the Bidder pursuant to and for the purposes of articles 102 and 106, paragraphs 1 and 3(a), and 109 TUF as well as the applicable provisions contained in the Issuers' Regulation, as described in the Offer Document.

Offer Document

The offer document relating to the Offer, drafted pursuant to article 102 and following TUF and the applicable provisions of the Issuers' Regulation.

Opinion of the Independent Directors

The reasoned opinion containing opinions on Offer and the fairness of the Purchase Price approved on 19 December 2018 by the Independent Directors who are not related parties of the Bidder in accordance with article 39-*bis* of the Issuers' Regulation. The opinion of the Independent Directors, together with the

fairness opinion issued by Lazard S.r.l. and Colombo&Associati S.r.l., is attached to this 103 Notice as Annex B.

Opinion of the Independent Expert

The fairness opinion rendered on 19 December 2018 by the Independent Expert appointed by the Board of Directors, attached to this 103 Notice as Annex A.

Persons Acting in Concert

Collectively, the Persons Acting in Concert with the Bidder and, therefore:

- (i) CVC Capital Partners VII, Fondi CVC Fund VII, Rossini Holdings, Rossini Luxembourg, Rossini Investments, Rossini Acquisition, Rossini in accordance with article 101-*bis*, paragraph 4-*bis* TUF as companies directly or indirectly controlling the Bidder;
- (ii) FIMEI in accordance with article 101-*bis*, paragraph 4-*bis* TUF as a company controlled by the Bidder;
- (iii) Rossini Holdings, Rossini Luxembourg, Andrea Recordati, Fritz Squindo, Rossini Co-Invest GP Limited, as general partner of Jersey Co, PSP and Alpinvest, in accordance with article 101-*bis*, paragraph 4-*bis* TUF, as parties to the Investment Agreements;
- (iv) the LP Co-Investors in accordance with article 101-*bis*, paragraph 4 TUF, as individuals who, as members of Jersey Co, have cooperated in various ways with the Bidder in the acquisition of control of the Issuer.

PSP

PSP Investments Holding Europe Ltd, a limited company incorporated under the laws of England, with registered office at 10 Bressenden Place, 8th Floor, London SW1E 5DH.

PSP Shareholders' Agreement

The shareholders' agreement related to Rossini Luxembourg, signed on 6 December 2018 between Rossini Holdings, Rossini Luxembourg, Rossini Co-Invest GP Limited, as general partner of Jersey Co and PSP, whose

essential information is published on the website of the Issuer (www.recordati.it) under articles 122 TUF and article 130 of the Issuers' Regulation.

Purchase Price or Purchase Price per Share The amount equal to EUR 27.55 which will be paid from the Bidder to those who have tendered to the Offer for each ordinary share of Recordati tendered to the Offer and purchased from the Bidder.

Recordati Group The group companies belonging to Recordati.

Reopening of Terms The reopening of the acceptance period for five Trading Days if the Bidder and the Persons Acting in Concert with it (considered together pursuant to article 109 TUF), on the publication of the outcome of the Offer, communicate that they have reached more than two-thirds of the share capital of the Issuer or to have purchased at least half of the Recordati shares of the Offer, in accordance with article 40-*bis*, paragraph 1(b) of the Issuers' Regulation.

Right to Purchase or Purchase Right The right of the Bidder to purchase the remaining Recordati shares in circulation, pursuant to article 111 TUF, in the event that the Bidder and the Persons Acting in Concert with it (considered together pursuant to article 109 TUF) come to hold, as a result of the Offer, including the possible Reopening of Terms, or due to any purchases made outside of the Offer during the acceptance period and/or during the Reopening of the Terms and/or in execution of the Commitment to Squeeze-Out in accordance with article 108, paragraph 2 TUF, a shareholding of at least 95% of the issued and paid-up share capital of the Issuer.

Rossini Rossini s.à r.l., *société à responsabilité limitée* incorporated under the laws of Luxembourg, having its registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, R.C.S. Luxembourg B 226214).

Rossini Acquisition Rossini Acquisition s.à r.l., *société à responsabilité limitée* incorporated under the laws of Luxembourg, having its registered

office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, R.C.S. Luxembourg B 224615).

Rossini Holdings

Rossini Holdings s.à r.l., *société à responsabilité limitée* incorporated under the laws of Luxembourg, having its registered office in Luxembourg (Grand Duchy of Luxembourg), 20 avenue Monterey, L-2163, registered in the Register of Companies of Luxembourg (Registre de Commerce et des Sociétés, Luxembourg) under number B 224480.

Rossini Investments

Rossini Investments s.à r.l., *société à responsabilité limitée* incorporated under the laws of Luxembourg, having its registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, R.C.S. Luxembourg B 224508).

Rossini Luxembourg

Rossini Luxembourg s.à r.l., *société à responsabilité limitée* incorporated under the laws of Luxembourg, having its registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, registered in the Register of Companies of Luxembourg (Registre de Commerce et des Sociétés, Luxembourg) under number B 224498.

Sale and Purchase Agreement

The contract signed on 29 June 2018 between Rossini Luxembourg, acting as buyer, and the Sellers, concerning the sale and purchase of the FIMEI Shares and, indirectly, of the Shareholding, as amended by the First Amendment Agreement and Second Amendment Agreement.

Second Amendment Agreement

The amendment agreement signed on 6 December 2018 between the Bidder, Rossini Luxembourg, acting as buyer, and the Sellers concerning, *inter alia*, the realisation of some statements by Sellers, as well as the derogation from certain terms for the performance of communications and formalities required under the Sale and Purchase Agreement (including, *inter alia*, the Date of Completion).

Sellers

Collectively, Arrigo Recordati s.s. and Cristina

Maria Recordati, Hillary Mary Merkus Recordati, Andrea Recordati, Alberto Giuseppe Maria Recordati, Gaia Bruna Patrizia Recordati and Lavinia Eugenia Cristina Recordati.

Senior Secured Bridge Facilities Agreement	The financing agreement, for the purposes of the Offer, entitled ‘Senior Secured Bridge Facilities Agreement’ signed on 26 October 2018 between, <i>inter alia</i> , the Bidder as original borrower and original guarantor, Rossini as original guarantor, Deutsche Bank AG, London Branch (which subsequently transferred its contractual position, also as issuing bank, to Deutsche Bank S.p.A.), Banca IMI S.p.A., Crédit Agricole Corporate and Investment Bank-Milan Branch, Credit Suisse AG, Milan Branch, Jefferies International Limited, Natixis S.A.-Milan Branch, Société Générale, Milan Branch, Union Bank Italy S.p.A. and Unicredit S.p.A. acting as arranger and bookrunner and – except for Jefferies International Limited – the original lenders and Guarantor Banks for the Performance Guarantee, UniCredit S.p.A. as participated lender and Deutsche Bank AG, London Branch (which subsequently transferred its contractual position, also as issuing bank, to Deutsche Bank S.p.A.) as a bank agent and collateral agent, concerning the provision of the Senior Secured Bridge Financing to the Bidder, which will use it to partially finance the Offer.
Senior Secured Bridge Financing	The two lines of credit (‘Facility A’ and ‘Facility B’) having a maximum principal amount respectively of EUR 1,000,000,000.00 and 1,785,000,000.00 made available to the Bidder under the Senior Secured Bridge Facility Agreement.
Senior Secured Notes Due 2025	Collectively, the ‘€650,000,000 Senior Secured Floating Rate Notes due 2025’ and the ‘€650,000,000 Senior Secured bonds 6.750% Fixed Rate Notes due 2025’ issued on 26 October 2018 by Rossini for a total amount equal to EUR 1.3 billion maturing in 2025, traded on the European multilateral trading system organized operated by the Luxembourg Stock Exchange, which served to

cover a portion of the Purchase Price of the Acquisition.

Senior Unsecured Bridge Facility Agreement	The financing agreement, for the purposes of the Offer, entitled 'Senior Unsecured Bridge Facility Agreement' signed on 26 October 2018 between, <i>inter alia</i> , Rossini Acquisition as the original borrower, Rossini and the Bidder acting as original guarantors, Deutsche Bank AG, London Branch (which subsequently transferred its contractual position, also as issuing bank, to Deutsche Bank S.p.A.), Banca IMI S.p.A., Crédit Agricole Corporate and Investment Bank-Milan Branch, Credit Suisse AG, Milan Branch, Jefferies International Limited, Natixis S.A.-Milan Branch, Société Générale, Milan Branch, Union Bank Italy S.p.A. and Unicredit S.p.A. acting as arranger and bookrunner and – except for Jefferies International Limited – the original lenders and Guarantor Banks for the Performance Guarantees and Deutsche Bank AG, London Branch (which subsequently transferred its contractual position, also as issuing bank, to Deutsche Bank S.p.A.) acting as bank agent and collateral agent, concerning the provision of the Senior Unsecured Bridge Financing to the Bidder, which may use it to partially finance the Offer.
Senior Unsecured Bridge Financing	The credit facility in the maximum principal amount of EUR 615 million made available to Rossini Acquisition pursuant to the Senior Unsecured Bridge Financing Agreement.
Shareholders' Agreements	The Alpinvest Shareholders' Agreement and the PSP Shareholders' Agreement, whose essential information is published on the website of the Issuer (www.recordati.it) pursuant to articles 122 TUF and article 130 of the Issuers' Regulation.
Shareholding	The 108,308,905 ordinary shares, representing 51.791% of the share capital of Recordati, indirectly held by the Bidder as at the Date of the Offer Document.
StepStone	Collectively, StepStone AMP Opportunities Fund, L.P., StepStone Capital Partners IV, L.P.,

StepStone Capital Partners IV Offshore Holdings, L.P., StepStone Capital Partners IV Europe Holdings SCSp, StepStone H Opportunities Fund, L.P., StepStone K Strategic Opportunities Fund III, L.P. and Sunstone Private Equity Opportunities Fund, LLC.

Stock Option Plans

Collectively, the 2010-2013 Stock Option Plan, the 2014-2018 Stock Option Plan and the 2018-2022 Stock Option Plan.

Subscription Period or Acceptance Period

The acceptance period for the Offer, agreed upon with Borsa Italiana, which will begin at 8:00 on 2 January 2019 and will end at 17:40 on 29 January 2019, inclusive, unless it is extended.

Trading Day

Each opening day of the Italian regulated markets according to the calendar of trading set annually by Borsa Italiana.

Treasury shares

The 5,172,571 treasury shares of the Issuer, equal to 2.47% of the share capital of the Issuer, at 17 December 2018.

TUF or Consolidated Law on Finance

Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.

Up-front Buyer

FIMEI.

INTRODUCTION

The Offer is a full mandatory take-over bid launched by Rossini Investimenti as Bidder, also in the name and on behalf of the Persons Acting in Concert with it, in accordance with and for the purposes of articles 102, 106, paragraphs 1 and 3(a), and 109 TUF as well as the applicable implementing provisions of the Issuers' Regulation.

The Offer was announced in notices issued pursuant to article 17 MAR and article 102 TUF, respectively on 29 June 2018, 2 July 2018 and 6 December 2018. In particular, with those notices, the following were disclosed: (i) the signing on 29 June 2018 of the Sale and Purchase Agreement, the AR Agreements and the FS Agreement; (ii) the fact that the purchase price of the Shareholding provided for in the Sale and Purchase Agreement was *cum dividendo*; and (iii) the completion, as at the Date of Completion, of the indirect purchase of the Shareholding by the Bidder in execution of the Sale and Purchase Agreement, and the consequent obligation of the Bidder, also in the name and on behalf of the Persons Acting in Concert with it, to launch the Offer.

The Bidder is Rossini Investments S.p.A., a joint-stock company incorporated under Italian law, whose capital is wholly owned by Rossini.

1. Legal requirements of the Offer

As represented by the Bidder in the Offer Document, the requirement to proceed with the Offer stems from the completion, as at the Date of Completion, of the acquisition by the Bidder from the Sellers of the FIMEI Shares and, accordingly, its indirect acquisition of the Shareholding, for a total purchase price for the Shareholding equal to EUR 2,983,910,332.75, corresponding to a price per Recordati share of EUR 27.55 as well as an additional purchase price of EUR 22,427,279 to take account of the net assets of FIMEI, without prejudice to any adjustments under the terms set forth by the Sale and Purchase Agreement which will not have any impact on the Purchase Price per Share (for information on the modalities for financing the acquisition, please refer to Paragraph 3.4 of this Introduction).

The Bidder has also specified that (see Paragraph 2 of the Introduction and Paragraph E.1 of the Offer Document): (i) the Purchase Price per Share, equal to EUR 27.55, paid entirely in cash by the Bidder to Arrigo Recordati s.s., as Seller, for the purchase of the Shareholding (through the purchase of the FIMEI Shares), corresponds to the highest price paid by the Bidder in the twelve months prior to the date of the 102 Notice for the purchase of Recordati shares; and (ii) the Bidder itself and (to the best of its knowledge) the Persons Acting in Concert have not made any further purchases of ordinary shares of Recordati in the twelve months prior to the 102 Notice except as indicated under Paragraph E.6 of the Offer Document and the following Paragraph 1.1 of the 103 Notice.

As represented in the Offer Document (see Paragraph 2 of the Introduction of the Offer Document), the obligation to launch the Offer arises, in particular, from the occurrence of the events briefly listed below:

- on 29 June 2018, Rossini Luxembourg, acting as buyer, and the Sellers signed the Sale and Purchase Agreement concerning the purchase of the entire share capital of FIMEI and, indirectly, of the Shareholding. The execution of the Sale and Purchase Agreement

- was subject to obtaining the necessary authorisations from the competent antitrust authorities within a period of 7 months from the date of signing the Sale and Purchase Agreement ('**Antitrust Conditions**'). For information regarding the Sale and Purchase Agreement, see Paragraph 2 of this Introduction;
- on 10 August 2018, the competent antitrust authorities of the United States of America gave the authorisations within their competence.
 - on 15 August 2018, the competent antitrust authorities of the Republic of Serbia gave the authorisations within their competence;
 - on 31 August 2018, the competent antitrust authorities of Taiwan gave the authorisations within their competence;
 - on 6 September 2018, Russia's antitrust authorities gave the authorisations within their competence and, among other things, on the same date requested prior to the Date of Completion, Rossini Luxembourg performs an amendment to the Sale and Purchase Agreement aimed at ensuring that the non-compete clause provided therein not be applicable in relation to the territory of the Russian Federation;
 - on 6 September 2018, the competent antitrust authorities of Turkey gave the authorisations within their competence;
 - on 7 September 2018, the competent antitrust authorities of Ukraine gave the authorisations within their competence;
 - on 12 October 2018, the competent antitrust authorities of Kazakhstan gave the authorisations within their competence;
 - on 9 November 2018, the competent antitrust authorities of Tunisia gave the authorisations within their competence;
 - on 28 November 2018, Rossini Luxembourg has designated the Bidder as buyer of the Shareholding;
 - on 4 December 2018, the European Union's antitrust authorities gave the authorisations within their competence;
 - on 5 December 2018, the Bidder, Rossini Luxembourg and the Sellers signed the First Amendment Agreement concerning the amendment of the non-compete clauses provided for in the Sale and Purchase Agreement, in compliance with the requirements of the Russian Federation's antitrust authorities of 6 September 2018;
 - on 6 December 2018, the Bidder, Rossini Luxembourg and the Sellers signed the Second Amendment Agreement concerning, *inter alia*, the acknowledgement of some statements of the Sellers, as well as the exemption of certain terms for communications and formalities required under the Sale and Purchase Agreement (including, among other things, the Date of Completion);
 - the Antitrust Conditions having been fulfilled, as at the Date of Completion, the Bidder completed the acquisition, indirectly purchasing the Shareholding.

Following the completion of the Acquisition, still on 6 December 2018, the Bidder announced the Offer to Consob and to the market through the publication of the 102 Notice.

On 6 December 2018, the Bidder launched the Offer by submitting to Consob the Offer Document pursuant to article 102, paragraph 3 TUF and 37-ter IR.

2. The Sale and Purchase Agreement and Investment Agreements

2.1 The Sale and Purchase Agreement

As represented in the Offer Document, pursuant to the Sale and Purchase Agreement:

- (i) the Bidder is required to launch the Offer at a price per share equal to the 'Implicit Purchase Price per Unit for the Recordati Shares' (namely, EUR 28 per share less the amount per share of any dividends or reserves distributed by the Issuer between the time of the signing of the Sale and Purchase Agreement and the Date of Completion), to be paid entirely in cash on the date of payment of the consideration of the Offer;
- (ii) if prior to the Date of Completion, a 'significant market correction' has occurred, the Bidder will not be required to launch the Offer at a price per share equal to the 'Implicit Purchase Price per Unit for the Recordati Shares', and the Bidder will have aligned the price per Recordati share to be offered to minority shareholders of the Issuer in the context of the Offer at the updated value of the price per Recordati share due to the Sellers (which consists of a portion paid on the Date of Completion and a portion to be paid on a deferred basis via subordinated debt instruments);
- (iii) any increase in the unit price of the Recordati shares offered in connection with the Offer or any take-over bid launched after the conclusion of the Offer until the expiry of one year from the last payment date of the Offer, above the 'Implicit Purchase Price per Unit for the Recordati Shares' will automatically be recognised also to the Sellers, who will be entitled to receive an amount equal to the amount per share of this increase multiplied by the number of shares held by FIMEI sold by the Sellers to the Bidder pursuant to the Sale and Purchase Agreement. This obligation of the Bidder will not apply with respect to any take-over bids launched from the expiry of the sixth month following the last date of payment of the Offer until the first anniversary of the last payment date of the Offer, if in the context of such take-over bids the Bidder does not purchase more than 10 million shares at an average price for each Recordati share that is more than 5% greater than the 'Implicit Purchase Price for Recordati Shares'. In the event of failure to comply with these obligations (as well as in the event of breach of the obligation to complete the Acquisition), the Bidder is required to pay a fee to the Sellers for the termination of the Sale and Purchase Agreement in accordance with article 1382 of the Italian Civil Code for the total amount equal to EUR 100 million.

For more information on the Sale and Purchase Agreement, please refer to Section H.2 of the Offer Document and the essential information prepared and published in accordance with article 122 TUF and article 130 of the Issuers' Regulation, available on the Issuer's website www.recordati.it (under the section entitled 'Corporate Governance/Shareholders' Agreements') and also referred to under Section K.2 of the Offer Document.

2.2 The AR Agreements and the FS Agreement

On 29 June 2018, Rossini Holdings and Andrea Recordati signed two investment agreements, which were subsequently amended on 6 December 2018 (i.e. the AR Agreements), aimed at governing the conditions for the investment of Andrea Recordati in Rossini Luxembourg, subject to the completion of the Acquisition; on the same date, Rossini Holdings and Fritz Squindo also signed an investment agreement, which was subsequently amended on 6 December 2018 (i.e. the FS Agreement), governing the conditions for the investment of Fritz Squindo in Rossini Luxembourg, subject to the completion of the Acquisition.

Furthermore, in the framework of the completion of the Acquisition, Rossini Luxembourg adopted articles of association that contain, *inter alia*, provisions relating to the transfer of the shareholding in Rossini Luxembourg and to some strengthened quorums for the shareholders' meetings.

As represented by the Bidder, the investments in Rossini Luxembourg by Andrea Recordati and Fritz Squindo will be completed by 15 February 2019, subject to the occurrence of the condition precedents respectively provided for by the AR Agreements and the FS Agreement (for more information, see Section G, paragraph G.1.1 of the Offer Document and Paragraph 3.4 of this Introduction).

As stated in the Offer Document, pursuant to the AR Agreements and the FS Agreement:

- (i) Andrea Recordati and Fritz Squindo undertook, in respect of Rossini Holdings, in the period between 29 June 2018 and the end of the sixth month following the date of payment of the Purchase Price, not to buy any shares of the Issuer, with the exception, *inter alia*, of the purchase of any shares as a result of the exercise of the stock options (other than those referred to in 2018-2022 Stock Option Plan with the exercise price fixed at EUR 30.73) issued to Andrea Recordati and Fritz Squindo by the Issuer. These provisions shall take effect until the end of the sixth month following the date of payment of the Purchase Price;
- (ii) After the date of completion of the investment of Andrea Recordati and Fritz Squindo in Rossini Luxembourg, Rossini Holdings shall ensure that, without the approval of 75% of the holders of preferred shares issued by Rossini Luxembourg (whose owners also include Andrea Recordati and Fritz Squindo), Rossini Luxembourg will not negatively change the powers, privileges and rights attached to the preferred shares, will not increase the authorised number of shares and will not resolve upon the liquidation of the Company. The AR Agreements and the FS Agreement do not provide for the exercise by Andrea Recordati and Fritz Squindo of the right to vote in favour or against said measures at the shareholders' meeting of Rossini Luxembourg. Such agreements – which are also reflected in the articles of association of Rossini Luxembourg – shall apply after the date in which the investment of Andrea Recordati and Fritz Squindo in Rossini Luxembourg is completed;
- (iii) An option of Rossini Holdings to acquire the shares owned by Andrea Recordati and Fritz Squindo in Rossini Luxembourg where they cease to hold the positions, respectively, as chief executive officer and manager of Recordati;
- (iv) An option of Andrea Recordati and Fritz Squindo to sell the shares they hold in Rossini Luxembourg where the same cease to hold the positions, respectively, of chief

executive officer and manager of Recordati as a result of a good leaver event;

For information concerning the restrictions on the transfer of the shares of Rossini Luxembourg set forth in such company's articles of association, please refer to Paragraph H.2 of the Offer Document.

For more information concerning the AR Agreements, the FS Agreement and the articles of association of Rossini Luxembourg, reference is made to Section H.2 of the Offer Document and the essential information prepared and published in accordance with article 122 TUF and article 130 of the Issuers' Regulations, available on the Issuer's website www.recordati.it (under the section entitled 'Corporate Governance/Shareholders' Agreements') and also referred to under Section K.2.1 of the Offer Document.

2.3 The Shareholders' Agreements

On 6 December 2018, Rossini Luxembourg, Rossini Holdings and Rossini Co-Invest GP Limited, as general partners of Jersey Co, signed (i) with Alpinvest, the Alpinvest Shareholders' Agreement and (ii) with PSP, the PSP Shareholders' Agreement, both of which concern Rossini Luxembourg, as well as the companies that are, from time to time, directly or indirectly controlled by it (including the Issuer).

According to what is indicated in the Offer Document, pursuant to the AlpInvest Shareholders' Agreement:

- (i) Rossini Holdings has undertaken to use all reasonable efforts so that none of Jersey Co, Rossini Luxembourg, Recordati or any of their respective subsidiaries, may perform, without the consent of AlpInvest, any act that could represent a radical change to the nature of the business of the Group or of the Partnership;
- (ii) in the event that Rossini Holdings intends to fully or partially transfer its shares in one of the group companies in the context of an equity syndicate transaction, AlpInvest shall have a right of first offer.

According to what is indicated in the Offer Document, pursuant to the PSP Shareholders' Agreement:

- (i) until the listing of Recordati (and without prejudice to what is set forth in point (ii) below), (a) Rossini Holdings will use all reasonable efforts so that a person designated by PSP (and approved by Rossini Holdings) will attend the board of directors' meeting of FIMEI and Recordati as an observer or invitee; or (b) in the event that the above provision is not possible, Rossini Holdings will do everything reasonably possible in order to propose the appointment or removal of a member (approved by Rossini Holdings) in the board of directors of Rossini Luxembourg, FIMEI and Recordati, in accordance with all of the terms and conditions set forth in the PSP Shareholders' Agreement;
- (ii) Rossini Holdings has undertaken to (a) consult PSP before Rossini Holdings takes any action in relation to certain matters; (b) to use all reasonable efforts to ensure that none of Jersey Co, Rossini Luxembourg, Recordati or any of their respective subsidiaries, without the consent of PSP, may make any amendments to the articles of

association of Rossini Luxembourg, Recordati or any of their respective subsidiaries which may have disproportionate adverse or material effects for PSP;

(iii) in the event that Rossini Holdings intends to fully or partially transfer its shares in one of the group companies in the context of an equity syndicate transaction, PSP shall have a right of first offer;

(iv) the duration of the same is for three years and shall be automatically renewed at its expiration for a further three years period, unless PSP gives notice of termination.

For more information on the Shareholders' Agreements, see Section H.2 of the Offer Document and the essential information prepared and published in accordance with article 122 TUF and article 130 of the Issuers' Regulations, available on the Issuer's website www.recordati.it (under the section entitled 'Corporate Governance/Shareholders' Agreements') and also referred to under Section K.3 of the Offer Document.

3. Main terms and conditions of the Offer

Below is a brief description of the main terms and conditions of the Offer. For a description of the legal requirements of the Offer and of supply and the entire transaction, please refer to the Offer Document.

3.1 *Description of the Offer*

As mentioned, the Offer is a mandatory full take-over bid launched by Rossini Investimenti as Bidder, also in the name and on behalf of the Persons Acting in Concert with it, in accordance with and for the purposes of articles 102, 106, paragraphs 1 and 3(a), and 109 TUF as well as the applicable implementing provisions of the Issuers' Regulation.

The Offer, as it is mandatory under article 106, paragraph 1 TUF, is not subject to any conditions of effectiveness.

As stated in the Offer Document (see Paragraphs A.9 and C.2) the launch of the Offer is not subject to any authorisation.

As represented in the Offer Document (see Paragraphs 3 of the Introduction and B.2), the Bidder shall have the right to designate, in accordance with the procedures set out in the Offer Document, the Up-Front Buyer as the actual purchaser of Recordati shares tendered in the Offer. The Bidder stated that the exercise of this right of designation will have no impact on the Offer, nor on the assets held following the Offer since the Bidder and the Up-front Buyer are all subject to the control of Fondi CVC Fund VII.

It should be noted that since Bidder, as at the Date of the Offer Document, indirectly holds through FIMEI the majority of voting rights exercisable at the ordinary shareholders' meeting of Recordati, the cases for exemption under article 101-bis, paragraph 3 TUF apply, meaning that the provisions of article 102, paragraphs 2 and 5, article 103, paragraph 3-bis, and articles 104, 104-bis and 104-ter TUF do not apply to the Offer, nor do any other provisions of the TUF that create specific requirements to be met by the Bidder or the Issuer with their employees or representatives.

As stated in the Offer Document, the Offer has not been and will not be launched in nor extended to the United States of America (or directed at the U.S. Persons, as defined under the U.S. Securities Act of 1933, as amended), Canada, Japan or Australia as well as in any other jurisdiction where such Offer is not permitted without the authorisation of the competent authorities or the completion of obligations by the Bidder (collectively the '**Other Countries**'), nor through the use of communication tools or national or international trade of Other Countries (including, without limitation, the postal network, fax, telex, email, telephone and internet), nor through any structure of financial institutions of other countries, nor in any other way. For more information on the markets to which the Offer is launched, see Paragraph F.4 of the Offer Document. For information on subscription methods, please refer to section F of the Offer Document.

3.2 Shares under the Offer and Delisting

The Offer concerns altogether a maximum of 97,735,180 ordinary shares of Recordati with a nominal value of EUR 0.125 each, representing 46.735% of the share capital of Recordati, namely 95,643,680 ordinary shares of Recordati, in addition to maximum 2,091,500 Treasury Shares of the Issuer serving the exercise of all of the stock options arising from the Stock Option Plans, equal to all the shares of the Issuer issued as at the Date of the Offer Document, minus the 108,308,905 ordinary shares, representing 51.791% of the share capital of Recordati (i.e. the Shareholding), held indirectly by the Bidder through FIMEI as at the Date of the Offer Document, and (ii) minus the 5,172,571 Treasury Shares of the Issuer, equal to 2.473% of the Issuer's share capital, as of 17 December 2018, and (iii) plus the maximum of 2,091,500 Treasury Shares serving the exercise of all the stock options arising from the Stock Option Plans.

As stated in the Offer Document (see Section C), the number of Recordati shares concerned in the Offer may be decreased if, before the end of the Acceptance Period (i.e. during the eventual Reopening of Terms), as well as during the execution of the Commitment to Squeeze-Out under article 108, paragraph 2 TUF, the Bidder or Persons Acting in Concert with it will acquire Issuer's ordinary shares outside of the Offer. Any purchases made outside of the Offer will be disclosed to the market pursuant to article 41(2)(c) IR.

As represented in the Offer Document (see Paragraphs 1.3 of the Introduction and A.10, A.11, A.13, A.14 and G.3):

- (i) the Offer is not aimed at the Delisting of the shares of the Issuer;
- (ii) Nevertheless, and notwithstanding what is stated under item (i) above, – if as a result of acceptances to the Offer (including acceptances during any possible Reopening of Terms) and/or purchases that may be performed outside of the Offer during the Acceptance Period, even after any possible Reopening of Terms – should the Bidder become the owner of more than 90% and less than 95% of the share capital of the Issuer, it will likely not proceed to the recovery of a float sufficient to ensure the regular trading performance of the Recordati shares on the MTA. The Bidder has moreover specified '*that also if the Bidder should purchase upon completion of the Offer a percentage in the ordinary share capital of the Issuer very significant or close to the relevant threshold for the application of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF, it is likely that the Bidder evaluate in concrete to perform transactions*

directed to the delisting of the Issuer's ordinary shares, as, for example, further purchases of Issuer's shares outside the Offer which conduct to overrun the delisting threshold, or a merger transaction of the Issuer in a company not listed on the MTA, with subsequent delisting of the Issuer's ordinary shares'.

The Bidder will communicate if the conditions have been met for the applicability of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF and the decision is made of whether or not to restore the float according to the modalities indicated in the Offer Document. If discussions concerning the intention to restore the float occur, such restoration can occur, for example, through reallocation, through public or private placement of part of the Recordati shares held by the Bidder as at the Date of the completion of the Offer;

- (iii) the Bidder has stated its intention to exercise the Right to Purchase the remaining Recordati shares in circulation, pursuant to article 111 TUF, if as a result of the outcome of the Offer, including the possible Reopening of Terms, the Bidder holds – as a result of acceptances to the Offer and any purchases made outside of the Offer, during the Acceptance Period as eventually reopened as a result of the Reopening of Terms and/or in compliance with the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF – a total of at least 95% of the Issuer's share capital issued and paid-up as at said date. By exercising the Right to Purchase, the Bidder will fulfil the Commitment to Squeeze-Out pursuant to article 108, paragraph 1 TUF thus resulting in the Joint Procedure. The Bidder shall disclose whether or not the legal requirements have been met for the fulfilment of Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF and for the exercise of the Right of Purchase according to the modalities indicated in the Offer Document.

For information about the Reopening of Terms, the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF, the Commitment to Squeeze-Out pursuant to article 108, paragraph 1 TUF, the Right to Purchase and the Joint Procedure, see Paragraphs A.10, A.11 and G.3 of the Offer Document. For a discussion of possible alternative scenarios for the holders of Recordati shares, see Paragraph A.13 of the Offer Document.

As stated in the Offer Document (Paragraph A.16), the Beneficiaries of Stock Options granted and exercisable in accordance with the Stock Option Plans may tender to the Offer (and the Bidder shall accept such acceptances and make the purchases), in accordance with the terms and conditions set forth in the Offer Document, the Recordati shares thus being acquired as a result of the timely exercise of stock options pursuant to the Stock Option Plans during the Acceptance Period (as well as, if applicable, during any possible Reopening of Terms). The Beneficiaries of Stock Options bear the risk that the sending of communications for the exercise of stock options under the terms of the Stock Option Plans and the consequent conferment by the Issuer of the shares from the exercise of the stock option may not arrive in time to allow those Beneficiaries of Stock Options to tender to the Offer. For more information on the Stock Option Plans, see Paragraph B.3.3.1 of the Offer Document.

In this regard, the Issuer notes that the maximum 2,091,500 Treasury Shares are meant to service the Stock Option Plans.

3.3 Total value of the Offer

As stated in the Offer Document (see Paragraph E.1), the Bidder will pay to the adherents to the Offer a purchase price of EUR 27.55 per share which will be paid in cash according to the terms and modalities set forth under Paragraphs F.1.1 and F.1.2 of the Offer Document. In case of total acceptance, the total value of the Offer is calculated on the basis of the purchase price per share equal to EUR 27.55 and the maximum number of Recordati shares of the Offer (including all shares of the Issuer as may be issued by the end of the Subscription Period and where article 40-*bis* of the Issuers' Regulation applies, during the Reopening of Terms, is equal to EUR 2,692,604,209 (i.e. Maximum Disbursement) (see Paragraph 1.2 of the Introduction of the Offer Document and Section E of the Offer Document). For more information about the Purchase Price, please refer to Section E of the Offer Document and the following Section 4.3 of the 103 Notice.

The Offer Document specifies that in order to guarantee the exact fulfilment of the payment obligations of the Bidder under the Offer:

- (i) Banca IMI S.p.A., Crédit Agricole Corporate and Investment Bank-Milan Branch, Credit Suisse AG, Milan Branch, Deutsche Bank S.p.A., Natixis S.A.-Milan Branch, Société Générale, Milan Branch, Unione di Banche Italiane S.p.A. and UniCredit S.p.A., acting as issuing banks under the Senior Secured Bridge Facilities Agreement;
- (ii) Banca IMI S.p.A., Crédit Agricole Corporate and Investment Bank-Milan Branch, Credit Suisse AG, Milan Branch, Deutsche Bank S.p.A., Natixis S.A.-Milan Branch, Société Générale, Milan Branch, Unione di Banche Italiane S.p.A. and UniCredit S.p.A., acting as issuing banks under the Senior Unsecured Bridge Facilities Agreement;
- (iii) UniCredit S.p.A., as the issuing bank under the Equity Cash Confirmation Financing Agreement,

have issued the guarantee pursuant to article 37-*bis* of the Issuers' Regulation. For more information, please refer to Paragraph G.1.4 of the Offer Document.

3.4 Financing of the Acquisition

As stated in the Offer Document (see Paragraph 2 of the Introduction and Paragraphs A.3 and G.1.1 of the Offer Document), the fulfilment of the commitments assumed with the Sale and Purchase Agreement involved a total outlay for the Bidder of EUR 3,006,337,611.75 of which:

- A. EUR 2,983,910,332.75 is for the indirect purchase of the Shareholding paid, in particular, as follows (see Paragraph G.1.2 of the Offer Document):
 - (i) for EUR 2,158,910,332.75 cash as at the Date of Completion through the use of equity of the Bidder arising from capital payments to the Bidder by Rossini.

The latter has obtained these financial resources, *inter alia*, through the issuance of the Senior Secured Notes Due 2025. The terms and conditions governing the Senior Secured Notes Due 2025 are contained in a contract governed by the law of the State of New York entered into on the 26 October 2018 entitled 'Indenture' which provides, *inter alia*: (a) certain commitments which restrict, without prejudice to exceptions to determine, the ability of Rossini and some of its subsidiaries to carry out certain

transactions; (b) upon the occurrence of certain circumstances regarding the change of control, the obligation for Rossini to submit an offer for the purchase of all remaining bonds at a price equal to 101% of the total amount (plus interest accrued and not paid until the time when the above change of control occurs), 'change of control' referring to, *inter alia*, the loss of control over the Issuer by Rossini (i.e. the right to choose, directly or indirectly, the majority of the members of the Board of Directors of the Issuer) following a sale of shares in the Issuer. The merger described in Paragraph G.2.4 of the Offer Document (for reference thereto, see Paragraph 4.2.1 of this 103 Notice), does not constitute a relevant change of control pursuant to the Indenture; (c) certain hypotheses of early repayment and default events. For more detailed information on the Senior Secured Notes Due 2025, see Paragraph G.1.2.2 of the Offer Document;

- (ii) EUR 75 million by way of interest-free credit granted to Andrew Recordati as seller, that the same may use prior to 15 February 2019 for the purposes of investing in the share capital of Rossini Luxembourg (as described below);
- (iii) the delta price, equal to EUR 750 million, through the issue on 6 December 2018 by Rossini Investments of long-term subordinate debt securities (i.e. the DP Notes), namely, bonds, maturing in 2025, subject to extension up to 2027, providing for reimbursement over 6.5 years (a term which can be extended up to 8.5 years upon the occurrence of certain conditions) from the date of issue, structurally subordinated for the reimbursement, *inter alia*, of the Senior Secured Notes Due 2025, the Senior Secured Bridge Financing and the Senior Unsecured Bridge Financing, with an annual yield equal to 2% in cash and 2% in PIK. The Bidder has specified that the issue of the DP Notes by Rossini Investments took place following the delegation of the same, pursuant to article 1268 of the Italian Civil Code, by the Bidder, in accordance with the provisions of the Sale and Purchase Agreement, to pay a part of the consideration for the Acquisition, equal to EUR 750 million.

The DP Notes have been fully underwritten by the Sellers by offsetting the debt of the Sellers with the subscription of the DP Notes and the credit from the same due to Rossini Investments by virtue of the said delegation. The DP Notes are governed by specific regulations, for a description of which, see Paragraph G.1.2.3 of the Offer Document;

- B. EUR 22,427,279 for the net assets in FIMEI, equal to the difference between the total assets and the total liabilities of FIMEI estimated on the Date of Completion (without prejudice to any adjustments to the terms set forth by the Sale and Purchase Agreement that will have no impact on the Purchase Price per Share).

Furthermore, pursuant to the AR Agreements, it is expected that by 15 February 2019, Andrea Recordati may invest capital in Rossini Luxembourg, at conditions that the Bidder considers to be market conditions and in line with best practices adopted by private equity funds in the structuring of acquisitions, a proportion of the price payable thereto, as Seller, up to an amount of EUR 75 million (see Paragraphs A.5 and G.1.2.4). In this case, as described in the Offer Document (see Paragraph G.1.2.4), the credit due to Andrea Recordati as a Seller may be used by him to subscribe the investment in the capital of Rossini Luxembourg and then this credit will be allocated by priority along the chain of participants

(first to Rossini Investments, then Rossini Acquisition and finally to Rossini) until to be used for the subscription of the capital increase resolved upon by the extraordinary shareholders' meeting of the Bidder of 5 December 2018 and that will be released through setting off with the corresponding debt for part of the price owed to the Seller. Pursuant to the FS Agreement, it is also expected that by 15 February 2019, Fritz Squindo can invest capital in Rossini Luxembourg, at conditions that the Bidder considers to be market conditions and in line with best practices adopted by private equity funds in the structuring of acquisitions, up to a maximum amount of EUR 3,450,000.

3.5 Financing of the Offer

As represented by the Bidder (see Paragraphs A.2 and G.1.3 of the Offer Document), the payment of the amounts due in the context of the Offer (within the limits of the maximum disbursement) will be carried out by the Bidder using the following resources to the extent and in accordance with the proportions that will be established by the Bidder close to the date of payment of the Purchase Price (it being understood that the Bidder will in any case use both equity financial resources and debt financial resources):

- (i) up to a maximum of EUR 1,066,426,333 through the assets of the Bidder arising from capital payments made to the Bidder by Rossini;
- (ii) up to a maximum of EUR 1.485 billion from the proceeds of the Senior Secured Bridge Facilities Agreement signed on 26 October 2018 between, *inter alia*, the Bidder, as the original borrower and original guarantor, Rossini, acting as original guarantor, and the lending banks, concerning the provision of the Senior Secured Bridge Financing. For a description of the Senior Secured Bridge Financing Agreement, please refer to Paragraph G.1.3.2 of the Offer Document;
- (iii) up to a maximum of EUR 615 million with proceeds from the Senior Unsecured Bridge Facilities Agreement signed on 26 October 2018 between, *inter alia*, Rossini Acquisition, as the original borrower, Rossini and the Bidder, acting as original sponsors, and the lending banks, concerning the provision to the Bidder of the Senior Unsecured Bridge Financing, whose stock will be used in order to equip the Bidder, through an additional payment of principal, with the necessary resources to partly finance the Offer. For a description of the Senior Unsecured Bridge Loan Agreement, please refer to Paragraph G.1.3.3 of the Offer Document.

* * *

In the exercise of the powers vested in them pursuant to Article 39-*bis*, paragraph 2 of the Issuers' Regulation, the Independent Directors decided to avail themselves of the consultancy of Lazard S.r.l. in co-advisory with Colombo&Associati S.r.l., which have been tasked with jointly issuing, for the benefit of the Independent Directors, the fairness opinion on the Purchase Price offered by the Bidder.¹

¹ For reasons of internal compliance of Lazard S.r.l. and Colombo&Associati S.r.l., the joint conclusions at which the two co-advisors have arrived are reported in two separate documents, but have the same content (see Paragraph 5.1.1 of the 103 Notice).

On 19 December 2018, the Independent Directors gave the Opinion of the Independent Directors in accordance with article 39-*bis* of the Issuers' Regulation, containing the opinion of the Offer and of the fairness of the Purchase Price, as best illustrated in the following Chapter 5 of this 103 Notice.

On 21 December 2018, Recordati's Board of Directors met to examine the Offer and to approve the Notice of the Issuer.

At the end of their examinations, the Board of Directors approved this 103 Notice containing, *inter alia*, the reasoned evaluation of the Board on the Offer and on the fairness of the Purchase Price, in accordance with article 103, paragraph 3 TUF and article 39 of the Issuers' Regulation. The information contained in this 103 Notice is taken from the documents considered by the Board of Directors as described in Chapter 1, Paragraph 1.3.

It remains, however, understood that to have complete and full knowledge of all the conditions, terms and conditions, please refer solely to the Offer Document, published by the Bidder in accordance with the applicable legal and regulatory requirements. This 103 Notice does not seek, therefore, to replace in any way the Offer Document or any other document relating to the Offer within the competence and responsibility of the Bidder and disseminated by it, and is not in any way, nor can it be intended to be, a recommendation to adhere or not to adhere the Offer and does not replace the judgement of each shareholder in connection with the Offer.

1. MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

1.1. Meeting attendees and indication of relevant interests pursuant to articles 2391 of the Italian Civil Code and article 39, paragraph 1(b) of the Issuers' Regulation

At the meeting of the Board of Directors of Recordati of 21 December 2018, in which the Offer was examined and the 103 Notice was approved, the following were present in person or via audio:

Giampiero Mazza	Chairman
Andrea Recordati	Vice-Chairman CEO
Rosalba Casiraghi	Independent Director
Michaela Castelli	Independent Director
Elisa Corghi	Independent Director
Cathrin Petty	Non-Executive Director
Mario Garraffo	Independent Director
Fritz Squindo	Executive Director

In addition, the Chairman of the Board of Statutory Auditors, Antonio Santi, and the Statutory Auditor Marco Nava were also present in person or via audio.

The Director Søren Vestergaard-Poulsen and the Statutory Auditor Livia Amidani Aliberti gave reasons for their absence.

In the context of this meeting, the members of the Board of Directors listed below have reported that they have a conflict of interest, either their own or of a third party, in relation to the Offer, also pursuant to article 2391 of the Italian Civil Code and article 39, paragraph 1(b) of the Issuers' Regulation.

The directors Giampiero Mazza, Cathrin Petty and Søren Vestergaard-Poulsen were appointed members of the Board of Directors of the Issuer pursuant to article 2386 of the Italian Civil Code ⁽²⁾ and, as at the Date of the Offer Document, hold the following positions:

- (i) Giampiero Mazza serves as Chairman of the Board of Directors of the Bidder, Chairman of the Up-front Buyer and partner of the private equity group CVC Capital Partners;
- (ii) Cathrin Petty serves as member of the Board of Directors of: Rossini Investimenti,

² As communicated to the market on 6 December 2018, on the same date, pursuant to article 2386 of the Italian Civil Code, Recordati's Board of Directors appointed through co-optation the directors Giampiero Mazza, Cathrin Petty and Søren Vestergaard-Poulsen following the resignation of directors Alberto Recordati, Paolo Fresia and Marco Vitale in view of the Sale and Purchase Agreement having been signed.

Rossini, Rossini Acquisition, Rossini Investments, Rossini Luxembourg, Rossini Holdings, FIMEI and as partner and Healthcare EMEA at the private equity group CVC Capital Partners;

- (iii) Søren Vestergaard-Poulsen serves as managing partner, member of the Business Advisory Board, of the Private Equity Board for Europe and North America and of the Growth Fund Investment Committee of the private equity group CVC Capital Partners.

Giampiero Mazza and Cathrin Petty – as management representatives of CVC – and Andrea Recordati - as FIMEI's shareholder – have stated they had actively participated in the negotiations for the transaction in the context of which the Offer was launched, as specified in Paragraph 1.2 below.

Furthermore, Andrea Recordati has stated that he has an interest in relation to the approval of the 103 Notice due to the fact that he signed the AR Agreements. Exclusively due to such agreements Andrea Recordati assumes, within the Offer, the position of Person Acting in Concert pursuant to article 101-*bis*, paragraph 4-*bis*, TUF.

Fritz Squindo has stated that he has an interest in relation to the approval of the 103 Notice due to the fact that he signed the FS Agreement. Exclusively due to such agreement Fritz Squindo assumes, within the Offer, the position of Person Acting in Concert pursuant to article 101-*bis*, paragraph 4-*bis*, TUF.

Finally, as at the date of this 103 Notice:

- the CEO of Recordati, Andrea Recordati holds 398,000 stock options, of which 72,000 options are exercisable during the Acceptance Period and any possible Reopening of Terms;
- the Executive Director, Fritz Squindo, holds 122,000 shares of the Issuer, equal to 0.058% of its share capital, as well as 598,000 stock options, of which 342,000 options are exercisable during the Acceptance Period and any possible Reopening of Terms.

For the sake of completeness, it should be noted that – as communicated to the market pursuant to article 19 MAR – on 6 August 2018, Fritz Squindo, following the exercise of stock options to the same assigned by the Board of Directors of the Issuer, purchased 80,000 ordinary shares of the Issuer, equal to 0.038% of the share capital of Recordati, and these 80,000 ordinary shares were transferred on the same day (for more information, please refer to the table that lists the daily operations carried out by the Bidder and the Persons Acting in Concert with it in the last twelve months in Paragraph E.6 of the Offer Document).

For the sake of completeness, it should also be noted that Rossini Investimenti, following the execution of the Sale and Purchase Agreement, has become a related party of the Issuer within the meaning of the Consob Regulation adopted through Resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented (the '**Consob RPT Regulation**'), as well as article 01.03 of the procedure entitled '*Procedure for related-party transactions*' adopted by Recordati (the '**RPT Procedure**') (see Paragraph A.6 of the Offer Document).

As at the date of the 103 Notice, the following are also considered related parties of the Issuer

in relation to the Offer, pursuant to the Consob RPT Regulation and RPT Procedure:

- CVC Capital Partners VII, Fondi CVC Fund VII, Jersey Co, LP Initial Co-Investors, Rossini Holdings, Rossini Luxembourg, Rossini Investments, Rossini Acquisition and Rossini, as holders, through the Bidder, of the Shareholding as at the Date of the Offer Document;
- the members of the Board of Directors and the Board of Statutory Auditors of Recordati;
- the members of the management and control bodies of the Bidder and entities who directly or indirectly control the Bidder as at the Date of the Offer Document.

Furthermore, as stated in the Offer Document (see Paragraph A.6), as a result of any investment by the Additional LP Co-Investors in the share capital of Jersey Co and, indirectly, in Rossini Luxembourg and in the Bidder, as at the date of payment of the Offer Price, the Additional LP Co-Investors will qualify as related parties of the Issuer within the meaning of the Consob RPT Regulation, as well as Persons Acting in Concert with the Bidder.

Lastly, it should be noted that the following are Persons Acting in Concert with the Bidder in connection with the Offer pursuant to article 101-*bis*, paragraphs 4 and 4-*bis* TUF (see Paragraph B.4 of the Offer Document):

- (i) CVC Capital Partners, Fondi CVC Fund VII, Rossini Holdings, Rossini Luxembourg, Rossini Investments, Rossini Acquisition and Rossini as companies that exercise direct or indirect control over the Bidder;
- (ii) FIMEI as a company controlled by the Bidder;
- (iii) Rossini Holdings, Rossini Luxembourg, Andrea Recordati, Fritz Squindo and Rossini Co-Invest GP Limited, as general partners of Jersey Co, PSP and Alpinvest, as parties to the Investment Agreements; and
- (iv) the LP Co-Investors, as individuals who, as members of Jersey Co, have cooperated in various ways with the Bidder in the acquisition of control of the Issuer.

1.2. Indications concerning the participation of members of the management body in negotiations concerning the finalisation of the Offer

It should be noted that the directors Giampiero Mazza, Cathrin Petty and Søren Vestergaard-Poulsen – as management representatives of CVC – and Andrea Recordati – as shareholder of FIMEI – have actively participated in the negotiations for the signing of the Sale and Purchase Agreement and for the finalisation of the transaction in the context of which the Offer was launched.

As noted in Chapters 1 and 2 above, Andrea Recordati and Fritz Squindo have also actively participated (each as regard the matters that concern) in the negotiations with Rossini Holdings in connection with the Acquisition as well as to finalise, respectively, the AR

Agreements and the FS Agreement.

Without prejudice to the foregoing, no other member of the Board of Directors of Recordati has participated in any capacity in the negotiations of agreements relating to the transfer, to the Bidder, of the FIMEI Shares and in the finalisation of the transaction in the context of which the Offer was launched.

1.3. Examined Documentation

The Board of Directors of Recordati, in its evaluation of the Offer and its Purchase Price, as well as for the approval of this 103 Notice, has examined and evaluated:

- the 102 Notice published by the Bidder on 6 December 2018;
- the Offer Document, in the version that is still subject to review by the Supervisory Authority;
- the Opinion of the Independent Expert rendered by Mediobanca on 19 December 2018, as shown in the following Chapter 4, Paragraph 4.3.2 of this 103 Notice.
- the fairness opinion issued on 18 December 2018 by Lazard S.r.l. and Colombo&Associati S.r.l., as best illustrated under Chapter 5, Paragraph 5.1.1 below of this 103 Notice;
- the Opinion of the Independent Directors in accordance with article 39-*bis* of the Issuers' Regulation approved on 19 December 2018, as shown in Chapter 5, Paragraph 5.1.2 below of this 103 Notice.

For the purposes of its evaluation of the Offer and of the fairness of the Purchase Price, the Board of Directors of Recordati has not made use of additional independent expert advices or evaluation documents other than those mentioned above.

2. DATA AND USEFUL ITEMS FOR THE APPRECIATION OF THE OFFER

This 103 Notice is published in conjunction with the Offer Document and circulated as an annex thereto, in agreement with the Bidder.

For complete and analytical knowledge of the characteristics and the essential elements of the Offer as well as all terms and conditions thereof, please refer to the contents of the Offer Document and, in particular, to the Sections and Paragraphs below:

- Section A – Warnings;
- Section B, Paragraph B.1 – Information concerning the Bidder;
- Section B, Paragraph B.3.6 – Recent Trends and Prospects;
- Section C – Categories and Amounts of Financial Instruments;
- Section E – Unit Price per Share and its Justification;
- Section F – Terms and Conditions of the Offer, Date and Method of Payment and Return of the shares that are Part of the Offer;
- Section G – Arranging Financing, Guarantees of Exact Performance and Future Plans of the Bidder.

3. UPDATING OF THE INFORMATION AVAILABLE TO THE PUBLIC AND REPORTING OF SIGNIFICANT EVENTS IN ACCORDANCE WITH ARTICLE 39, PARAGRAPH 1(E) AND (F) OF THE ISSUERS' REGULATION

3.1 Information about significant events after the approval of the consolidated financial report of the Recordati Group as at 30 September 2018

Compared to what is indicated and described in the consolidated financial report of the Recordati Group as at 30 September 2018 (the '**Quarterly Report**') approved by the Board of Directors of Recordati on 30 October 2018, in which reporting additional voluntary financial report, it is highlighted the following. The Quarterly Report is available on Recordati's website at www.recordati.it, Investors / Annual and Interim Reports, and on the authorised storage mechanism '1Info' at the website www.1Info.it.

As at the Date of Completion, the indirect purchase of the Shareholding has been completed by the Bidder in execution of the Sale and Purchase Agreement and the consequent obligation to launch the Offer.

Also, for the sake of completeness, it should be noted that – as disclosed to the market by the Issuer through a specific press release (available online at www.recordati.it and www.1Info.it) – on 6 December 2018:

- (i) The Chairman of the Board of Directors Alberto Recordati, the Director Marco Vitale and the Independent Director Paolo Fresia have resigned from their respective positions at Recordati;
- (ii) The Board of Directors has:
 - consequently resolved, pursuant to article 2386 and article 17 of the Articles of Association, the appointment by co-optation of Giampiero Mazza (also appointed Chairman of the Board of Directors), Cathrin Petty and Søren Vestergaard-Poulsen, who will remain in office until the next Shareholders' Meeting of Recordati;
 - acknowledged the resignation from the other Directors in office on the same date (appointed by the Shareholders' Meeting of 11 April 2017 at the proposal of the majority shareholder FIMEI) – namely, Andrea Recordati (Vice Chairman & CEO), Fritz Squindo (Managing Director) and Rosalba Casiraghi, Michaela Castelli, Elisa Corghi and Mario Garraffo (these last four all being Independent Directors) – with effect from the next Shareholders' Meeting of Recordati in order to allow for full replacement with voting rights of the list of administration bodies of Recordati pursuant to article 15 of the Articles of Association;
 - resolved to convene the Ordinary Shareholders' Meeting of Recordati on 5 February 2019 at 10:00 in a single call at the headquarters of the Company, with the following agenda: 1. Appointment of a new Board of Directors: a) Determination of the number of members of the Board of Directors. b) Determination of the term of office of the Board of Directors. c) Appointment of members of the Board of Directors; d) Determination of the remuneration of the members of the Board of Directors.

On 19 December 2018 the full notice of the Ordinary Shareholders' Meeting of Recordati scheduled for 5 February 2019, in single call, has been published, for the purposes of discussing and resolving upon the aforementioned appointment of the Board of Directors. On the same date the directors' report on the relevant items on the agenda was also published.

The full notice of the Shareholders' Meeting is available to the public on the Company's website www.recordati.it and on the 1Info authorised storage mechanism (www.1Info.it).

For further information regarding the update of the objectives for the 2019 financial year, please refer to Paragraph 3.2 of the 103 Notice.

3.2 Information about recent trends and prospects of the Issuer, unless stated in the Offer Document

On 21 December 2018, the Issuer's Board of Directors confirmed the forecasts for the entire 2018 financial year, already announced, of achieving revenues of between EUR 1,340 and EUR 1,350 million, an EBITDA of between EUR 490 and EUR 500 million, an operating profit of between EUR 430 and EUR 440 million and a net profit of between EUR 310 and EUR 315 million. In addition, the Board of Directors approved the targets for the 2019 financial year. For the next financial year, the Issuer expects further growth in revenues and profitability thanks to the continuous organic business growth and the contribution of acquisitions made in 2018, including the acquisition of Tonipharm, disclosed to the market on 21 December 2018. The objectives are to achieve revenues of between EUR 1,430 and EUR 1,450 million, an EBITDA of between EUR 520 and EUR 530 million, an operating profit of between EUR 460 and EUR 470 million and a net profit of between EUR 330 and EUR 335 million.

For further information, please see the press release published by the Issuer on 21 December 2018 (available at the websites www.recordati.it and www.1Info.it).

Without prejudice to the foregoing, at the Date of the Notice, additional information does not exist regarding recent trends and future prospects of the Issuer aside from that indicated in the Quarterly Report referred to in Paragraph 3.1 of this 103 Notice.

4. EVALUATIONS OF THE BOARD OF DIRECTORS OF RECORDATI REGARDING THE OFFER AND THE FAIRNESS OF THE PURCHASE PRICE

4.1 Elements considered by the Board in its evaluation

As indicated in Chapter 1, Paragraph 1.3 of this 103 Notice, in expressing its evaluation of the Offer and of the fairness of the Purchase Price, the Board of Directors of the Issuer has considered, among other things:

- the information and assessments on the Purchase Price contained in the Offer Document;
- the Opinion of the Independent Expert made by Mediobanca;

- the fairness opinion issued by Lazard S.r.l. and Colombo&Associati S.r.l.;
- the Opinion of the Independent Directors drawn up pursuant to article 39-bis, paragraph 2 IR.

4.2 Assessment of the reasons for the Offer and future programmes of the Bidder

4.2.1 *Reasons for the Offer and Mergers*

The Board of Directors of Recordati acknowledges the reasons of the Offer described in the Introduction to the Offer Document and in Paragraphs A.7 and G.2.1 of the Offer Document as well.

In particular, the Bidder stated that the obligation to launch the Offer arises as a result of the indirect purchase by the Bidder of the Shareholding in execution of the Sale and Purchase Agreement and that the Offer is aimed at fulfilling the obligations under article 106 TUF and is not aimed at the Delisting of ordinary shares of the Issuer.

Nevertheless, in the event that the Bidder becomes the owner of a stake in the share capital of the Issuer that exceeds 90% and is less than 95% of the shares of the Issuer, it will likely not proceed with the recovery of the float sufficient to ensure the regular trading performance of the Recordati shares on the MTA (in this regard, reference is made to what is stated at Paragraphs 3.2 of the Introduction and 7 of this 103 Notice).

The Offer Document also represents (see Paragraph A.8) that the Bidder reserves the right, in any case, to carry out the merger transactions set out below (the '**Mergers**'), it being understood that as at the Date of the Offer Document, no formal decisions have been taken by the competent bodies of the companies that could be involved in such transaction or in its implementing manners.

As represented by the Bidder, the Mergers could be performed upon the completion of the Offer (which includes any possible Reopening of Terms) and/or the fulfilment of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF and/or the Commitment to Squeeze-Out pursuant to article 108, paragraph 1 TUF and the exercise of the Right of Purchase, or within 12 months from the date of payment of the Purchase Price, if necessary and/or appropriate to achieve the objectives of future programmes of the Bidder (reference thereto is made in Paragraph 4.2.2 of the 103 Notice), to shorten the chain of ownership of the Issuer and allow, except to the extent required by applicable law, the use of the cash flows generated by the Issuer for the purposes of repaying the financial indebtedness assumed for the purposes of the Acquisition and the Offer.

- (i) Initial Merger: following the closure of the Offer (including any possible Reopening of Terms) the Bidder intends to propose to the competent bodies of the Bidder and FIMEI that greater efficiency in the chain of control of the Issuer be pursued through the merger between the Bidder and FIMEI (the '**Initial Merger**'). It being understood that as at the Date of the Offer Document, no formal decisions have been taken by the competent bodies of the company that could be involved in such transaction or in its implementing rules. The company resulting from the Initial Merger will be defined as

'New Rossini Investimenti'. The Bidder has specified that the Merger will not have any impact on the Offer.

- (ii) Merger of the Bidder: without prejudice to the foregoing, the Bidder has stated that if there is any Delisting of the Issuer as a result of the Offer and according to the final outcome of the Offer (including any possible Reopening of Terms), where the Bidder (or in the case where the Initial Merger has already been completed, New Rossini Investimenti) holds, directly or indirectly, a holding in the share capital of the Issuer equal to greater than 2/3 voting rights, the Bidder intends to assess whether to propose to the competent bodies of the Bidder and of FIMEI (or if the Initial Merger has already been completed, New Rossini Investimenti) and the Issuer a merger transaction between the Bidder, FIMEI (or, as the case may be, New Rossini Investimenti) and the Issuer (the '**Merger of the Bidder**'). The Offer Document specifies that as at the Date of the Offer Document: (a) no formal decisions have been taken by the competent bodies of the companies that could be involved in such transaction, or to its implementing rules. In particular, no decision has been taken in relation to which the companies possibly involved in the merger of the Bidder will assume the role of the incorporating company (the '**New Operating Company**'); and (b) it cannot be excluded that the Issuer is incorporated into the Bidder or FIMEI (or, as the case may be, New Rossini Investimenti), which are both unlisted companies.

In that case, as represented in the Offer Document, the Issuer's shareholders who have not participated in the deliberations to approve the Merger of the Bidder have the right of withdrawal pursuant to article 2437-*quinquies* of the Italian Civil Code, since, in that case, they would receive in Exchange shares not listed on a regulated market. The liquidation value of the shares withdrawn would be determined in accordance with article 2437-*ter*, paragraph 3, of the Italian Civil Code, making reference only to the average of the closing prices in the six months preceding the publication of the notice calling the shareholder's meeting at which the withdrawal was approved. The Bidder has stated that, therefore, following the Merger of the Bidder, the Issuer's shareholders that decide not to exercise the right of withdrawal would be holders of financial instruments not traded on any regulated market, and will thus have difficulty liquidating their investments in the future.

- (iii) Merger After Delisting: the Bidder has stated that, notwithstanding the foregoing, if the Delisting of the Issuer occurs as an outcome of the Offer, it intends to evaluate whether to propose to the competent bodies of: (x) if the Initial Merger has already been completed, New Rossini Investimenti, the Issuer and Rossini; (y) if the Merger of the Bidder has already been completed, the New Operating Company and Rossini; or (z) if neither the Initial Merger nor the Merger of the Bidder have been completed, the Bidder, FIMEI, the Issuer and Rossini, said merger transaction to be completed between the above-mentioned companies (the '**Merger after Delisting**'). The Offer Document specifies that: (a) as at the Date of the Offer Document, no formal decisions have been taken by the competent bodies of the companies that could be involved in such transaction nor in the implementing rules; (b) in such case, the Issuer's shareholders who have not participated in the deliberations to approve the Merger after Delisting would have the right to withdraw only the use of one of the conditions laid down in article 2437 of the Italian Civil Code and that the liquidation value of the shares withdrawn would be determined in accordance with article 2437-

ter, paragraph 2, of the Italian Civil Code, taking into account the consistency of the Issuer and its capital and income-earning prospects of the possible market value of the shares.

- (iv) Merger with Rossini: if as a result of the Offer, neither the Merger of the Bidder nor the Merger after Delisting have been completed, the Bidder has said that it will evaluate whether to propose to the competent bodies of New Rossini Investimenti (or if the Initial Merger has not yet been completed, the Bidder and FIMEI) and Rossini, a merger with New Rossini Investimenti (or where the Initial Merger has not yet been completed, the Bidder and FIMEI) and Rossini, it being understood that as at the Date of the Offer Document, no formal decisions have been taken by the competent bodies of the companies that could be involved in such transaction or in the implementing manners. The Bidder has specified that the possible merger of Rossini Investimenti with Rossini will not have any impact on the Offer.

The Bidder has also specified that, without prejudice to the above, the merger will be evaluated also with a view to shortening the chain of control and therefore, depending on the companies involved in the same, may lead to the applicability of article 2501-bis of the Italian Civil Code. In this regard, it noted that: (i) the holders of the Issuer's shares who do not adhere to the Offer or who do not exercise their right of withdrawal as a result of the aforesaid merger will become holders of a shareholding in a company that could have a level of indebtedness higher than that of the Issuer prior to the same merger; and (ii) as at the Date of the Offer Document, it is not possible to determine any additional indebtedness that could, in whole or in part, arise for the company resulting from the possible merger.

In addition, the Bidder has stated that – in order to meet the repayment of the amounts due under loan agreements relating to the Acquisition and the Offer (including principle and, where applicable, interest) and in light of the prospective trend of the Issuer's business – it does not exclude the possibility of using, as the case may be, the cash flows deriving from any distribution of dividends and/or available reserves (if any) of the Issuer and/or, in the event of a merger, of using the cash flows deriving from the carrying out the Issuer's activities. In this respect, it has specified that, until the completion of one of the Mergers or if the Merger is not performed *'the repayment of the loan agreements could be made mainly through the use of the cash flows deriving from the distribution of available reserves of the Issuer. Furthermore the Bidder could determine - through the exercise of its voting rights within the shareholders' meeting of the Issuer - the adoption of resolutions directed to distribute to shareholders, as ordinary and/or extraordinary dividends, available reserves of the Issuer, also of large volumes. This possibility could produce negative effects on the Issuer's ability to realize its development plans and/or on the implementation timing of such plans.'* (see Warning A.8).

The Bidder has also specified that it does not exclude that the terms and conditions of the loan agreements may be renegotiated following the outcome of the Offer and/or of the possible merger for the purposes of optimising the financial structure of the Bidder and/or the entity resulting from the merger.

The Offer Document specifies (see Paragraphs A.8 and G.2.5) that the Bidder does not exclude, also, its ability to assess, at its discretion, in the future, the opportunity to achieve

– in addition to or as an alternative to Mergers – any additional transactions that it may find appropriate in line with the goals of and reasons for the Offer, both in the case of Delisting where there is no Delisting, including, without limitation, acquisitions, divestitures, mergers, demergers involving the Issuer or some of its assets or business units, and/or capital increases, it being understood that as at the Date of the Offer Document, no formal decisions have been taken by the competent bodies of the companies involved with respect to any of the above transactions.

For more information, please refer to Paragraphs A.8 and G.2.5 of the Offer Document and Paragraph 6 of the 103 Notice.

4.2.2 *Future plans of the Bidder*

The Board of Directors of Recordati also acknowledges the future plans that the Bidder intends to pursue regarding the activities of the Issuer described in Paragraphs A.7 and G.2.2 of the Offer Document, in which it is highlighted that the Bidder considers that the business of the Issuer is characterized by effective management focused on sustainable growth and by a history of success in terms of financial results obtained in recent years. The Bidder will therefore continue, together with the management of the Issuer, the path taken by the Recordati family in the last 90 years, bringing, as majority investor, its experience and knowledge arising from a solid track record of investments in the health sector (and outside of it), with particular reference to organic growth and business development of the Recordati Group.

The Bidder has represented in the Offer Document that in order to achieve the objectives represented in detail below (Paragraphs 4.2.2.1 and 4.2.2.2 of the 103 Notice), *‘the Bidder’s Group will continue to rely on the support of the Board of Directors of the Issuer, composed of non-executive directors with extensive international experience. To the best knowledge of the Bidder, in line with the practice adopted in the past by the Issuer, the Bidder expects that a business plan of the Issuer can be adopted in the first half of 2019’* (see Paragraph G.2.2 of the Offer Document).

4.2.2.1 *Organic growth strategy*

In this regard, in the Offer Document, it is represented that the Bidder’s Group plans to work *‘with the management of the Issuer to ensure that all stakeholders, including at the international level, are able to continue to support effectively the implementation of the growth plan of the Issuer in a prudent and disciplined manner’* and *‘to proactively manage the Issuer, preserving the geographic and product diversity of the Recordati Group, while ensuring an efficient operational model and strong cash flow generation’* (see Paragraph G.2.2 of the Offer Document). In particular, the Bidder has represented the following.

- (i) Consolidation and strengthening of the position of the Issuer as a diversified company specialized in pharmaceuticals working through various therapeutic products and in different geographical areas and in a highly defensible and growing market.

The extent of the portfolio of the Recordati Group ensures that, to the best knowledge of the Bidder, as at the Date of the Offer Document, no more than 3% of sales come from the combination of a single product/country, offering diversity and strength to business. The strategy of the Bidder’s Group is to continue to use the existing

infrastructure and established trade relations in order to stimulate the growth of volumes and market share of the Issuer in the main geographic areas. This strategy is favoured by the current positive trends of the pharmaceutical market arising from growth and the aging of the population and the high prevalence of chronic diseases (in the fields of urology and cardiovascular, gastrointestinal and neurological medicine).

The Bidder's Group also plans to continue to take advantage of the infrastructure and the marketing network of the Issuer in order to support the launch of new products, as was the case in 2018 for Reagila and Fortacin.

- (ii) Continuous development of the Issuer's organic growth through investment in the product pipeline, including exploring additional licensing opportunities.

The Bidder's Group intends to continue the successful strategy of the Issuer of the in-licensing and marketing of products at an advanced stage, devoting significant resources to research and development and business-planning functions. The Issuer is indeed a preferred partner for many licensees who wish to take advantage of the Recordati Group's wide and varied marketing infrastructure and market access. The Bidder's strategy foresees that the new activities will be complementary to the existing product portfolio, allowing synergies and improve the efficiency of the infrastructure. In the field of rare diseases, the Bidder's Group plans to focus on expanding into new markets (mainly in the Asia-Pacific region, where the Issuer has recently opened branches in Japan and Australia) and continue to develop the pipeline of new drugs in development, which, if successful, can generate, in the opinion of the Bidder's Group, significant revenues in the medium term.

- (iii) Support for profitability through efficient business model.

The Issuer has developed an efficient platform with an optimal operating leverage and a low-risk approach to research and development. In the Specialty and Primary Care sector, the Bidder's Group plans to maintain this selective strategy of research and development, based on the extension of lines of existing brands and investing in relatively low-risk licences relating to late-stage products that require an initial limited capital. The Bidder's Group believes that the Issuer may obtain attractive terms, being one of the few companies that offers a one-stop platform for pan-European sales and marketing infrastructure focused on its Specialty and Primary Care channels.

For the business of rare diseases, the Bidder's Group will continue to focus on the development of the Issuer's pipeline and to engage in research and development of innovative products (including through partnerships with research institutes and companies active in drug discovery), focusing on molecules that already have clinical evidence. The Bidder's Group believes, in line with the management of the Issuer, that, given the seriousness of these diseases, the limited population and the use of early clinical studies provide an opportunity to bring products to market more quickly for rare diseases.

- (iv) Strong focus on generating operating cash flows.

The Bidder's Group intends to continue to focus its strategy on generating significant cash flow and on the maintenance of a healthy balance sheet with adequate levels of indebtedness. This allows the Issuer to pursue a growing acquisition strategy, in addition to maintaining an attractive dividend policy for shareholders. To achieve this objective, the Bidder's Group intends to focus on profitability, disciplined management of working capital and capital expenditure, while expecting that expenses for investment will largely be limited to the maintenance of existing activities and broadly in line with historical levels. In addition, the Bidder's Group expects that the Issuer will continue to benefit from limited working capital requirements without significant seasonality or interim fluctuations.

4.2.2.2 Business development strategy

With reference to this strategic objective in the Offer Document, it is represented that the Bidder's Group will provide the Issuer's own global network and expertise in mergers and acquisitions in order to assist the Issuer in the evaluation and integration of acquisition opportunities in both Specialty and Primary Care and in the rare diseases segment. In particular, the Bidder has represented the following.

(i) Continuous improvement through selective growth opportunities for business development.

The Bidder's Group foresees an incremental future revenue growth through selective acquisitions of products or companies in therapeutic areas or regions that are expected to add value to the overall business. The Bidder's Group, acting as the primary institutional investor with a strong experience in the healthcare industry and a global network of relationships, aims to support the Issuer in the selection and assessment of potential acquisitions. By way of example, reprioritisation by large pharmaceutical companies in recent years has expanded the range of potential acquisition targets in the therapeutic areas of interest, which the Issuer may continue to assess carefully. Accordingly, the Issuer may make from time to time selective acquisitions of products or companies, some of which may be significant.

The Bidder further acknowledges that Recordati has extensive experience in integration of companies and products in the Recordati Group, managing to obtain the expected results and to derive the maximum value from the assets acquired. The Bidder's Group will leverage its extensive experience in mergers and acquisitions to minimize execution risk and maximize potential synergies.

(ii) Support for acquisition strategy by maintaining a healthy financial leverage throughout the economic cycle.

The Bidder has stated that *'The potential acquisitions will be pursued through efficient use of free cash flow and financial leverage, taking into account the financial covenants relating to the indebtedness of the Issuer, while maintaining an attractive dividend policy. As at the Date of the Offer Document, the Issuer and each of its subsidiaries are required to maintain specific ratios of (i) consolidated net debt compared to the consolidated EBITDA and (ii) consolidated EBIT compared to consolidated net financial expenses, each of which must be verified on the last day of each quarter. The ratio for each is set at 3.0 to 1.0. Please note that these limits will*

remain in place even after the Offer has ended (assuming that the Delisting of the Issuer does not occur)' (see Paragraph G.2.2 of the Offer Document).

(iii) Investment in the Issuer as a separate group within the investment portfolio of the Bidder

The Bidder's Group intends to manage its investment in the Issuer and as at the Date of the Offer Document, there are no plans to integrate with other companies in the portfolio of other funds of the Bidder's Group. However, the Bidder cannot exclude that as part of the ongoing analysis of acquisition opportunities led by the management of the Issuer, some of the companies that will be examined from time to time may be found inside the portfolio of the funds managed by the Bidder's Group. These opportunities are therefore evaluated as separate companies in accordance with the strategy of mergers and acquisitions of the Issuer.

With respect to the above, the Board of Directors of Recordati considers that the Bidder's programmes are in line with the Issuer's business growth strategy and the business model, particularly taking into account the Bidder's intentions to (i) consolidate and strengthen the Issuer's position and to support its organic growth through investments in the product pipeline, identifying further licensing opportunities of new products, (ii) continue the geographical expansion of the rare disease business, with the aim of making it a global business, (iii) support the Issuer in the selection and evaluation of potential acquisitions, supporting its acquisition strategy.

Lastly, the Board of Directors of Recordati acknowledges that, as at the Date of the Offer Document, the Bidder has not yet evaluated any proposal to the Board of Directors of the Issuer in relation to investments of particular importance and/or subsequent investments as compared to those generally required for the operational management of the activities in the industrial sector where the Issuer itself operates (see Paragraph G.2.3).

4.2.3 Planned changes to the composition of the Board of Directors and the articles of association of Recordati

As stated under Paragraph 3.1 above of the 103 Notice and as disclosed by the Issuer on 6 December 2018:

- (i) The Chairman of the Board of Directors Alberto Recordati, the Director Marco Vitale and the Independent Director Paolo Fresia have resigned from all their respective positions at Recordati;
- (ii) The Board of Directors has:
 - consequently resolved, pursuant to article 2386 and article 17 of the Articles of Association, the appointment by co-optation of Giampiero Mazza (also appointed Chairman of the Board of Directors), Cathrin Petty and Søren Vestergaard-Poulsen, who will remain in office until the next Shareholders' Meeting of Recordati;
 - acknowledged the resignation from the other directors in office on the same date (appointed by the Shareholders' Meeting of 11 April 2017 at the proposal of the

majority shareholder FIMEI) – namely, Andrea Recordati (Vice Chairman & CEO), Fritz Squindo (Managing Director) and Rosalba Casiraghi, Michaela Castelli, Elisa Corghi and Mario Garraffo (these last four all being Independent Directors) – with effect from the next Shareholders’ Meeting of Recordati in order to allow full replacement with voting rights of the list of organs of administration of Recordati pursuant to article 15 of the Articles of Association;

- on 19 December 2018 has been convened the Ordinary Shareholders’ Meeting of Recordati on 5 February 2019 at 10:00 in a single call at the headquarters of the Company, with the following agenda: 1. Appointment of a new Board of Directors: a) Determination of the number of members of the Board of Directors. b) Determination of the term of office of the Board of Directors. c) Appointment of the members of the Board of Directors. d) Determination of the remuneration of the members of the Board of Directors.

The Board of Directors of Recordati also acknowledges that as at the Date of the Offer Document, the Bidder has not identified any specific changes or modifications to be made to the current articles of association of the Issuer and have stated that, however, some changes may be made as a result of the possible Delisting of the shares of the Issuer in order to adapt the articles of association of the Issuer to those of a company with shares not admitted to trading on the MTA (see Paragraph G.2.7 of the Offer Document).

4.3 Evaluation of the Board of Directors on the fairness of the Purchase Price

4.3.1 Main information concerning the Purchase Price contained in the Offer Document

As already mentioned in the Introduction of the 103 Notice, the Bidder will pay to the adherents to the Offer a Purchase Price of EUR 27.55 for each share tendered to the Offer (see Paragraph E.1 of the Offer Document.). The Maximum Disbursement, in case of total acceptance amounts to EUR 2,692,604,209.

The amount is net of coupons, to the extent owed, and of fees, commissions and expenses that will be paid by the Bidder, while the withholding tax on capital gains, where due, will be borne by the adherents to the Offer.

As stated in the Offer Document (see Paragraph E.1), given the mandatory nature of the Offer and taking into account the structure of the transaction that results in obligation to launch the Offer, the Purchase Price has been set in accordance with the provisions of article 106, paragraph 2 TUF.

The Bidder has also specified that (see Paragraph 2 of the Introduction and Paragraph E.1 of the Offer Document): (i) the Purchase Price per Share, equal to EUR 27.55, paid entirely in cash by the Bidder to Arrigo Recordati s.s., as Seller, for the purchase of the Shareholding (through the purchase of the FIMEI Shares), corresponds to the highest price paid by the Bidder in the twelve months prior to the date of the 102 Notice for the purchase of Recordati shares; and (ii) the Bidder itself and (to the best of its knowledge) the Persons Acting in Concert have not made any further purchases of ordinary shares of Recordati in the twelve months prior to the 102 Notice, except as indicated under Paragraph E.6 of the Offer

Document and Paragraph 1.1 of the 103 Notice.

The Bidder has stated that in determining the above-mentioned valuation, the Bidder has not made use of expert opinions or specific assessment documents and that such valuation was based solely on the value ascribed independently by the Bidder to the shares of the Issuer acquired from the Bidder and was determined through an analysis completed independently by the Bidder. In particular, the Bidder stated that *'the price of EUR 28 cum dividendo per unit for the Recordati shares offered to the Sellers under the Sale and Purchase Agreement (subsequently EUR 27.55 following the distribution of interim dividend for the 2018 financial year, approved by the Board of Directors of the Issuer on 30 October 2018 for EUR 0.45 per share, with the dividend coupon date of 19 November 2018) was the result of the negotiation with the Sellers on the basis of 'fundamental' valuation of the company in question. To this end, account has been taken, in particular, of the market valuation of comparable companies (in particular in terms of multiples of EBITDA) and multiples of comparable transactions carried out in the pharmaceutical industry. Conversely, the Bidder has not given particular relevance to the current stock exchange value of the Recordati shares, since it has considered this value to be influenced to a significant degree by rumours and press releases published during May 2018.'* (please refer to Paragraph E.1 of the Offer Document).

The following is illustrated in Paragraph E.3 of the Offer Document entitled *'Comparison of the Purchase Price per Share with some indicators relating to the Issuer'*.

The following table shows the main indicators relating to the Issuer with respect to the financial years ended 31 December 2017 and 31 December 2016.

Indicators for the Last Two Financial Years - Consolidated values		
	2017	2016
Data in thousands of EUR, except per share values indicated in EUR		
Dividends paid during the year	159,607	133,730
Net income of the Group	288,762	237,406
Ebitda ¹	454,645	365,355
Total Cash Flow	336,968	281,225
Net Equity of the Group	1,027,090	903,830
In EUR per share²		
Dividends paid during the financial year per share	0.766	0.652
Net profit per share	1.395	1.152
EBITDA per share	2.196	1.773
Cash Flow per share	1.628	1.364
Net Equity of the Group per share	4.932	4.404

Source: Consolidated financial statements of the Issuer as at 31 December 2017 and 31 December 2016.

Note:

1) The EBITDA reported in the consolidated financial statements of the Issuer as at 31 December 2017 and 31 December 2016 amounted to EUR 454,661,000 and EUR 371,217,000 respectively and includes an impairment of EUR 16,000 and EUR 5,862,000 respectively.

2) Dividends paid and net asset value per share calculated on the number of shares outstanding, net of the Treasury Shares as at 31 December of each financial year; net income, EBITDA and Cash Flow per share calculated using the average number of shares outstanding excluding treasury shares held in each financial year.

The Offer Document also specifies that, given the nature of the activity performed by the Issuer and the multiples generally used by financial analysts, the following multipliers have been considered:

- (i) EV / Sales;
- (ii) EV / EBITDA¹;
- (iii) EV / EBIT²; and
- (iv) P / E.

The following table (taken from Paragraph E.3 of the Offer Document) indicates the EV / Sales, EV / EBITDA, EV / EBIT and P / E multipliers relating to the Issuer for the financial years ended 31 December 2017 and 31 December 2016 and calculated on the basis of the Purchase Price per Share *cum dividendo*.

Price ¹ Multiplier	2017	2016
EV / Sales ²	4.78x	5.33x
EV / EBITDA ³	13.5x	16.8x
EV / EBIT ⁴	15.1x	18.8x
P / E ⁵	19.6x	23.9x

Source: Based on data in the consolidated financial statements as at 31 December 2017 and 31 December 2016 and in the quarterly report as at 31 March 2018.

Note:

1) EV, equal to Euro 6,153,850,000, calculated as the algebraic sum of the market capitalisation (shares outstanding, net of the Treasury Shares as at 31 March 2018 multiplied by the Purchase Price per Share *cum dividendo*), equal to Euro 5,672,298,000, net financial position, minority interests and obligations related to employee pension funds, net of investments accounted for in the equity as at 31 March 2018.

2) The sales reported in the consolidated financial statements of the Issuer as at 31 December 2017 and 31 December 2016 amounted to Euro 1,288,123 million and to Euro 1,153,942,000 respectively.

3) The EBITDA reported in the consolidated financial statements of the Issuer as at 31 December 2017 and 31 December

2016 amounted to Euro 454,645,000 and to Euro 365,355,000.

4) The EBIT reported in the consolidated financial statements of the Issuer as at 31 December 2017 and 31 December 2016 amounted to Euro 406,492,000 and to Euro 327,423,000.

5) The net income of the Group reported in the consolidated financial statements of the Issuer as at 31 December 2017 and 31 December 2016 amounted to Euro 288,762,000 and to Euro 237,406,000.

These multipliers have been compared by the Bidder with similar data for the 2017 and 2016 financial years with respect to a sample of internationally listed companies operating in the same sector of the Issuer and considered potentially at least comparable with the Issuer, calculated on the basis of stock market price prior to the date of the announcement of the Offer. Below is a description of the companies considered by the Bidder contained in the Offer Document.

The Bidder has specified that the sample of listed companies has been selected taking into account the level of diversification of Recordati, with proceeds generated in the Special Pharma, Over the Counter and Orphan Drugs divisions, in both the Italian and international markets.

EU Specialty

1. **Almirall SA:** established in 1943, based in Barcelona (Spain), is a Spanish company listed on the Madrid Stock Exchange with a market capitalisation of approximately EUR 2 billion. It develops drugs and treatments primarily in the fields of dermatology, central nervous system diseases, and respiratory and musculoskeletal disorders. As at 31 December 2017, it had approximately 1,800 employees;
2. **Ipsen SA:** founded in 1929, based in Boulogne-Billancourt (France), is a French company listed on the Paris Stock Exchange with a market capitalisation of approximately EUR 11 billion. It develops drugs and treatments mainly in the fields of oncology, neurological diseases as well as drugs for the treatment of rare pituitary diseases. As at 31 December 2017, it had approximately 5,400 employees;
3. **Lundbeck AS:** founded in 1915, based in Valby (Denmark), is a Danish company listed on the Copenhagen Stock Exchange with a market capitalisation of approximately EUR 12 billion. It develops drugs and treatments to cure Alzheimer's disease, Parkinson's disease, schizophrenia and depression. As at 31 December 2017, it had approximately 5,000 employees;
4. **Orion Corporation:** founded in 1917, based in Espoo (Finland), is a Finnish company listed on the Helsinki Stock Exchange with a market capitalisation of approximately EUR 3 billion. It develops drugs and treatments mainly in the fields of oncology, heart disease, modular and sexual disorders, and anaesthesia. As at 31 December 2017, it had approximately 3,500 employees;
5. **UCB SA:** founded in 1928, based in Brussels (Belgium), is a Belgian company listed on the Brussels Stock Exchange with a market capitalisation of approximately EUR 12 billion. It develops drugs and treatments mainly in the fields of neurology and immunology. As at 31 December 2017, it had approximately 7,500 employees.

Orphan Drugs

6. **Jazz Pharmaceuticals Inc.:** founded in 2003, based in Dublin (Ireland), is a U.S. company listed on the NASDAQ with a market capitalisation of approximately EUR 9 billion. It develops medicines mainly in the fields of sleep disorders, haematology and oncology. As at 20 February 2018, it had approximately twelve hundred employees;
7. **Swedish Orphan Biovitrum AB:** founded in 2001, based in Stockholm (Sweden), is a Swedish company listed on the Stockholm Stock Exchange with a market capitalisation of approximately EUR 5 billion. It develops medicines and treatments for rare disorders, in particular in the fields of haemophilia (developing products such as Elocta and Alprolix), inflammation and genetic and metabolic disorders. As at 31 December 2017, it had approximately about 800 employees.

Over the Counter

8. **Perrigo Co. Plc.:** founded in 1887, established in Dublin (Ireland), is a U.S. company listed on the NYSE with a market capitalisation of approximately EUR 9 billion. It is a global pharmaceutical company and offers OTC and prescription drugs for the treatment of skin disorders in addition to children's products. As at 31 December 2017, it had approximately 10,400 employees.

Global Generics Players

9. **Mylan N.V.:** founded in 1961, headquartered in Canonsburg, Pennsylvania, is a U.S. company listed on the NASDAQ with a market capitalisation of approximately EUR 16 billion. It is a global pharmaceutical company and offers branded and OTC generics as well as pharmaceutical ingredients (API). As at 31 December 2017, it had approximately 35,000 employees;

Source: publicly available information, annual reports and websites of companies.

Note: Market capitalisations as at 28 June 2018 (last trading day prior to the date when the signing of the Sale and Purchase Agreement was communicated to the market).

Comparable companies	Sector	EV / Revenues		EV / EBITDA		EV / EBIT		P / E	
		2017	2016	2017	2016	2017	2016	2017	2016
Almirall	EU Specialty	2.65x	2.33x	14.1x	8.8x	n.s.	15.7x	n.s.	24.0x
Ipsen	EU Specialty	5.72x	6.89x	20.7x	29.1x	22.9x	n.s.	30.5x	42.0x
Lundbeck	EU Specialty	4.86x	5.36x	15.5x	21.8x	16.4x	24.1x	26.6x	39.5x
Orion Corporation	EU Specialty	3.07x	3.10x	9.9x	9.4x	11.3x	10.6x	14.2x	12.9x
UCB	EU Specialty	2.93x	3.20x	9.6x	12.9x	11.7x	16.7x	13.7x	20.7x
Jazz Pharmaceuticals	Orphan	6.98x	7.60x	10.6x	11.9x	12.6x	13.5x	15.4x	16.6x

Swedish Orphan Biovitrum	<i>Orphan</i>	9.04x	n.s.	28.2x	n.s.	n.s.	n.s.	45.3x	n.s.
Perrigo Co.	<i>OTC</i>	2.58x	2.41x	7.9x	7.8x	11.0x	10.9x	14.4x	13.9x
Mylan	<i>Global Generics Players</i>	2.82x	3.04x	8.9x	9.1x	9.9x	10.3x	7.7x	7.4x
Average		4.52x	4.24x	13.9x	13.9x	13.7x	14.5x	21.0x	22.1x
Median		3.07x	3.15x	10.6x	10.6x	11.7x	13.5x	14.9x	18.7x
Recordati		4.78x	5.33x	13.5x	16.8x	15.1x	18.8x	19.6x	23.9x

Source: Bloomberg and based on data in the consolidated financial statements of comparable companies as at 31 December 2017 and 31 December 2016 and the quarterly reports as at 31 March 2018.

Note: EV calculated as the algebraic sum of the market capitalisation (shares outstanding multiplied by the official closing price as at 28 June 2018), the net financial position, minority interests and obligations concerning the processing of employee pensions, excluding investments accounted for at equity. For companies that use a closing date of consolidated financial statements other than 31 December, the economic data has been timed as at 31 December.

The Bidder has specified that the multipliers have been drawn up exclusively for the purposes of inclusion in the Offer Document and may not be the same in different, though similar, transactions; the existence of different market conditions could also lead to, in good faith, analyses and assessments, in whole or in part, different from those represented.

The Offer Document also highlights that the implicit multiplier of the Purchase Price per Share *cum dividendo* is:

- approximately 0.26x and 1.09x higher than the average multiple of the comparable companies under the heading EV / Revenues for 2016 and 2017 respectively;
- approximately 0.4x lower than the average multiple of comparable companies under the heading EV / EBITDA for 2017, and approximately 3.0x higher than the average multiple of the comparable companies under the heading EV / EBITDA for 2016;
- approximately 1.5x and 4.3x higher than the average multiple of the comparable companies under the heading EV / EBIT for 2017 and 2016 respectively;
- approximately 1.3x lower than the average multiple of comparable companies under the heading P/E for 2017, and approximately 1.8x higher than the average multiple of comparable companies under the heading P/E for 2016.

The following is illustrated in Paragraph E.4 of the Offer Document entitled ‘*Monthly weighted arithmetic average of the official price recorded for the shares of the Issuer in the 12 months preceding the date of the announcement of the Acquisition*’.

The following table shows the weighted average for daily volumes of official prices of the Recordati shares recorded in each of the twelve months preceding 28 June 2018 (last Trading Day prior to the date when the signing of the Sale and Purchase Agreement was communicated to the market).

Period	Total volumes (thousands of	Total volumes in EUR	Weighted average price	Purchase Price¹ vs. weighted
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	shares)	thousand	(in EUR)	average price
1 June – 28 June 2018	17,196	570,854	33.2	-15.7%
May 2018	19,594	615,719	31.4	-10.9%
April 2018	10,745	318,346	29.6	-5.5%
March 2018	20,668	598,450	29.0	-3.3%
February 2018	19,444	604,588	31.1	-9.9%
January 2018	6,559	248,585	37.9	-26.1%
December 2017	6,245	234,694	37.6	-25.5%
November 2017	7,322	284,788	38.9	-28.0%
October 2017	8,441	334,771	39.7	-29.4%
September 2017	7,291	274,484	37.6	-25.6%
August 2017	7,265	257,227	35.4	-20.9%
July 2017	7,983	284,292	35.6	-21.4%
29 June – 30 June 2017	1,179	41,830	35.5	-21.1%

Source: Bloomberg.

Note: 1) Purchase Price per Share cum dividendo (interim dividend distributed equal to EUR 0.45 per Share).

The official price per share disclosed at the close of 28 June 2018 (last Trading Day prior to the date when the signing of the Sale and Purchase Agreement was communicated to the market) was equal to EUR 33.4 (source: Bloomberg). The price incorporates a discount of 16.3% compared to the said price.

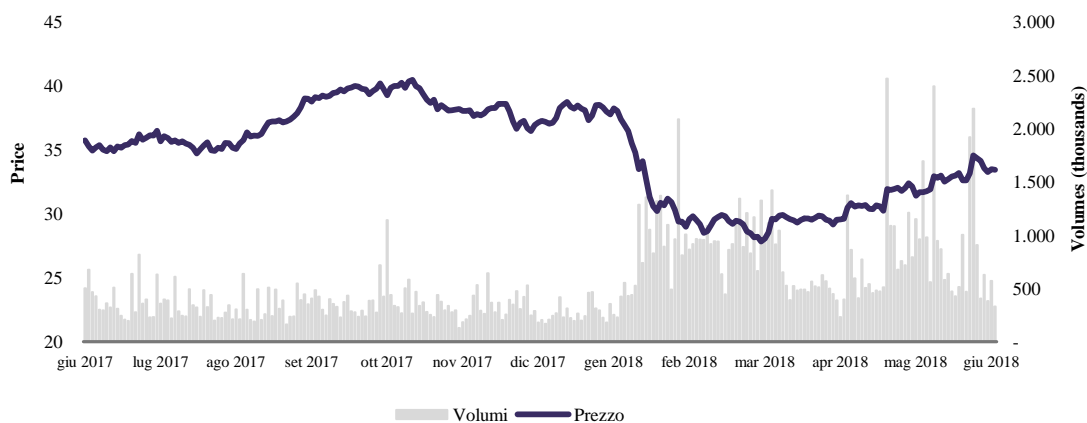
The following table presents a comparison of the Purchase Price per Share and: (i) the last official closing price of the shares recorded on 28 June 2018 and (ii) the weighted arithmetic average of official prices for 1, 3 and 6 months and 1 year prior to 29 June 2018 (date on which the signing of the Sale and Purchase Agreement was communicated to the market):

Reference period	Weighted average price during the period	Purchase Price ¹ vs. weighted average price of the period
Weighted average price on the volume – data from before the announcement (28 June 2018)	33.4	-16.3%
Weighted average price on the volume – 1 month before 29 June 2018	32.9	-14.9%
Weighted average price on the volume – 3 months before 29 June 2018	31.6	-11.4%
Weighted average price on the volume – 6 months before 29 June 2018	31.4	-10.8%
Weighted average price on the volume – 1 year before 29 June 2018	33.4	-16.1%

Source: Bloomberg.

Note: 1) Purchase Price per Share cum dividendo.

The following graph shows the trend of the Issuer's official share price for the past 12 months until 28 June 2018 (last Trading Day prior to the date when the signing of the Sale and Purchase Agreement was communicated to the market):



Source: Bloomberg.

4.3.2 Methods and summary of the findings of the Independent Expert appointed by the Board of Directors

The Board of Directors of the Issuer appointed Mediobanca as independent expert pursuant

to article 39, paragraph 1(d) IR and in charge of issuing a fairness opinion to the Board of Directors of the Issuer on the fairness, from a financial point of view, of the Purchase Price for the holders, other than Rossini Investimenti, of ordinary shares of Recordati. In the performance of its duties, Mediobanca has given a declaration of independence to the Issuer.

Mediobanca rendered its fairness opinion on 19 December 2018. A copy of the Opinion of the Independent Expert – to which reference is made via a thorough analysis and illustration of the methodologies used – is attached to this 103 Notice as Annex A.

Within the scope of the analyses carried out concerning the fairness of the Purchase Price, the Independent Expert decided to adopt in the drafting of its fairness opinion – subject to the assumptions as well as better described in the opinion of the Independent Expert – the following methods:

Main valuation methods:

- a) Share price performance;
- b) Discounted cash flow;
- c) Comparable transactions.

Control valuation methods:

- a) Trading multiples;
- b) Target price using target prices published by financial analysts and investment banks.

Such assessments should not be considered individually, but construed as an inseparable part of a single valuation process. Analysis of the results obtained from each methodology independently and not in the light of the complementary nature of the relationship created with the other criteria necessarily entails a loss of significance for the valuation process as a whole.

Here below the results of the analysis and, in particular, the reference values of the Issuer's shares compared with the Purchase Price.

Method	Price per share (Euro per share)		Implicit Premium or (Discount) recognized within the Offer (%)	
	Min	Max	Min	Max
Share price performance	35.7	39.8	(22.9%)	(30.7%)
<i>Discounted Cash Flow</i>	27.7	37.2	(0.4%)	(25.9%)

Comparable transactions	26.1	34.3	5.5%	(19.6%)
Trading multiples	27.9	28.8	(1.4%)	(4.3%)
Target price using target prices published by financial analysts and investment banks	30.0	39.1	(8.2%)	(29.5%)

By applying these methods, as described in detail in the Opinion of the Independent Expert attached to this 103 Notice as Annex A and to which full reference is made and taking into account the difficulties and limits of the adopted valuation methodologies and the underlying assumptions, the Independent Expert concluded that within the Offer, the Purchase Price is not fair from a financial point of view.

5. OPINION OF THE INDEPENDENT DIRECTORS AND FAIRNESS OPINION RENDERED BY THE INDEPENDENT EXPERTS APPOINTED BY THE INDEPENDENT DIRECTORS

5.1.1 *Methods and summary of the results of the independent experts appointed by the Independent Directors*

In the exercise of the power vested in them pursuant to article 39-bis, paragraph 2 of the Issuers' Regulation, the Independent Directors decided to avail themselves of the consultancy of Lazard S.r.l. in co-advisory with Colombo&Associati S.r.l. (for the purposes of this Paragraph 5, collectively referred to as the '**Independent Experts**'), which have been tasked with jointly issuing, for the benefit of the Independent Directors, the respective fairness opinions on the Purchase Price offered by the Bidder (for the purposes of this Paragraph 5, collectively referred to as the '**Fairness Opinion**'). The Independent Directors also requested legal support from Galbiati, Sacchi e Associati Law Firm in relation to the management of the process for the preparation of the Opinion of the Independent Directors.

On 18 December 2018, the Independent Experts issued the Fairness Opinion, attached to the Opinion of the Independent Directors, which in turn is attached to this 103 Notice as Annex B.

When referring to the Fairness Opinion, for a more detailed description of the methods used and the analyses carried out by the Independent Experts, as well as a more detailed analysis of the content, limits and results obtained, the following provides the principal findings garnered from the completion of the above-mentioned analyses, according to each method identified and used:

- (i) *Discounted Cash Flow Analysis*: the Independent Experts identified two ranges of values for each Recordati share that are respectively, in a stand-alone scenario and in an M&A scenario, between EUR 27.45 and EUR 32.63 and between EUR 29.47 and EUR 35.89;
- (ii) *Precedent Transactions Analysis*: the Independent Experts identified a range of values for each Recordati share that is between EUR 27.64 and EUR 30.04;
- (iii) *Comparable Companies Analysis*: the Independent Experts identified a range of values for each Recordati share that is between EUR 24.04 and EUR 26.57;

- (iv) *Market Prices and Premium Paid Analysis*: the Independent Experts identified two ranges of values for each Recordati share that are respectively between EUR 29.78 and EUR 31.22 and between EUR 31.93 and EUR 36.27;
- (v) *Analyst Target Price Analysis*: the Independent Experts identified a range of values for each Recordati share that is between EUR 30.00 and EUR 39.10.

On the basis of the analyses carried out, while underlining how each method used has its own strengths and weaknesses, and how the nature of some available information could influence the reliability of some of these methods, the Independent Experts concluded on the date of the issuance of the Fairness Opinion that the Purchase Price of the Offer is, from a financial point of view, not fair for the shareholders of Recordati who hold the shares that are the object of the Offer.

5.1.2 Evaluations made by the Independent Directors concerning the fairness of the Purchase Price

The Independent Directors examined the Fairness Opinion issued by the Independent Experts together with the documentation and information prepared by them and illustrated during the numerous meetings that took place during the process that led to the issuance of the Opinion of the Independent Directors.

Upon the completion of the evaluations and in-depth analyses, the Independent Directors decided to share the identified evaluation methods and their application.

In adopting the conclusions presented in the Fairness Opinion, the Independent Directors also took into consideration the following:

- (i) the interest in maintaining continuity of the senior management of the company, which was highlighted in the Offer Document;
- (ii) the results of the Company and the growth targets, which confirm the positive performance of Recordati's profits;
- (iii) Recordati's strategy which, alongside organic growth, aims to drive growth through acquisitions, an historically important driver of its profits, and which has been confirmed by the Bidder, as shown in the Offer Document;
- (iv) the company is actively pursuing the growth objective through acquisitions;
- (v) to date, the covenants relating to the Issuer's indebtedness have allowed for the pursuit of the growth strategy outlined in the Offer Document while maintaining '*an attractive dividend policy*' (see Section G, Paragraph G.2.2 of the Offer Document). (see Paragraph 5.3 of the Opinion of the Independent Directors).

Below appears the text of Paragraph 6 – Conclusions of the Opinion of the Independent Directors:

'Without prejudice to the purposes and limitations of the scope of the Opinion indicated in paragraph 2 above, the Independent Directors

have examined, in particular, the content

- of the Notice of the Bidder of 6 December 2018 prepared in accordance with article 102, paragraph 1 TUF and article 37 of the Issuers' Regulation, by which the Bidder has announced that it is required to launch the Offer;
- the Offer Document in its version dated 18 December 2018 prepared by the Bidder in accordance with articles 102 and 106, paragraph 1 TUF and placed at the disposal of the Independent Directors on 18 December 2018 for the purposes of the present Opinion;
- the Fairness Opinion issued by Lazard S.r.l. and Colombo&Associati S.r.l. on 18 December 2018, in their capacity as Independent Experts attached hereto as Annexes A and B;

have acknowledged

- the nature of the Offer, as a result of the acquisition of 100% of the share capital of the controlling company of the Issuer and, therefore, of the requirement to set a purchase price that is not lower, indirectly, than the purchase price of the Recordati shares purchased by the Buyer;
- that, as of the present date, as far as the Independent Directors are aware, the Supervisory Authority has not begun the procedure pursuant to article 47-sexies of the Issuers' Regulation for increasing the price of the mandatory takeover bids,

direct attention

- in particular, to what is highlighted under paragraph 4.5 and the contents of paragraphs 5.2 and 5.3,

consider unanimously, in their opinion,

- (i) with respect to the Offer, that it is in compliance with the requirements laid down under the legal regime for mandatory takeover bids, not containing conditions or accessory or accidental elements that affect its essential content, as described above in paragraph 4;
- (ii) with regard to the fairness of the Purchase Price per Share, having obtained and reviewed the valuation methods used by the Independent Experts, as well as the related application, and agreeing with the conclusions thereof, that the Purchase Price per Share should be considered as not fair, as described above in paragraph 5.

In any case, the economic convenience of accepting the Offer must be assessed independently by each individual shareholder of Recordati, also taking into account, in particular, the performance of the shares during the Acceptance Period, their own investment strategies and the characteristics of the shareholding held by each of them.'

For an analysis of the considerations set out by the Independent Directors, please refer to the Opinion of the Independent Directors attached to this 103 Notice.

6. INFORMATION UNDER ARTICLE 39, PARAGRAPH 1(H) OF THE ISSUERS' REGULATION

As stated by the Bidder in the Offer Document, 'the Bidder reserves the right, in any case, to carry out [...] the Mergers' as described in Warning A.8 of the Offer Document 'it being

understood that as at the Date of the Offer Document, no formal decisions have been taken by the competent bodies of the companies that could be involved in such transactions or in its implementing manners.’.

In particular, the Bidder has stated (please refer to Warning A.8) that the ‘Mergers could be made upon the conclusion of (...) the Offer, (included the possible Reopening of Terms) and/or the fulfilment of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF and/or the Commitment to Squeeze-Out pursuant to article 108, paragraph 1 TUF and the exercise of the Right to Purchase, or within 12 months of the date of payment of the Purchase Price, if necessary and/or appropriate to achieve the Bidder’s future programme objectives, to shorten the chain of ownership of the Issuer and allow, except to the extent required by applicable law, the use of the cash flow generated by the Issuer for the purposes of repaying the indebtedness assumed for the Acquisition and the Offer.’.

The Bidder declared also that ‘the merger will be evaluated also with a view to shortening the chain of control and therefore, depending on the companies involved in the same, may lead to the applicability of article 2501-bis of the Italian Civil Code. In this regard, it noted that: (i) the holders of the Issuer’s shares who do not adhere to the Offer or who do not exercise their right of withdrawal as a result [edit. of the Mergers] would become holders of a shareholding in a company that could have a level of indebtedness higher than that of the Issuer prior to the same merger.’ (please refer to Warning A.8).

In this respect, the Board of Directors of Recordati represent that the effects of a possible future merger involving the Issuer on the Issuer’s debt, on outstanding financing agreements and guarantees, as well as the possible need to take out new financing agreements cannot currently be estimated, insofar as it will depend on the company with which the Issuer could merge, the procedures for implementing the merger and the suitability of assets and cash flows of the company resulting from the merger to repay indebtedness existing at the time in which one or more of the hypothetical mergers becomes effective.

For the sake of completeness, with respect to the competence of the Issuer, please note as follows.

The table below contains information on the Issuer’s consolidated net financial position as at 30 September 2018 with respect to that as at 31 December 2017, taken from the Quarterly Report, approved by the Board of Directors of Recordati on 30 October 2018, as additional financial reporting having been made on a voluntary basis (available on the website of Recordati at www.recordati.it under the section entitled ‘Investor / Annual and Interim Reports’, and the authorised ‘storage mechanism 1Info’ at www.1Info.it).

NET FINANCIAL POSITION

The net financial position is set out in the following table:

€ (thousands)	30 September 2018	31 December 2017	Change 2018/2017	%
Cash and short-term financial investments	235,165	302,077	(66,912)	(22.2)
Bank overdrafts and short-term loans	(67,580)	(16,577)	(51,003)	307.7
Loans – due within one year	(59,530)	(51,710)	(7,820)	15.1
Net liquid assets	108,055	233,790	(125,735)	(53.8)
Loans – due after one year ⁽¹⁾	(570,765)	(615,570)	44,805	(7.3)
Net financial position	(462,710)	(381,780)	(80,930)	21.2

⁽¹⁾ Includes change in fair value of the relative currency risk hedging instruments (cash flow hedge).

Always for the sake of providing complete information, please note that on 22 November 2018, the Issuer has signed with Mediobanca - Banca di Credito Finanziario S.p.A. a further loan agreement for an amount of Euro 150 million, granted net of the 0.45% up-front commissions, duration of 5 years with a grace period of 24 months, an interest rate equal to 6 months Euribor plus a spread of 130 annual bps; payment of interests on an half-yearly postponed basis, half-yearly repayment tranches of capital plus interests. The loan has been covered with an interest rate swap of cash flow hedge nature, which provides for the transformation of all the debt at a 1.619% interest rate.

The existing medium/long term loan agreements of the Recordati Group provide for clauses which grant to the issuing banks rights of early repayment or withdrawal, termination and acceleration at the occurrence of specific events, as the performing of extraordinary transactions, the assumption of financial liability beyond certain limits, the delisting of Issuer's ordinary shares.

7. CONCLUDING ASSESSMENTS

During its meeting of 21 December 2018, the Board of Directors of Recordati approved the 103 Notice unanimously.

In the same meeting, the Board of Directors acknowledged what is stated in the Offer Document, the Opinion of the Independent Expert, the assessments expressed in the Opinion of the Independent Directors unrelated to the Bidder and in the fairness opinion issued by Lazard S.r.l. and Colombo&Associati S.r.l.

In particular, the Board of Directors consider the methodological approach contained in the Independent Expert's Opinion consistent with professional and market practice, as well as sufficient to enable to carry out evaluation activity.

In the light of the above considerations, the Board of Directors with majority support considered, from a financial perspective, the Purchase Price not fair.

In particular, as a result of the declarations by certain Directors, also under article 2391 of the Italian Civil Code and article 39, paragraph 1(b) of the Issuers' Regulation, and stated in Paragraph 1.1 above of the 103 Notice:

- (i) the Directors Giampiero Mazza, Cathrin Perry and Andrea Recordati declared to abstain in relation to the evaluation of the fairness of the Purchase Price;
- (ii) the Director Fritz Squindo - also due to his position however different respect to the other directors which considered to abstain, and in the conviction that such vote is not incoherent with his position of Person Acting in Concert - has taken part in the vote and has considered the Purchase Price not fair, from a financial point of view.

The Independent Directors Rosalba Casiraghi, Michaela Castelli, Elisa Corghi and Mario Garraffo, considered the Purchase Price not fair, from a financial point of view.

All this being said, the Board of Directors considers it appropriate to point out that – as stated in Paragraph 3.2 of the Introduction – the Bidder has stated that the Offer is not directed towards the Delisting of the shares of the Issuer and, nevertheless, it will likely not proceed with the recovery of a float sufficient to ensure the regular trading performance of the Recordati shares on the MTA, where Recordati, as a result of the Offer, owns a shareholding in the share capital of the Issuer in excess of 90% and less than 95% of the shares of the Issuer. The Bidder has also indicated its intention to exercise the Purchase Right where it acquires an overall shareholding in the Issuer of at least equal to 95% of the share capital of the Issuer. The Bidder shall disclose whether or not the legal requirements have been met for the fulfilment of the Commitment to Squeeze-out pursuant to article 108, paragraph 1 TUF, the Commitment to Squeeze-out pursuant to article 108, paragraph 2 TUF, and the decision whether or not to restore the float according to the terms and conditions indicated in the Offer (see Paragraphs 1.3 of the Introduction and A.10, A.11, A.13, A.14 and G.3).

As noted in Paragraphs 4.2.1 and 6 of the 103 Notice, the Bidder has also said it reserves the right, in any case, to carry out the Merger transactions described in detail in Paragraph A.7 of the Offer Document.

Having regard to the foregoing, in the event of Delisting the shareholders (other than the Bidder) that do not adhere to the Offer will lose the benefits of negotiability of Recordati shares on a regulated market. In addition, in the event of Delisting, holders of shares Recordati who have not tendered to the Offer will be holders of financial instruments not traded on any regulated market, resulting in difficulty to liquidate their investment. Finally, note that in certain cases of Merger, the Issuer's shareholders who have not participated in the resolutions concerning the approval of these Mergers could have the right of withdrawal pursuant to article 2437-*quinquies* of the Italian Civil Code or, as the case may be, pursuant to article 2437 of the Italian Civil Code (for more information related thereto, please refer to Paragraph 4.2.1 of the 103 Notice and Paragraph A.8 of the Offer Document).

It is understood that the economic convenience to tender to the Offer is an autonomous prerogative of individual shareholders at the time of their acceptance, in the light of all the foregoing, of the performance of the Recordati shares, of the declarations of the Bidder and of the additional information contained in the Offer Document.

Following the approval of the Issuer's Notice, the Board of Directors has granted powers to the directors Giampiero Mazza, Andrea Recordati and Fritz Squindo, severally, *inter alia*, to proceed with the formalities aimed at the publication of the Notice of the Issuer (as an annex

to the Offer Document which will be published by the Bidder) and, where appropriate, to make the 103 Notice modifications and additions that were requested by Consob or by any other competent authority or to make updates that may be necessary for reasons of the change of the information contained in this 103 Notice.

The Board of Statutory Auditors of Recordati acknowledged the resolution adopted by the Board of Directors.

* * * * *

This 103 Notice, together with the following annexes, is included in the Offer Document published on the website of the Issuer at www.recordati.it:

- **Annex A:** fairness opinion rendered by Mediobanca in Italian, with a courtesy translation in English;
- **Annex B:** Opinion of the Independent Directors, together with the fairness opinion issued by Lazard S.r.l. and Colombo&Associati S.r.l. in English, with a courtesy translation in Italian.

* * * * *

Milan, 21 December 2018

For the Board of Directors

Andrea Recordati

(Chief Executive Officer and Vice-President of the Board of Directors)



MEDIOBANCA
Banca di Credito Finanziario S.p.A.

Milano, 19 dicembre 2018

Spettabile
RECORDATI S.p.A.
Via M. Civitali, 1
20148 Milano, Italia

Alla c.a. del Consiglio di Amministrazione

In data 29 giugno 2018 gli azionisti di Fime S.p.A. ("**FimeI**"), società che detiene il 51,791% delle azioni di Recordati Industria Chimica e Farmaceutica S.p.A. ("**Recordati**", o la "**Società**", o l'"**Emittente**", ed insieme alle società dalla stessa controllate e/o collegate il "**Gruppo**"), società con azioni quotate sul Mercato Telematico Azionario organizzato e gestito da Borsa Italiana S.p.A., hanno annunciato il raggiungimento di un accordo per la cessione dell'intero capitale di Fime ad un consorzio di fondi di investimento controllato da CVC Capital Partners VII (gli "**Investitori**") (l'"**Operazione**").

In data 6 dicembre 2018 è avvenuto il *closing* dell'Operazione e nella stessa data gli Investitori hanno comunicato, ai sensi dell'articolo 102, comma 1, del D. Lgs. 58/98 (il "**Testo Unico della Finanza**" o "**TUF**") e dell'art. 37, comma 1, del Regolamento Consob adottato con delibera n. 11971 del 14 maggio 1999, come successivamente modificato ed integrato (il "**Regolamento Emittenti**"), il sorgere dell'obbligo di promuovere un'offerta pubblica di acquisto obbligatoria totalitaria ai sensi degli art. 106 del TUF (l'"**Offerta**") sulle azioni ordinarie di Recordati emesse e in circolazione al momento dell'Offerta e non detenute, per un corrispettivo pari a Euro 27,55 per ogni azione ordinaria di Recordati che sarà portata in adesione all'Offerta (il "**Corrispettivo**"). In pari data, il veicolo societario Rossini Investimenti S.p.A. (l'"**Offerente**") ha comunicato di aver depositato presso la Commissione Nazionale per la Società e la Borsa (la "**Consob**") la bozza del documento d'Offerta (il "**Documento d'Offerta**"), trasmettendone copia all'Emittente.

Conseguentemente, ai sensi dell'art. 103 del TUF, il Consiglio di Amministrazione ("**CdA**") di Recordati è tenuto a diffondere un comunicato contenente ogni dato utile per l'apprezzamento dell'Offerta e la propria valutazione della stessa (il "**Comunicato dell'Emittente**") e, a tal fine, avvalendosi della facoltà prevista ai sensi dell'art. 39, comma 1, lettera d) del Regolamento Emittenti di nominare un esperto indipendente, ha conferito a Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**") un incarico (l'"**Incarico**") finalizzato all'emissione di una *fairness opinion* (il "**Parere**") con riferimento alla congruità dal punto di vista finanziario del Corrispettivo.

Il Parere è pertanto indirizzato esclusivamente al Consiglio di Amministrazione di Recordati nell'ambito del processo decisionale relativo all'Offerta come rappresentata nel Documento d'Offerta e si basa sull'assunto che l'Offerta venga posta in essere secondo termini e condizioni non significativamente difformi da quelli in esso rappresentati. In particolare, il Parere è basato sulle assunzioni riportate al Paragrafo 2.2.

Il Parere è stato redatto da Mediobanca a supporto e per uso interno ed esclusivo del Consiglio di Amministrazione di Recordati che se ne potrà avvalere per le determinazioni di propria competenza nei limiti e termini contenuti nel presente Parere. Pertanto, il Parere: (i) non potrà essere pubblicato o divulgato, in tutto o in parte, a terzi o utilizzato per scopi diversi da quelli indicati nel Parere stesso, salvo preventiva autorizzazione scritta di Mediobanca ovvero ove ciò sia richiesto da leggi o regolamenti o richieste specifiche di autorità competenti, mercato o altra autorità competente, fermo restando che è autorizzata sin da ora esclusivamente la pubblicazione di una copia integrale (e non per estratto) del presente Parere quale allegato del Comunicato dell'Emittente; (ii) è indirizzato esclusivamente al Consiglio di Amministrazione di Recordati e, pertanto, nessuno, ad eccezione dei destinatari del Parere, è autorizzato a fare affidamento su quanto riportato nel Parere e, conseguentemente, ogni giudizio di terzi, ivi inclusi gli azionisti di Recordati, sulla bontà e convenienza dell'Offerta rimarrà di loro esclusiva responsabilità e competenza. In particolare, il presente Parere non esprime alcun giudizio o



valutazione in merito all'interesse di Recordati e dei suoi azionisti all'Offerta e alla convenienza e correttezza sostanziale delle condizioni della stessa.

Si precisa che Mediobanca opera in qualità di consulente finanziario e pertanto non ha fornito e non fornisce alcuna prestazione consulenziale di natura, a titolo esemplificativo, ma non esaustivo, legale, attuariale, contabile, fiscale, industriale, ambientale, tecnica. È espressamente escluso un qualsiasi potere del consulente finanziario di vincolare o condizionare in alcun modo il Consiglio di Amministrazione di Recordati nelle proprie decisioni in relazione all'Offerta e il Parere si basa sul presupposto che l'Offerta e i termini e condizioni della stessa vengano valutati dai membri del Consiglio di Amministrazione di Recordati in autonomia di giudizio. Mediobanca riceverà ai sensi dell'Incarico una remunerazione fissa per il rilascio del Parere.

Mediobanca fa parte di un primario gruppo bancario che svolge, tra l'altro, attività di *private e investment banking*, servizi di consulenza finanziaria, attività di negoziazione titoli e attività di finanziamento per varie tipologie di soggetti e istituzioni. Nel corso del normale esercizio di tali attività, Mediobanca potrebbe prestare tali servizi a favore delle società coinvolte nell'Offerta e/o dei loro soci e/o delle loro controllate e collegate. Inoltre Mediobanca potrebbe in certe occasioni effettuare operazioni e detenere posizioni in strumenti finanziari (inclusi strumenti finanziari derivati) delle società coinvolte nell'Offerta e/o delle loro controllate o collegate, per conto proprio o per conto dei propri clienti. Per completezza si segnala che, alla data della presente lettera, Mediobanca ha in essere un finanziamento con Recordati.

Il Parere è riferito alle condizioni economiche e di mercato alla data del 12 dicembre 2018 (la "**Data di Riferimento del Parere**"). Mediobanca ha basato le proprie analisi sul fatto che nel periodo compreso tra le ultime situazioni economico finanziarie disponibili alla data del 30 settembre 2018 e la Data di Riferimento del Parere non si siano verificati mutamenti sostanziali nel profilo economico patrimoniale e finanziario di Recordati. In ogni caso, in generale, è inteso che sviluppi successivi nelle condizioni di mercato così come in tutte le Informazioni utilizzate nei termini e condizioni dell'Offerta, potrebbero avere un effetto anche significativo sulle conclusioni del Parere. Mediobanca peraltro non si assume né avrà alcun onere o impegno ad aggiornare o rivedere il Parere o riconfermare le proprie conclusioni ivi presenti, anche nel caso si verificassero una o più delle variazioni sopra richiamate.

Le conclusioni espone nel Parere sono basate sul complesso delle considerazioni ivi contenute e, pertanto, nessuna parte del Parere potrà essere utilizzata disgiuntamente rispetto al Parere nella sua interezza. L'utilizzo parziale del contenuto del Parere e/o l'utilizzo dello stesso per scopi diversi rispetto a quelli per i quali è stato redatto può comportare un'errata interpretazione, anche in maniera significativa, di tutte le considerazioni presenti nel Parere e/o delle sue conclusioni. In nessun caso, le valutazioni riportate nel Parere sono da considerarsi in un contesto diverso da quello in esame. In particolare, il presente Parere e le conclusioni in esso contenute non configurano la prestazione di servizi e attività di investimento, ai sensi del decreto legislativo 24 febbraio 1998, n.58, come successivamente modificato ed integrato. Il Parere non costituisce né un'offerta al pubblico, né un consiglio o una raccomandazione di acquisto o vendita di un qualsiasi prodotto finanziario.

Le valutazioni espone nel Parere sono state condotte in ottica di *going concern* pertanto i risultati dell'analisi prescindono da ogni considerazione concernente eventuali sinergie operative e/o impatti fiscali e/o contabili e/o finanziari e/o operativi dell'Offerta e dell'Operazione. Inoltre il Parere contiene assunzioni e stime considerate ragionevolmente appropriate da Mediobanca anche con riferimento alla prassi italiana e internazionale, e determinate sulla base delle Informazioni.

Inoltre, va rilevato che le analisi valutative sono state effettuate al solo scopo di valutare la congruità del Corrispettivo. Pertanto, con il presente Parere, Mediobanca non esprime alcun giudizio circa: (i) il valore economico e/o il prezzo di mercato, pre o post Offerta, che Recordati potrebbe avere in futuro o in un contesto diverso rispetto a quello in esame, ivi incluso in ipotesi di realizzazione dell'Offerta con termini e condizioni diversi rispetto a quelli ad oggi proposti nel Documento d'Offerta, né nulla di quanto indicato nel Parere può o potrà essere considerato una garanzia o un'indicazione dei risultati economici, patrimoniali e finanziari prospettici di Recordati; o (ii) la situazione finanziaria e/o la solvibilità di Recordati. Mediobanca non si assume alcuna responsabilità diretta e/o indiretta per danni che possano derivare da un utilizzo improprio e/o parziale delle informazioni contenute nel Parere.



1. Documentazione utilizzata

Nello svolgimento dell'incarico e nell'elaborazione del Parere, Mediobanca ha fatto riferimento a informazioni pubblicamente disponibili ritenute rilevanti ai fini dell'applicazione delle varie metodologie valutative selezionate, nonché a documenti, dati ed informazioni forniti dal management di Recordati sulle attese di sviluppo dell'attività del Gruppo e dei relativi risultati economico finanziari (complessivamente, le "Informazioni").

Tra le Informazioni, si evidenzia la seguente documentazione (la "Documentazione Rilevante"):

- a) proiezioni economico finanziarie per il periodo 2018-2020 datate 6 febbraio 2018, redatte dal management della Società e presentate al Consiglio di Amministrazione, corredate da chiarimenti e indicazioni sulle assunzioni sottostanti ricevuti anche nel corso di incontri con il management, nonché anche da talune ipotesi e assunzioni integrative necessarie allo sviluppo dell'esercizio valutativo ("Recordati Business Plan");
- b) bozza del budget 2019 redatto dal management della Società ed approvato dal Consiglio di Amministrazione in data 18 dicembre 2018 (il "Budget 2019"), inclusivo anche del forecast 2018 9+3;
- c) relazioni finanziarie annuali e/o infra annuali, comunicati stampa e presentazioni alla comunità finanziaria di Recordati per gli esercizi 2016, 2017 e 2018;
- d) documentazione redatta dal management di Recordati per il Consiglio di Amministrazione della stessa relativa all'acquisizione di Natural Points S.r.l. datata 23 maggio 2018;
- e) Offering Memorandum, relativo al prestito obbligazionario denominato €650,000,000 Senior Secured Floating Rate Notes due 2025, €650,000,000 6.750% Senior Secured Fixed Rate Notes due 2025 (il "Prestito Obbligazionario") emesso da Rossini S.à r.l., datato 12 ottobre 2018;
- f) presentazione agli investitori redatta da Rossini S.à r.l., Fimef, Recordati e le altre società del Gruppo nel contesto delle attività di marketing del Prestito Obbligazionario;
- g) bozza del Documento d'Offerta depositato in data 6 dicembre 2018 presso Consob e successiva bozza ricevuta il 18 dicembre 2018;
- h) informazioni circa il numero di azioni proprie e dei piani di stock option fornite dal management di Recordati alla Data di Riferimento del Parere;
- i) ricerche ed analisi finanziarie relative a Recordati e al settore in cui opera pubblicate da analisti di ricerca di broker e banche di investimento;
- j) informazioni, dati di mercato e dati economici e patrimoniali anche prospettici rinvenuti principalmente da Factset e Bloomberg nonché da altre basi di dati;
- k) corsi di borsa e volumi di negoziazione delle azioni Recordati osservati su diversi orizzonti temporali;
- l) altre informazioni pubblicamente disponibili ritenute rilevanti ai fini dell'applicazione delle metodologie di valutazione selezionate.

Sono inoltre stati realizzati approfondimenti con il management di Recordati finalizzati ad ottenere chiarimenti sulle principali assunzioni, sulle metodologie di reportistica contabile e sulle attese di sviluppo e strategia di crescita riguardanti Recordati e il settore di riferimento nel medio-lungo termine.

Nell'espletamento dell'incarico, nella predisposizione del Parere e in tutte le elaborazioni effettuate, Mediobanca ha:

- (i) confidato (a) sulla veridicità, completezza ed accuratezza delle Informazioni utilizzate, ivi inclusi la Documentazione Rilevante, senza effettuare né direttamente né indirettamente



alcuna autonoma verifica, accertamento e/o analisi, e (b) sul fatto che non vi siano dati, informazioni o fatti non rivelati la cui omissione renda ingannevoli le Informazioni;

- (ii) fatto affidamento sugli aspetti legali, contabili, fiscali e tecnici dell'Offerta così come riportati nelle Informazioni e nella Documentazione Rilevante.

Mediobanca non si assume, pertanto, alcuna responsabilità relativamente alla veridicità, completezza ed accuratezza delle Informazioni utilizzate per le proprie analisi e per l'elaborazione e la stesura del Parere.

2. Principali difficoltà e limiti della valutazione e assunzioni sottostanti il Parere

2.1 Principali difficoltà e limiti della valutazione

Tra i limiti e le principali difficoltà di valutazione si segnalano i seguenti aspetti:

- l'incertezza delle proiezioni economico finanziarie utilizzate per la valutazione di Recordati (le "**Financial Projections**"), per loro natura dipendenti dall'effettiva realizzazione delle ipotesi e delle assunzioni utilizzate nella formulazione delle previsioni e la cui variazione potrebbe avere un impatto anche significativo sulle risultanze delle valutazioni;
- il limitato orizzonte temporale delle *Financial Projections* che non consente di catturare appieno il potenziale di crescita della Società, concentrando nel *Terminal Value* una parte considerevole del valore d'azienda;
- l'incertezza riguardo la creazione di valore derivante dall'attività di M&A ricorrente avente ad oggetto società farmaceutiche / portafogli di prodotti / licenze, componente costante e sostanziale della strategia di crescita futura di Recordati ("**Recurring M&A**") e non inclusa nelle *Financial Projections*;
- il limitato numero di pubblicazioni degli analisti di ricerca di *broker* e banche di investimento contenenti proiezioni economico finanziarie esplicite di medio-lungo termine di Recordati ed il loro livello di accuratezza e di dettaglio relativamente alle ipotesi utilizzate;
- il limitato numero di società quotate comparabili a Recordati sulla base di un insieme di caratteristiche (ad esempio dimensione, modello di *business* e livello di integrazione, ciclo degli investimenti, tassi di crescita e stadio di maturità, esposizione geografica, risultati economici, struttura finanziaria e copertura da parte degli analisti di ricerca); tale limite si estende anche al campione di transazioni comparabili considerate nella valutazione, la cui disponibilità e completezza di informazioni può risultare limitata;
- la specifica natura del valore riconosciuto in ogni transazione comparabile del campione considerato, inteso come risultato di un processo di negoziazione e pertanto strettamente correlato a specifici termini contrattuali e alle peculiarità delle motivazioni di compratore e venditore;
- l'indisponibilità o l'incompletezza delle informazioni derivanti dalla natura privata del campione di transazioni comparabili considerate;
- il fatto che i prezzi di borsa della Società e delle società quotate identificate come comparabili siano potenzialmente influenzati dalla presenza *inter alia* di eventuali ciclicità settoriali, pressioni speculative in positivo od in negativo indipendenti dalle prospettive economiche, finanziarie e di *business* delle stesse;
- il fatto che i prezzi di borsa della Società e delle società quotate identificate come comparabili non includano un premio per il controllo;
- ulteriori fattori che possono influenzare il valore del *business*, inclusi ma non limitati a: i) cambiamenti nei tassi di interesse prevalenti, ii) cambiamenti sfavorevoli negli attuali mercati dei capitali, iii) il verificarsi di cambiamenti avversi nelle condizioni finanziarie, attività o prospettive di Recordati.



2.2 Principali assunzioni sottostanti il Parere

In relazione a quanto sopra riportato, si rappresenta che ai fini della predisposizione del presente Parere sono state effettuate le seguenti principali assunzioni:

- la capacità di Recordati di realizzare le *Financial Projections* ed il *Recurring M&A*;
- non è stata ipotizzata la realizzazione di sinergie derivanti dal completamento dell'Offerta e dell'Operazione;
- il numero di azioni considerato per la rappresentazione del prezzo per azione di Recordati, rinveniente dall'applicazione delle metodologie di valutazione, calcolato su base *fully diluted*.

Occorre pertanto segnalare che, qualora, successivamente alla data di emissione del Parere, si manifestino modifiche rispetto a quanto sopra ipotizzato, le conclusioni del Parere potrebbero modificarsi anche in maniera significativa. Mediobanca, come già indicato in premessa, peraltro non si assume né avrà alcun onere o impegno ad aggiornare o rivedere il Parere o riconfermare le proprie conclusioni, anche nel caso si verificassero una o più delle variazioni sopra richiamate.

3. Individuazione del percorso valutativo condotto e della congruità del Corrispettivo

3.1 Finalità del parere: tratti caratteristici delle valutazioni

Come indicato in premessa, le conclusioni esposte sono basate sul complesso delle considerazioni effettuate. Tali valutazioni non debbono essere considerate singolarmente, bensì interpretate come parte inscindibile di un processo di valutazione unico. L'analisi dei risultati ottenuti da ciascuna metodologia in modo indipendente e non alla luce del rapporto di complementarità che si crea con gli altri criteri comporta, infatti, la perdita di significatività dell'intero processo di valutazione. Pertanto, in nessun caso, singole parti del presente Parere possono essere utilizzate separatamente dal Parere stesso nella sua interezza.

3.2 Il percorso valutativo

3.2.1 Metodologie valutative

Tenuto conto, oltre che delle Informazioni disponibili, delle limitazioni relative alle *Financial Projections*, della tipologia di Offerta, del settore di riferimento in cui opera Recordati, delle caratteristiche specifiche del Gruppo, nonché della prassi valutativa in linea con gli *standard* nazionali e internazionali, i metodi individuati sono i seguenti.

Metodi di valutazione principali:

- a) Andamento dei Prezzi di Borsa;
- b) *Discounted Cash Flow*;
- c) Transazioni Comparabili.

Metodi di valutazione di controllo:

- a) Multipli di Mercato;
- b) Prezzi Obiettivo (c.d. *Target Price*) pubblicati dagli analisti di ricerca di brokers e banche di investimento.

3.2.2 Metodo dell'Andamento dei Prezzi di Borsa

Nel caso di società quotate in Borsa la prassi suggerisce di considerare i prezzi di mercato quali informazioni rilevanti per la stima del valore economico delle società, utilizzando le capitalizzazioni di Borsa calcolate sulla base di quotazioni registrate in intervalli di tempo giudicati significativi.



Nel caso specifico, si è ritenuto opportuno applicare tale metodologia adottando i seguenti criteri: (i) utilizzo di medie aritmetiche dei prezzi ufficiali ponderati per i volumi; (ii) utilizzo di periodi di riferimento di 1 giorno, 1 mese, 3 mesi e 6 mesi sino al 16 maggio 2018, ultimo giorno di Borsa aperta antecedente la diffusione da parte di agenzie di stampa internazionali della prima di una ripetuta serie di indiscrezioni riguardanti talune possibili trattative in corso tra gli Investitori e gli azionisti di Fimeì riguardanti Recordati. Tali indiscrezioni di stampa riferiscono anche che l'esplorazione di potenziali acquirenti da parte degli azionisti di Fimeì si protraeva da oltre un anno e ha coinvolto sia controparti industriali che anche finanziarie.

Nell'ambito dell'analisi dei prezzi di mercato, si è tenuto conto anche dei premi, rispetto ai prezzi di mercato stessi, riconosciuti in selezionate operazioni precedenti ritenute comparabili con quella in esame in quanto risultanti in un cambio di controllo nel contesto di un'offerta pubblica di acquisto ("**Premi di Controllo**").

Sulla base dei risultati ottenuti dall'applicazione del metodo dell'Andamento dei Prezzi di Borsa si ottiene un range di valori per azione Recordati compreso tra Euro 35,7 ed Euro 39,8.

3.2.3 Metodo del Discounted Cash Flow

Il *Discounted Cash Flow* ("**DCF**") rappresenta una metodologia analitica ed appartiene alla famiglia dei metodi di valutazione di tipo finanziario. Tale metodo permette di recepire le proiezioni economico finanziarie del Gruppo e di cogliere le specifiche prospettive di crescita a medio-lungo termine della Società indipendentemente dal *sentiment* del mercato borsistico, ma tenuto conto del piano di sviluppo della società stessa e delle prospettive di crescita del mercato in cui opera.

L'*Enterprise Value* ("**EV**") è uguale alla somma tra:

- Valore dei flussi di cassa netti previsti generati dalla gestione operativa ("**Unlevered Free Cash Flows**" o "**UFCF**") per il periodo esplicito scontati al costo medio ponderato del capitale ("**WACC**");
- Valore terminale ("**Terminal Value**" o "**TV**"), ovvero il valore residuo dell'azienda oggetto di valutazione al termine del periodo esplicito delle proiezioni. Per la stima del TV si è soliti scontare all'infinito l'UFCF dell'ultimo periodo, debitamente normalizzato per rettificare l'impatto di poste non ricorrenti, ad un tasso di attualizzazione pari a quello usato per gli altri flussi e corretto per un coefficiente di crescita perpetua ("**g**").

In termini sintetici, la formalizzazione di quanto sopra esposto si può rappresentare nel modo seguente:

$$EV = \left[\sum_{t=1}^n \frac{UFCF_t}{(1+WACC)^t} + \frac{TV}{(1+WACC)^n} \right]$$

Ai fini del presente Parere è stato considerato quale periodo esplicito delle proiezioni l'arco temporale 2018-2022 sulla base delle Financial Projections e di proiezioni economico finanziarie derivate dal consenso delle pubblicazioni degli analisti di ricerca di *broker* e banche di investimento (il "**Consenso degli Analisti**") per il periodo 2021-2022, validate e integrate da precisazioni fornite dal *management* di Recordati circa le attese di sviluppo futuro della Società. Il metodo DCF tiene altresì conto di una stima del valore attribuito al Recurring M&A derivante dal reinvestimento annuale di una porzione della cassa generata dal Gruppo in operazioni di M&A in linea con il dimostrato *track-record* di successo di Recordati in virtù dell'intenzione, confermata dal *management*, di proseguire nell'esecuzione di operazioni simili come parte fondante della strategia futura del Gruppo.

Il WACC è stato calcolato sulla base della formula finanziaria che considera come parametri il costo del debito, il costo dell'*equity* e la struttura finanziaria di riferimento, dove il costo dell'*equity* è stato calcolato sulla base del modello del *Capital Asset Pricing Model*. Il *Terminal Value* è stato calcolato come capitalizzazione illimitata dell'UFCF atteso all'anno n-esimo, sulla base della formula di Gordon.



Al fine di determinare il valore dell'*equity* di Recordati, l'EV è stato rettificato per le seguenti voci patrimoniali: in negativo (i) posizione finanziaria netta, (ii) poste assimilabili alla posizione finanziaria - c.d. "*debt-like items*" (quali il TFR, le passività derivanti dal contenzioso con l'autorità fiscale, il dividendo pagato a Novembre 2018) e (iii) patrimonio netto di terzi; in positivo (i) partecipazioni non consolidate integralmente.

Sono state inoltre svolte analisi di sensitività del WACC e del coefficiente di crescita perpetua al fine di definire il range di valutazione.

Sulla base dei risultati ottenuti dall'applicazione del metodo del DCF si ottiene un range di valori per azione Recordati compreso tra Euro 27,7 ed Euro 37,2.

3.2.4 Metodo delle Transazioni Comparabili

L'applicazione del metodo è stata effettuata sulla base di moltiplicatori impliciti osservati in un campione di transazioni precedenti relative a società operanti nel settore di riferimento di Recordati osservate negli ultimi 7 anni.

Nell'ambito dei numerosi moltiplicatori che possono essere utilizzati per l'applicazione del criterio delle transazioni comparabili, nel caso in oggetto e analogamente al Metodo dei Multipli di Mercato, è stato utilizzato il multiplo EV/EBITDA.

Al fine di determinare il valore dell'*equity* di Recordati, l'EV è stato rettificato per le seguenti voci patrimoniali: in negativo (i) posizione finanziaria netta, (ii) poste assimilabili alla posizione finanziaria - c.d. "*debt-like items*" (quali il TFR, le passività derivanti dal contenzioso con l'autorità fiscale, il dividendo pagato a Novembre 2018) e (iii) patrimonio netto di terzi; in positivo (i) partecipazioni non consolidate integralmente.

Sulla base dei risultati ottenuti dall'applicazione del metodo delle transazioni comparabili si ottiene un range di valori per azione Recordati compreso tra Euro 26,1 ed Euro 34,3.

3.2.5 Metodo dei Multipli di Mercato

Il metodo dei Multipli di Mercato è basato sull'analisi delle quotazioni di Borsa di un campione di società comparabili a quella oggetto di valutazione. Per l'applicazione del criterio si calcolano una serie di rapporti (c.d. "multipli" o "moltiplicatori") - riferiti al campione di aziende comparabili selezionate - fra il valore di Borsa ed alcuni parametri significativi selezionati.

L'applicazione del metodo dei Multipli di Mercato si articola nelle seguenti fasi: (i) selezione del campione di riferimento e verifica della sua rappresentatività, (ii) determinazione dell'intervallo temporale di riferimento per le quotazioni di Borsa, (iii) identificazione dei rapporti fondamentali ritenuti significativi per il settore oggetto di analisi, e (iv) determinazione dei multipli di mercato per le società incluse nel campione e conseguente determinazione del valore teorico attribuito dal mercato al Gruppo.

Una delle ipotesi fondamentali alla base di tale metodologia è l'affinità fra la società oggetto di valutazione e le società selezionate per il campione di confronto. La significatività dei risultati è infatti strettamente dipendente dalla confrontabilità del campione. La scelta dei multipli avviene in base alle caratteristiche del settore nel quale opera la società oggetto di valutazione. Per quanto concerne l'identificazione del valore economico di Recordati sono stati utilizzati i moltiplicatori EV/EBITDA 2019 e 2020, anche tenuta in considerazione l'attuale prassi di mercato per questo settore utilizzata dagli analisti di ricerca.

Enterprise Value: ovvero il valore dell'impresa o "EV" calcolato come somma tra (i) capitalizzazione di Borsa, (ii) posizione finanziaria netta, (iii) poste assimilabili alla posizione finanziaria, c.d. "*debt-like items*" (quali il TFR) e (iv) patrimonio netto di terzi, al netto delle partecipazioni non consolidate integralmente.

EV/EBITDA: *Enterprise Value* rapportato all'EBITDA.

Per la definizione dei prezzi di Borsa delle società considerate, sono stati utilizzati i prezzi di chiusura al 12 dicembre 2018.



Al fine di determinare il valore dell'*equity* di Recordati, l'EV è stato rettificato per le seguenti voci patrimoniali: in negativo (i) posizione finanziaria netta, (ii) poste assimilabili alla posizione finanziaria - c.d. "*debt-like items*" (quali il TFR, le passività derivanti dal contenzioso con l'autorità fiscale, il dividendo pagato a Novembre 2018) e (iii) patrimonio netto di terzi; in positivo (i) partecipazioni non consolidate integralmente.

Analogamente al metodo dell'Andamento dei Prezzi di Borsa, nell'ambito dell'analisi dei Multipli di Mercato, si è tenuto conto anche dei Premi di Controllo.

Sulla base dei risultati ottenuti dall'applicazione del metodo dei Multipli di Mercato si ottiene un range di valori per azione Recordati compreso tra Euro 27,9 ed Euro 28,8.

3.2.6 Metodo dei Prezzi Obiettivo (c.d. *Target Price*)

Come ulteriore metodo sono stati considerati i valori attribuiti a Recordati dagli analisti finanziari di *broker* e banche di investimento in termini di *Target Price* nell'ambito delle valutazioni contenute nelle ricerche disponibili sulla Società.

Nel caso specifico, si è ritenuto opportuno analizzare i valori attribuiti a Recordati dagli analisti finanziari nelle ricerche della Società pubblicate nell'orizzonte temporale compreso tra il giorno della pubblicazione dei risultati relativi al terzo trimestre dell'anno fiscale 2018 (i.e. 30 ottobre 2018) e la Data di Riferimento del Parere.

Sulla base dei risultati ottenuti dall'applicazione del metodo dei Prezzi Obiettivo degli Analisti di Ricerca si ottiene un range di valori per azione Recordati compreso tra Euro 30,0 ed Euro 39,1.

4. Conclusioni

Sulla base di tutto quanto sopra esposto, tenuto conto delle difficoltà e dei limiti delle valutazioni adottate e delle assunzioni sottostanti, si ritiene che nel contesto dell'Offerta, il Corrispettivo non sia congruo da un punto di vista finanziario.

L'emissione del presente Parere è stata specificatamente approvata dal Comitato *Fairness Opinion* di Mediobanca.

MEDIOBANCA

Francesco Canzonieri

Francesco Dolfino



MEDIOBANCA

Banca di Credito Finanziario S.p.A.

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Milan, 19 December 2018

To:
RECORDATI S.p.A.
Via M. Civitali, 1
20148 Milan, Italy

For the attention of: the Board of Directors

On 29 June 2018, the shareholders of Fimei S.p.A. ("**Fimei**"), a company which owns 51.791% of the shares of Recordati Industria Chimica e Farmaceutica S.p.A. ("**Recordati**", or the "**Company**", or the "**Issuer**", and, jointly with the companies controlled by and/or associated with it, the "**Group**"), a company with shares listed on the Mercato Telematico Azionario organized and operated by Borsa Italiana S.p.A., announced to have reached an agreement to sell the entire share capital of Fimei to a consortium of investment funds controlled by CVC Capital Partners VII (the "**Investors**") (the "**Transaction**").

On 6 December 2018, the Transaction was closed and on the same day the Investors announced, as required by Article 102, paragraph 1, of Italian Legislative Decree 58/98 (the "**Italian Finance Act**") and Article 37, paragraph 1, of the Consob regulations adopted under resolution no. 11971 of 14 May 1999, as amended (the "**Regulations for Issuers**"), the rise of the obligation to implement a mandatory public tender offer, as defined by Article 106, of the Italian Finance Act (the "**Offer**"), for the ordinary shares of Recordati issued and outstanding at the moment of the Offer and not owned, for a consideration of Euro 27.55 per ordinary Recordati share that will be tendered (the "**Consideration**"). On the same day, the special purpose vehicle company Rossini Investimenti S.p.A. (the "**Offeror**") gave notice that it had filed the draft offer document (the "**Offer Document**") with the Italian market authority ("**Consob**"), sending a copy to the Issuer.

Accordingly, pursuant to Article 103 of the Italian Finance Act, the Board of Directors (the "**BoD**") of Recordati is required to issue a press release containing all useful data for an assessment of the Offer and its own valuation thereof (the "**Issuer's Press Release**"), and in this connection, availing itself of the right provided for in Article 39, paragraph 1, letter d) of the Regulations for Issuers to retain an independent expert to such end, has granted Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**") a mandate (the "**Mandate**") to issue a fairness opinion (the "**Opinion**") on the fairness of the Consideration.

The Opinion is therefore addressed exclusively to the Board of Directors of Recordati within the scope of its decision-making process regarding the Offer as described in the Offer Document and is based on the assumption that the Offer is implemented on terms and conditions which do not differ significantly from those represented herein. In particular, the Opinion is based on the assumptions set forth in Section 2.2.

The Opinion has been drawn up by Mediobanca for internal and exclusive use by the Board of Directors of Recordati that may use it in connection with its own decisions within the limits and terms contained in the Opinion. Accordingly, the Opinion: (i) should not be published or disclosed, in whole or in part, to third parties or used for purposes other than those set forth in the Opinion itself, without the prior written authorization of Mediobanca or unless requested by law or regulations or requests made specifically by the relevant authorities, market or otherwise having jurisdiction, without prejudice to the authorization to publish a full copy (not an excerpt) of the Opinion as an attachment to the Issuer's Press Release; (ii) is addressed exclusively to the Board of Directors of Recordati, hence no-one, with the exception of the recipients of the Opinion, is authorized to rely on the contents of the Opinion, and accordingly every judgement by third parties, including the Recordati shareholders, regarding the quality and appropriateness of the Offer shall be exclusively their own responsibility and competence. In particular, the Opinion does not express any judgement or assessment of Recordati's and its shareholders' interest in the Offer and the convenience and substantial fairness of the conditions thereof.



It should be noted that Mediobanca is acting as financial advisor and that for this reason it has not provided and is not providing any advice of a legal, actuarial, accounting, tax, industrial, environmental, and/or technical nature (such instances not to be construed restrictively). Any power on the part of the financial advisor to restrict or otherwise condition in any way the Board of Directors of Recordati in its own decisions regarding the Offer is hereby expressly excluded, and the Opinion is based on the assumption that the Offer and the terms and conditions thereof shall be assessed by the members of the Board of Directors of Recordati in independence of judgement. Mediobanca will receive fixed remuneration for issuing the Opinion under the terms of the Mandate.

Mediobanca is part of a leading banking group which performs, *inter alia*, private and investment banking activities, financial advisory services, securities trading and lending activities on behalf of various types of parties and institutions. In the normal course of the foregoing activities, Mediobanca could on certain occasions carry out trades and hold positions in financial instruments (including derivatives) issued by the companies involved in the Offer and/or by their subsidiaries or associates, on a proprietary basis or on behalf of its clients. For completeness, it is noted that at the date of this letter a loan granted by Mediobanca to Recordati is outstanding.

The Opinion refers to the economic and market conditions prevailing as at 12 December 2018 (the "**Opinion Reference Date**"). Mediobanca has based its analysis on the fact that in the period between the most recent economic and financial situations available as of 30 September 2018 and the Opinion Reference Date, no material change has taken place in the economic and financial situation of Recordati. Without prejudice to the foregoing, and in general, it is hereby understood that subsequent developments in market conditions, as is the case with all the information referred to in the terms and conditions of the Offer, could impact even significantly on the Opinion's conclusions. Accordingly, Mediobanca does not accept and shall not be under any duty or responsibility to update or revise the Opinion or reconfirm its conclusions as stated herein, including in the event of one or more of the changes referred to above occurring.

The conclusions stated in the Opinion are based on the set of considerations contained herein, and for this reason no part of the Opinion may be used separately from the Opinion as a whole. Partial use of the contents of the Opinion and/or use of the same for purposes other than those for which the Opinion was prepared may lead to wrong interpretation, even to a significant degree, of all the considerations contained in the Opinion and/or its conclusions. Under no circumstances may the valuations contained in the Opinion be considered in a scenario other than the one referred to herein. In particular, the Opinion and the conclusions contained therein do not constitute the provision of investment services and activities pursuant to Italian legislative decree 58/98, as amended. The Opinion does not constitute an offering to the public or advice or a recommendation to buy or sell any financial product.

The valuations stated in the Opinion have been carried out on a going-concern basis, hence the results of the analysis take no account whatsoever of possible operating synergies and/or the tax and/or accounting and/or financial and/or operational effects of the Offer and the Transaction. The Opinion also contains assumptions and estimates considered appropriate by Mediobanca, *inter alia* with reference to Italian and international practice, and determined on the basis of the Information.

Furthermore, it should also be noted that the valuation analysis has been carried out solely for the purpose of valuing the fairness of the Consideration. Accordingly, in the Opinion, Mediobanca does not express any judgement regarding: (i) the economic value and/or market price, pre- or post-Offer, which Recordati could have in the future or in a different scenario from the one under review herein, including in the assumption of the Offer being executed on different terms and conditions from those currently proposed in the Offer Document, nor may anything contained in the Opinion be considered now or in the future as a guarantee or indication of the future earnings, capital and financial prospects of Recordati; or (ii) the financial situation and/or solvency of Recordati. Mediobanca therefore disclaims all liability, direct and/or indirect, for damages which could be caused by improper and/or partial use of the information contained in the Opinion.

1. Documentation used



In performing the Mandate and compiling the Opinion, Mediobanca has referred to the information available in the public domain considered relevant for the purposes of applying the various valuation methodologies selected, to the documents, data and information provided by the management of Recordati regarding their expectations for growth in the Group's activities and the related earnings/financial results (jointly, the "**Information**").

The Information as defined above includes in particular the following documentation (the "**Relevant Documentation**"):

- a) financial projections for the 2018-2020 period dated 6 February 2018, redacted by Recordati management and presented to the Board of Directors, along with explanations and guidance on the underlying assumptions obtained *inter alia* in the course of meetings with the management, as well as certain complementary hypothesis and assumptions required for the development of the valuation exercise (the "**Recordati Business Plan**");
- b) draft of the budget 2019 redacted by Recordati management and approved by the Board of Directors on 18 December 2018 (the "**Budget 2019**"), which includes also the forecast 2018 9+3;
- c) annual and/or infra-annual financial statements, press releases and presentations to the financial community for FYs 2016, 2017 and 2018;
- d) documentation redacted by Recordati management for the Board of Directors of the Company in relation to the acquisition of Natural Points S.r.l., dated 23 May 2018;
- e) Offering Memorandum, related to the bond issue named €650,000,000 Senior Secured Floating Rate Notes due 2025, €650,000,000 6.750% Senior Secured Fixed Rate Notes due 2025 (the "**Bond Loan**") issued by Rossini S.à r.l., dated 12 October 2018;
- f) Investors' presentation redacted by Rossini S.à r.l., Fimej, Recordati and the other companies of the Group in the context of the marketing activities for the Bond Loan;
- g) draft of the Offer Document filed with Consob on 6 December 2018 and subsequent draft received on 18 December 2018;
- h) information regarding the number of treasury shares and stock option schemes provided by Recordati management at the Opinion Reference Date;
- i) financial research and analysis regarding Recordati and the industry in which Recordati operates published by brokers and investment banks research analysts;
- j) information, market data and information on earnings and financial data, *inter alia* forward-looking, deriving mainly from Factset and Bloomberg and from other databases;
- k) share prices and trading volumes for Recordati shares observed over different time horizons;
- l) other information in public domain and considered relevant for purposes of applying the valuation methodologies chosen.

Further enquiries have been carried out with the management of Recordati with a view to obtaining clarifications regarding the principal assumptions underlying the methodologies in the financial reporting, the growth strategy and development expectations for Recordati and its reference sector in the medium/long term.

In performing the Mandate, preparing the Opinion and all the analysis carried out, Mediobanca has:

- (i) relied on (a) the truthfulness, completeness and accuracy of the Information used, including the Relevant Documentation, without carrying directly or indirectly any independent review, enquiry and/or analysis thereof, and (b) the fact that no undisclosed data, information or facts exist, the omission of which would make the Information misleading;



- (ii) relied on the legal, accounting, tax and technical aspects of the Offer as stated in the Information and Relevant Documentation.

Accordingly, Mediobanca disclaims all liability regarding the truthfulness, completeness and accuracy of the Information used in its analysis and used to draft and to prepare the Opinion.

2. Principal difficulties and limitations of the valuation and assumptions underlying the Opinion

2.1 Principal difficulties and limitations of the valuation

The limits and principal difficulties involved in the valuation include the following aspects:

- the uncertainty of the financial projections used to value Recordati (the "**Financial Projections**"), which by their nature are conditional upon the hypotheses and assumptions used in making the estimates being realized in practice, and their variation could impact the results of the valuations, even significantly;
- the limited time horizon of the Financial Projections which doesn't allow to fully capture the growth potential of the Company, concentrating a significant part of the Company value in the terminal value;
- the uncertainty related to value creation arising from the recurring M&A activity concerning pharmaceutical companies / products portfolios / licenses, a constant and substantial component of Recordati future growth strategy ("**Recurring M&A**") and not embedded in the Financial Projections;
- limited financial research and analysis published by brokers and investment banks research analysts including Recordati financial projections over the medium-long term and their accuracy and detail level in respect of the underlying assumptions;
- the limited number of listed companies comparable to Recordati based on a set of similar characteristics (e.g. size, business model and level of integration, investment cycle, growth rates and stage of maturity, geographical exposure, earnings results, financial structure and coverage by research analysts); the same limitations apply to the sample of comparable transactions considered in the valuation process, information on which may be limited in terms of availability and completeness;
- the specific nature of the value recognized in each of the comparable transactions considered, meant to be the result of a negotiation process and therefore strictly related to the specific contractual terms and to the peculiarities of the buyer and seller motivations;
- the unavailability or incompleteness of information in relation with the private nature of the comparable transactions considered;
- the fact that the share prices of the Company and the identified listed comparable companies are potentially influenced by the existence *inter alia* of sector cyclical factors, positive or negative speculative pressure unrelated to the company's earnings, financial and business prospects;
- the fact that the share prices of the Company and the identified listed comparable companies do not include a control premium;
- other factors that may affect the value of the business, including but not limited to: i) changes in prevailing interest rates, ii) adverse changes in the current capital markets, iii) the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of Recordati.

2.2 Principal assumptions underlying the Opinion

In relation to the foregoing, it is hereby represented that for the purpose of preparing the Opinion, specific assumptions have been made regarding:



- the capabilities of Recordati to deliver the Financial Projections and the Recurring M&A;
- no assumptions have been made on the potential generation of synergies as a result of the Offer and the Transaction being completed;
- the number of shares, considered for representing Recordati price per share derived from the application of the valuation methodologies, has been calculated on a fully-diluted basis.

It should therefore be noted that if subsequent to the date on which the Opinion is issued, changes were to emerge compared to the assumptions set forth above, the conclusions of the Opinion itself may also change significantly. Mediobanca, as stated in the introduction, does not accept and shall not be under any duty or responsibility to update or revise the Opinion or reconfirm its conclusions as stated herein, including in the event of one or more of the changes referred to above occurring.

3. Valuation process carried out and fairness of the Consideration

3.1 Purpose of the Opinion: distinctive features of valuation

As stated in the introduction, the conclusions set out herein are based on the set of considerations made. Such assessments should not be considered individually, but construed as an inseparable part of a single valuation process. Analysis of the results obtained from each methodology independently and not in the light of the complementary nature of the relationship created with the other criteria necessarily entails a loss of significance for the valuation process as a whole. Accordingly, under no circumstances may individual parts of the Opinion be used separately from the Opinion itself in its entirety.

3.2 Valuation process

3.2.1 Valuation methodologies

Taking into account, in addition to the Information available, the limits related to the Financial Projections, the type of Offer, the reference sector in which Recordati operates, the Group's individual characteristics and valuation practice in line with the national and international standards, the following methods have been identified:

Main valuation methods:

- a) Share price performance;
- b) Discounted cash flow;
- c) Comparable transactions.

Control valuation methods:

- a) Trading multiples;
- b) Target price using target prices published by financial analysts and investment banks.

3.2.2 Share price performance method

For companies listed on the stock market, best practice recommends considering share prices as relevant information for the purpose of estimating the economic value of such companies, utilizing their market capitalization as calculated on the basis of prices recorded during periods of time considered to be significant.

In this particular case, it was deemed appropriate to apply this methodology by adopting the following criteria: (i) use of the arithmetical averages of official share prices weighted by volumes; (ii) use of reference period of 1 day, 1 month, 3 months and 6 months up to 16 May 2018, the last stock market trading day prior the dissemination by international press agencies of the first of a series of rumors related to potential negotiations on-going between the Investors and Fime's shareholders about Recordati. The aforementioned press rumors indicate also that



sounding activities of potential buyers carried out by Fimef's shareholders have been continuing for more than a year and involved both industrial and also financial counterparties.

In the analysis of market prices, account was taken of the premiums paid relative to market prices in select deals considered to be comparable to the transaction under review, in the sense that they derive from a change of control as part of a public tender offer (the "**Control Premia**").

Based on the results from the application of the share price performance method, a range for the price per Recordati share of between Euro 35.7 and Euro 39.8 is obtained.

3.2.3 Discounted cash flow method

Discounted cash flow ("**DCF**") is an analytical methodology. It allows the financial projections of the Group to be factored into the valuation, and captures the Company's specific medium-long-term growth prospects uncoupled from stock market sentiment, but taking due account of the Company's own plans for development and the growth prospects of the market in which it operates.

The enterprise value ("**EV**") is equal to the sum of:

- The value of the estimated net cash flows generated from ordinary operations ("**Unlevered Free Cash Flows**", or "**UFCF**") for the explicit forecast period discounted at the weighted average cost of capital ("**WACC**");
- The terminal value (the "**Terminal Value**", or "**TV**"), representing the value of the company being valued at the end of the explicit projection period: in order to estimate TV, the UFCF of the most recent period is usually discounted using a perpetuity formula, then normalized to adjust for the impact of non-recurring items, at a discount rate equal to that used for the other flows and adjusted by a perpetual growth coefficient ("**g**").

The foregoing may be summarized in mathematical notation by the following formula:

$$EV = \left[\sum_{t=1}^n \frac{UFCF_t}{(1+WACC)^t} + \frac{TV}{(1+WACC)^n} \right]$$

For the purpose of the Opinion, as explicit projections period has been considered the 2018-2022 time horizon based on the Financial Projections and financial projections derived from the consensus of equity research published by brokers and investment banks research analysts ("**Broker Consensus**") for the period 2021-2022, validated and integrated by clarifications from the management of Recordati regarding the expected future development of the Company. In addition, the DCF method takes into consideration an estimation of the value attributed to Recurring M&A arising from the annual reinvestment of a portion of the cash generated by the Group in M&A transactions in line with the demonstrated successful track-record of Recordati given the intention, confirmed by the management, to carry on with the execution of similar transaction as founding part of the future Group strategy.

The WACC has been calculated based on a financial formula which takes into account the cost of debt, cost of equity and financial structure, where the cost of equity is calculated based on the Capital Asset Pricing Model formula. The Terminal Value has been calculated as the unlimited capitalization of the UFCF expected estimated for year n, using the Gordon formula.

To determine the equity value of Recordati, the EV has been adjusted for the following items: downward adjustments: (i) net financial position, (ii) debt-like items (such as pension liabilities, liabilities arising from litigation with the tax authority, dividend paid in November 2018) and (iii) minority interests; upward adjustments (i) equity interests not fully consolidated.

Sensitivity analysis were then carried out on WACC and perpetual growth coefficient in order to define the valuation range.

Based on the results obtained from applying the DCF method, a range for the price per Recordati share of between Euro 27.7 and Euro 37.2 is obtained.



3.2.4 Comparable transactions method

Application of this method is based on the multiples implied in a sample of precedent transactions involving companies operating in the same sector of Recordati observed over the last 7 years.

Among the many multiples which can be used to apply the comparable transactions method, in this case, as also in the application of the market multiples method, the EV/EBITDA has been used.

To determine the equity value of Recordati, the EV has been adjusted for the following items: downward adjustments: (i) net financial position, (ii) debt-like items (such as pension liabilities, liabilities arising from litigation with the tax authority, dividend paid in November 2018) and (iii) minority interests; upward adjustments (i) equity interests not fully consolidated.

Based on the results obtained from applying the comparable transactions method, a range for the price per Recordati share of between Euro 26.1 and Euro 34.3 is obtained.

3.2.5 Trading multiples method

The market multiples method is based on analysis of the share prices of a sample of companies which are comparable to the one being valued. To apply this method, a series of ratios (or "multiples") are calculated – for the sample of companies selected – between market value and certain significant parameters.

Application of the market multiples method is divided into the following phases: (i) selection of reference sample and review of its representativeness, (ii) determination of the time range for the share prices, (iii) identification of fundamental ratios considered to be significant for the sector being analysed, and (iv) calculation of the market multiples for the companies included in the sample and hence of the theoretical value assigned by the market to the company being valued.

One of the fundamental assumptions underlying the use of this methodology is the similarity between the company being valued and the companies selected for the peer sample. Indeed, the significance of the results is closely related to the comparability of the panel of companies. The multiples are chosen on the basis of the characteristics of the sector in which the company being valued operates. To arrive at the economic value of Recordati the EV/EBITDA 2019 and 2020 multiples have been used, based *inter alia* on current market practice for this sector by research analysts.

Enterprise Value: the value of the company, or "EV", calculated as the sum of: (i) market capitalization, (ii) net financial position, (iii) debt-like items (such as pension liabilities), (iv) any minority interests, net of the book value of equity investments not fully consolidated.

EV/EBITDA: Enterprise Value divided by EBITDA.

For the share prices of the listed companies considered, the prices as of 12 December 2018 were used.

To determine the equity value of Recordati, the EV has been adjusted for the following items: downward adjustments: (i) net financial position, (ii) debt-like items (such as pension liabilities, liabilities arising from litigation with the tax authority, dividend paid in November 2018) and (iii) minority interests; upward adjustments (i) equity interests not fully consolidated.

As for the share price performance method, Control Premia were factored into the valuation.

Based on the results obtained from applying the market multiples method, a range for the price per Recordati share of between Euro 27.9 and Euro 28.8 is obtained.

3.2.6 Target price method



As a further method, the values assigned to Recordati by financial analysts in terms of Target Price have been considered as part of the valuations contained in the equity research available on the Company.

In the specific case, it has been considered appropriate to analyse the values assigned to Recordati by financial analysts in equity research on the Company published in the time horizon which goes from the publication of 3Q 2018 (i.e. 30 October 2018) results to the Opinion Reference Date.

Based on the results obtained from applying the target price method, a range for the price per Recordati share of between Euro 30.0 and Euro 39.1 is obtained.

4. Conclusions

In view of the foregoing, taking into account the difficulties and limits of the adopted valuation methodologies and the underlying assumptions, it is considered that in connection with the Offer, the Consideration is not fair from a financial standpoint.

The Mediobanca Fairness Opinion Committee has specifically approved the issue of the Opinion.

MEDIOBANCA

ANNEX B

IMPORTANT NOTICE

COURTESY TRANSLATION. PLEASE REFER TO THE ITALIAN ORIGINAL VERSION FOR THE OFFICIAL DOCUMENT

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OPINION OF THE INDEPENDENT DIRECTORS OF RECORDATI S.P.A.

prepared pursuant to article 39-bis of the Consob Regulation adopted by resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented, in relation to the mandatory full take-over bid concerning the ordinary shares of Recordati S.p.A.

19 DECEMBER 2018

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Definitions

Below is the list of the main definitions used in this Opinion, some of which are substantially the same as those used in the Offer Document.

Acquisition	The acquisition completed on 6 December 2018, by which Rossini Investimenti S.p.A. acquired the FIMEI Shares owned by the Sellers equal to 100% of the share capital of FIMEI as at the Date of the Offer Document and indirectly became owner of the Shareholding.
Borsa Italiana	Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari 6.
Buyer or Bidder	Rossini Investments S.p.A., a joint stock company incorporated under Italian law, sole proprietorship, and headquartered in Milan, Italy at Via del Vecchio Politecnico 9, registered in the Milan-Monza-Brianza-Lodi Companies' Register under number 10428410962, having as at the date of this opinion an issued and paid-up share capital equal to EUR 75,050,000 represented by 75,050,000 ordinary shares with a nominal value of EUR 1.00 each, which launches the Offer in the name and on behalf of all Persons Acting in Concert with it.
Co-Investors	Collectively, the Initial LP Co-Investors and the Additional LP Co-Investors, as defined in the Offer Document.
Consob	The <i>Commissione Nazionale per le Società e la Borsa</i> (the Italian Companies and Stock Exchange Commission), based in Rome at Via G.B. Martini 3.
Corporate Governance Code	The Corporate Governance Code of listed companies approved by the Corporate Governance Committee and issued by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, in force as at the date of this opinion.
Date of Completion	6 December 2018, the date at which: (i) in the performance of the Sale and Purchase Agreement, the transaction for the Acquisition of the Shareholding by the Bidder was completed and (ii)

the communication thereof pursuant to article 102, paragraph 1 TUF was transmitted to CONSOB and communicated to the market.

Date of Payment

The date at which the payment of the Purchase Price per Share will be made, contemporaneously with the transfer of the right of ownership over the Shares tendered to the Offer to the Bidder, corresponding to the [fifth] Trading Day following the end of the Acceptance Period (subject to the extension of the Acceptance Period, in accordance with the applicable law), as indicated under Section F, Paragraph F.5 of the Offer Document.

Date of Payment after the Reopening of Terms has ended

The date at which the payment of the Purchase Price per Share will be made concerning the Shares tendered to the Offer during the period of the Reopening of Terms, contemporaneously with the transfer of the right of ownership over said Shares to the Bidder, corresponding to the fifth Trading Day following the end of the period of the Reopening of Terms (subject to the extension of the Acceptance Period, in accordance with the applicable law), as indicated under Section F, Paragraph F.5 of the Offer Document.

Delisting

The delisting of shares of Recordati from the MTA.

DP Notes

The bonds issued on 6 December 2018 by Rossini Investments totalling EUR 750,000,000.00, maturing 2025 (unless there is an extension), traded on the multilateral trading system referred to as the Third Market organized and operated by the Vienna Stock Exchange, which serves to cover a portion of the purchase price of the Acquisition.

FIMEI

FIMEI S.p.A., with registered office in Milano at Via Rembrandt 22, registered with the Milan-Monza-Brianza-Lodi Companies' Register under no. MI – 784291, tax number 01001630159, VAT code 10042010156, having a fully issued and paid-up share capital equal to EUR 10,000,000.00, divided into 10,000,000 ordinary shares with a nominal value of EUR 1.00 each.

Independent Directors	The following directors of the Issuer, all appointed at the Shareholders' Meeting of Recordati on 11 April 2017 and, as at the present date, in possession of the independence requirements pursuant to article 147-ter, paragraph 4 TUIF and article 3 of the Corporate Governance Code: Mario Garraffo, Rosalba Casiraghi, Michaela Castelli, Elisa Corghi.
Independent Experts	The advisory firms Colombo&Associati S.r.l. and Lazard S.r.l.
Issuers' Regulation	The Regulation adopted by Consob through resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.
Legal Consultant	Galbiati, Sacchi e Associati Law Firm.
Mediobanca	Mediobanca Banca di Credito Finanziario S.p.A.
Mercato Telematico Azionario or MTA	The Italian Stock Exchange (<i>Mercato Telematico Azionario</i>) organised and managed by Borsa Italiana.
Notice of the Issuer	The notice concerning the full mandatory take-over bid that will be issued by the Board of Directors of Recordati pursuant to article 103, paragraph 3 TUF and article 39 of the Issuers' Regulation.
Offer	The mandatory full take-over bid concerning the shares launched by the Bidder, also in the name and on behalf of the Persons Acting in Concert with it, in accordance with and for the purposes of articles 102, 106, paragraph 1, and 109 TUF as well as the applicable implementing provisions of the Issuers' Regulation, as described in the Offer Document.
Offer Document	The draft of the Offer Document prepared by the Bidder pursuant to articles 102 and 106, paragraph 1 TUF, in the provisional version of 18 December 2018, made available to the Independent Directors on 18 December 2018.
Opinion	This reasoned opinion prepared by the Independent Directors of Recordati pursuant to article 39-bis of the Issuers' Regulation.
Persons Acting in Concert	Collectively, the Persons Acting in Concert with the

Bidder and, therefore:

(i) CVC Capital Partners VII, Fondi CVC Fund VII, Rossini Holdings, Rossini Luxembourg, Rossini Investments, Rossini Acquisition, Rossini, in accordance with article 101-*bis*, paragraph 4-*bis* TUF, as companies directly or indirectly controlling the Bidder;

(ii) FIMEI, in accordance with article 101-*bis*, paragraph 4-*bis* TUF, as company controlled by the Bidder;

(iii) Rossini Holdings, Rossini Luxembourg, Andrea Recordati, Fritz Squindo, Rossini Co-Invest GP Limited, the latter as general partner of Jersey Co, PSP and Alpinvest, in accordance with article 101-*bis*, paragraph 4-*bis* TUF;

(iv) the LP Co-Investors, in accordance with article 101-*bis*, paragraph 4 TUF, as individuals who, as shareholders of Jersey Co, have cooperated in various ways with the Bidder in the acquisition of control of the Issuer.

Purchase Price per Share

The amount equal to EUR 27.55 per Share, offered for each Share.

Recordati or Issuer or Company

Recordati S.p.A., a joint stock company incorporated under Italian law with registered office in Milan at Via M. Civitali 1, registered with the Milan Companies' Register under no. 00748210150, having as at the Date of the Offer Document a fully issued and paid-up share capital equal to EUR 26,140,644.50, divided into 209,125,156 ordinary shares with a nominal value of EUR 0.125 (zero point one two five) each, listed on the MTA, with ISIN code IT0003828271.

Reopening of Terms

The reopening of the acceptance period for five Trading Days if the Bidder and the Persons Acting in Concert with it (considered together pursuant to article 109 TUF), on the publication of the outcome of the Offer, communicate that they have reached more than two-thirds of the share capital of the Issuer or to have purchased at least half of the Recordati shares of the Offer, in accordance with article 40-*bis*,

paragraph 1(b) of the Issuers' Regulation.

Rossini or Buyer	Luxembourg	Rossini Luxembourg S.à r.l., <i>société à responsabilité limitée</i> incorporated under the laws of Luxembourg, having its registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, R.C.S. Luxembourg: B 224498.
Sale and Agreement	Purchase	The agreement signed on 29 June 2018 between Rossini Luxembourg, acting as buyer, and the Sellers, concerning the sale and purchase of the shares representing the entire share capital of FIMEI and, indirectly, of the Shareholding.
Sellers		Collectively, Arrigo Recordati S.S. and Cristina Maria Recordati, Hillary Mary Merkus Recordati, Andrea Recordati, Alberto Giuseppe Maria Recordati, Gaia Bruna Patrizia Recordati and Lavinia Eugenia Cristina Recordati.
Share or Shares		Each of the (or in the plural form, according to the context, all or part of the) 97,735,180 ordinary shares of the Issuer under the Offer and each having a nominal value of EUR 0.125 and regular dividend rights, listed on the <i>Mercato Telematico Azionario</i> organised and managed by Borsa Italiana and under the Offer, equal to 46.735% of the share capital of the Issuer as at the Date of the Offer Document, minus the Treasury Shares and including the maximum of 2,091,500 ordinary shares of Recordati S.p.A. in the case of the exercise of all of the stock options arising from the Stock Option Plans.
Shareholding		The 108,308,905 ordinary shares, representing 51.791% of the share capital of Recordati (including the Treasury Shares), indirectly held by the Bidder as at the Date of the Offer Document.
Subscription Period or Acceptance Period		The acceptance period for the Offer, agreed upon with Borsa Italiana pursuant to article 40 of the Issuers' Regulation.
Treasury Shares		The 5,172,571 treasury shares of the Issuer, equal to 2.473% of the share capital of the Issuer as indicated in the Offer Document.
Trading Day		Each opening day of the Italian regulated markets

according to the calendar of trading set annually by Borsa Italiana.

TUF or TUIF

Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.

Undisturbed Share Prices

Prices as at the close of 16 May 2018, prior to rumours concerning the transaction.

1. Introduction: assumptions and object of the Opinion. Changes in the corporate governance of the Issuer due to the Acquisition

1.1. Assumptions for the issuance of the Opinion

As reported in the Offer Document, and communicated on the same date to the market, on 29 June 2018 Rossini Luxembourg S.à r.l. (**‘Rossini Luxembourg’**) has entered into a sale and purchase agreement (**‘Sale and Purchase Agreement’**) for the purchase of the shares representing the entire share capital of FIMEI S.p.A. (**‘FIMEI’**), a company that, as at the present date, holds approximately 51.8% of the share capital of Recordati S.p.A. (**‘Recordati’** or **‘Issuer’** or **‘Company’**). The ordinary shares of Recordati are traded on the *Mercato Telematico Azionario* (**‘MTA’**) organised and managed by Borsa Italiana S.p.A. (**‘Borsa Italiana’**).

The purchase, in the performance of the Sale and Purchase Agreement, of all of the FIMEI shares (**‘Acquisition’**), which took place on 6 December 2018 (**‘Date of Completion’**), led to the requirement that the buyer, Rossini Investimenti S.p.A. (a company designated for this purpose by Rossini Luxembourg and hereinafter referred to as **‘Buyer’** or **‘Bidder’**), launch a full take-over bid, pursuant to articles 102 and 106, paragraph 1 TUF, for all of the ordinary shares of Recordati not already owned by FIMEI (**‘Offer’**).

In compliance with the terms of article 102, paragraph 3, TUF and article 37-ter, paragraph 3 of the Issuers’ Regulation, the Bidder has accordingly communicated that it has filed with Consob, always on 6 December 2018, the Offer Document relating to the Offer concerning a maximum of 97,735,180 ordinary shares of Recordati with a nominal value of EUR 0.125 each, representing 46.735% of the share capital of the Issuer, with the exclusion of the 5,172,571 treasury shares of the Issuer, equal to 2.473% of the Issuer’s share capital, as at 17 December 2018 (**‘Treasury Shares’**), and including the maximum of 2,091,500 ordinary shares of Recordati S.p.A. in case of the exercise of all the stock options deriving from the Stock Option Plans.

The Offer has been qualified as launched by persons that fall within the categories referred to under article 39-bis, paragraph 1 of the Issuers’ Regulation,¹ and, therefore, pursuant to paragraph 2 of the above-mentioned article, the independent directors of the

¹ Article 39-bis, paragraph 1 of the Issuers’ Regulation requires the independent directors of listed companies to express themselves on the offer and on the fairness of the purchase price, in cases where a mandatory take-over bid is launched by:

- (i) persons with a shareholding that exceeds the threshold of 25% of voting rights provided for in article 106, paragraph 1 TUF;
- (ii) parties to a shareholders agreement with a total shareholding that exceeds 30% of voting rights;
- (iii) directors or members of the management board or supervisory board of the issuer; or
- (iv) persons acting in concert with the parties indicated in the points listed above.

Issuer who are not related parties of the Bidder are required to provide a ‘*reasoned opinion containing their assessment of the offer and the fairness of the purchase price*’.

1.2. Object of the Opinion

Pursuant to article 39-*bis* of the Issuers’ Regulation, this Opinion, without prejudice to the purpose and scope indicated in paragraph 2 below, contains the ‘*assessment of the offer and of the fairness of the purchase price*’ provided by the current independent directors of Recordati.

In particular, the following directors of the Issuer were involved in the preparation and approval of the Opinion, all of whom were appointed at the Shareholders’ Meeting of Recordati of 11 April 2017 and, as at the present date, satisfy the independence requirements set out under article 147-*ter*, paragraph 4 TUF and article 3 of the Corporate Governance Code for listed companies² (**‘Corporate Governance Code’**):

- Mario Garraffo
- Rosalba Casiraghi
- Michaela Castelli
- Elisa Corghi

For the purpose of issuing the Opinion, the directors Garraffo, Casiraghi, Castelli and Corghi (collectively, ‘**Independent Directors**’), in compliance with the terms of article 39-*bis*, paragraph 3 of the Issuers’ Regulation, declare that they are not related parties of the Bidder pursuant to the Consob Regulation adopted by resolution no. 17221 of 12 March 2010.

1.3. Changes in the corporate governance of Recordati due to the Acquisition

On 6 December 2018, contemporaneously with the completion of the Acquisition, the directors of the Issuer, Alberto Recordati, Paolo Fresia and Marco Vitale resigned from their positions effective immediately. On the same date, the Board of Directors of the Company replaced the resigning directors through co-optation, pursuant to article 2386 of the Italian Civil Code, with Cathrin Petty, Giampiero Mazza and Soren Vestergaard-Poulsen. The co-opted directors did not declare themselves to have met the requirements to serve as independent directors.

² For the sake of completeness, it should be noted that, until 6 December 2018, also Paolo Fresia was a member of the Board of Directors of Recordati as an independent director. Paolo Fresia, who attended some of the preparatory meetings for the purpose of preparing this Opinion (see paragraph 3.3 below), immediately resigned on the Date of Completion of the Sale and Purchase Agreement. Paolo Fresia is thus no longer an independent director of the Company as at the date on which this Opinion is issued.

Furthermore, pursuant to the Sale and Purchase Agreement, the shareholders selling the entire share capital of FIMEI (**‘Sellers’**) have undertaken to do everything reasonably possible to ensure that, as of the Date of Completion, the majority of directors (or at least two other directors in addition to those who have resigned as mentioned above) may proceed to resign effective as of the next Shareholders’ Meeting of the Issuer, so that the Meeting of Recordati could proceed, pursuant to article 2386 of the Italian Civil Code, to replace all the directors who resigned.

In this regard, the Independent Directors, on 6 December 2018, agreed that, following the completion of the Acquisition, and therefore following the change of control over the Company, a Shareholders’ Meeting of Recordati would be convened in order to allow for the appointment of a new board of directors through a slate voting mechanism. To this end, the directors Garraffo, Casiraghi, Castelli and Corgi resigned, on 6 December 2018, effective as of the date of the Shareholders’ Meeting of the Company which was set for 5 February 2019 to resolve, *inter alia*, upon the appointment of the Issuer’s new Board of Directors.

The Independent Directors, therefore, will cease holding office at the Shareholders’ Meeting of Recordati called for 5 February 2019. This Issuer’s Shareholders’ Meeting could take place during the period of acceptance of the Offer (**‘Acceptance Period’**) or during the possible re-opening of the terms provided for by article 40-*bis* of the Issuers’ Regulation (**‘Reopening of Terms’**).

2. Purpose and scope of the opinion

The Opinion has been prepared exclusively pursuant to and for the purpose of article 39-*bis* of the Issuers' Regulation and is therefore made available to the Issuer's Board of Directors solely for the purpose of the latter's issuing of the subsequent notice that, pursuant to article 103, paragraph 3, TUF and article 39 of the Issuers' Regulation, the Board of Directors of Recordati is required to make (**'Notice of the Issuer'**). By way of the Notice of the Issuer, the Board of Directors of Recordati is required, *inter alia*, to illustrate all data useful for the appreciation of the Offer, as well as its own reasoned assessment thereof and of the fairness of the purchase price.

The purpose of the Opinion of the Independent Directors is therefore solely to illustrate the assessments that - within the limits and for the purposes of article 39-*bis* of the Issuers' Regulation - they have performed as a result of the analyses, also with the help of the Independent Experts (as defined below), both in relation to the Offer as a whole, and in relation to the fairness of the purchase price for the Offer.

Consequently, the Opinion - within the limits of, and consistent with, the purposes provided for by Italian law as referred to above - does not supersede, in whole or in part, the Notice of the Issuer or the Offer Document and does not have, in any way, the purpose of (nor can it be understood as being suitable for) the provision of guidance, solicitation, recommendation or comfort in favour of any person (be it a shareholder or a third-party investor) in relation to the decision of whether or not to tender to the Offer (or to carry out any transaction concerning the Issuer's financial instruments), not eliminating the need for each individual person to make their own personal assessment in relation to the acceptance of the Offer and any other transaction that involves the Issuer and the financial instruments issued thereby, in particular on the basis of the Offer Document and the Notice of the Issuer.

The considerations of the Independent Directors, with particular reference to the fairness of the purchase price offered, are indeed independent of any wider consideration that a shareholder, recipient of a takeover bid, must independently carry out for the purpose of whether or not to tender to the offer, also taking into account, in particular, the performance of the security during the Acceptance Period, their own investment strategies and the characteristics of the shareholding held by each.

Since the Offer has not been and will not be launched, nor disseminated in the following countries: United States of America (i.e. addressed to US Persons, as defined under the US Securities Act of 1933 and subsequent amendments), Canada, Japan and Australia, or in any other country where such Offer is not permitted in the absence of authorisation by the competent authorities or the fulfilment of other obligations by the Bidder (collectively the **'Other Countries'**), or by using national or international communication or trade instruments of the Other Countries (including, but not limited to, the postal network, fax,

telex, email, telephone and internet), or through any structure of any of the financial intermediaries of the Other Countries, or in any other way, the Opinion - drafted exclusively on the basis, pursuant to and for the purposes of Italian law and in particular for the purposes and within the limits of article 39-*bis* of the Issuers' Regulation - is not in any way aimed at compliance with regulations other than those that apply pursuant to Italian law, nor can it be assessed, interpreted and/or used in any way in light of or in the application of any other regulation.

This Opinion has been drafted in Italian. Any possible translation, in whole or in part, has not been edited by the Independent Directors and, therefore, the Italian version of this Opinion prevails over said translations and any other interpretation that may derive from them.

Finally, it should be noted that the considerations of the Independent Directors are also based on the draft of the Offer Document dated 18 December 2018, from which the citations and references included in the Opinion, among other items, have been taken. The Independent Directors have not been able to examine successive versions of the Offer Document and, in particular, the one to be published by the Bidder following the authorisation of Consob issued pursuant to article 102, paragraph 4, TUF. More generally, this Opinion necessarily takes into account only the factual circumstances that occurred before it was issued.

3. Activities of the independent directors and evaluation process

3.1. Identification and appointment of the Independent Experts

In the exercise of the power vested in them pursuant to article 39-*bis*, paragraph 2 of the Issuers' Regulation, the Independent Directors decided to avail themselves of the consultancy of Lazard S.r.l. in co-advisory with Colombo&Associati S.r.l. (collectively the '**Independent Experts**'), which have been tasked with jointly issuing, for the benefit of the Independent Directors, the respective fairness opinions on the Purchase Price offered by the Bidder (collectively, the '**Fairness Opinion**').³ The Independent Directors also requested legal support from Galbiati, Sacchi e Associati Law Firm in relation to the management of the process for the preparation of this Opinion ('**Legal Consultant**').

The Independent Experts were identified as a result of a competitive selection procedure carried out on the basis of pre-established criteria, including professional skills, the fees requested and the absence of economic or financial relationships that could compromise their independence. The same requirements have been taken into consideration in the selection process that led to the choice of the Legal Consultant.

On 18 December 2018, the Independent Experts issued the Fairness Opinion, attached to the present Opinion as Annexes A and B.

For the sake of completeness, it should be noted that on 30 October 2018 the Issuer's Board of Directors also appointed Mediobanca Banca di Credito Finanziario S.p.A. ('**Mediobanca**') to issue of a separate fairness opinion in support the assessments that the entire Board of Recordati is called upon to perform on the Offer in order to prepare and approve the Notice of the Issuer.

3.2. Documentation examined also by means of the Independent Experts

For the purpose of drawing up the Opinion, the Independent Directors, also by means of and with the support of the Independent Experts, have examined the following documentation:

- the Notice of the Bidder of 6 December 2018 prepared pursuant to article 102, paragraph 1 TUF and article 37 of the Issuers' Regulation, by which the Bidder has announced that it is required to launch the Offer;
- the Offer Document relating to the Offer, in its version dated 18 December

³ For reasons of internal compliance of the two Independent Experts, the joint conclusions at which the two co-advisors have arrived are reported in two separate documents, but have the same content.

2018. As previously stated, the Independent Directors were not able to examine the version of the Offer Document approved by Consob pursuant to article 102, paragraph 4 TUF and later published by the Bidder;

- the Offering Circular concerning the bond issued by Rossini S.à. r.l. titled ‘€1,300,000,000 (in a combination of Floating Rate Notes and Fixed Rate Notes)’ dated 12 October 2018;
- the Fairness Opinion issued on 18 December 2018 by Lazard S.r.l. and Colombo&Associati S.r.l., acting as Independent Experts, appointed for this purpose by the Independent Directors of the Issuer pursuant to article 39-*bis* of the Issuers’ Regulation;
- the press releases published further to 29 June 2018 on the Recordati website in relation to the Sale and Purchase Agreement, the Acquisition and the Offer.

The Independent Directors have also attended together with the directors and auditors of Recordati, a meeting on Friday 14 December 2018 with Mediobanca. The latter, acting as expert appointed by the Board of Directors of Recordati to support it in preparing the Notice of the Issuer, illustrated the activities performed and the methods used in relation to the position received by the Company.

3.3. Activities carried out for the purpose of drafting the Opinion

Having acknowledged the need to prepare the Opinion, the Independent Directors have, as explained above, taken steps to select and appoint Independent Experts and the Legal Consultant with whom constant communication has been maintained. The Independent Experts, among other things, have on several occasions jointly proceeded to illustrate the reference scenario of the Offer and the valuation methodologies used, as well as their development, with regard to Recordati for the formulation of the Fairness Opinion.

In greater detail, the Independent Directors have carried out the following preliminary and evaluation activities prior to the drafting of the Opinion:

- Meeting of 9 July 2018: Mario Garraffo, Michaela Castelli, Rosalba Casiraghi, Elisa Corghi and Paolo Fresia were present. The Independent Directors decided to begin the procedure for the selection of the independent expert pursuant to article 39-*bis*, paragraph 1 of the Issuers’ Regulation, inviting a list of commercial banks and advisory firms to participate on the basis of their experience and the absence, in light of the information available to the Independent Directors, of relationships that could compromise their independence.
- Meeting of 26 July 2018: Mario Garraffo, Michaela Castelli, Rosalba Casiraghi, Elisa Corghi and Paolo Fresia were present. During the meeting, having assessed the independence, professionalism and content of the economic offers presented

- by the participants in the procedure aimed at identifying the independent expert and the legal counsel, the Independent Directors decided to jointly entrust the appointment to Colombo&Associati S.r.l. and Lazard S.r.l.
- Meeting of 6 September 2018: Mario Garraffo, Michaela Castelli, Rosalba Casiraghi and Elisa Corghi were present. Presentation meeting of the Independent Experts and of the Legal Consultant. During the meeting, the Independent Directors elaborated on, among other things, the detailed content, purposes and scope of the reasoned opinion pursuant to article 39-*bis* of the Issuers' Regulation, also in light of the practice developed in similar transactions. The Independent Directors thus outlined the process to be followed in order to obtain the Fairness Opinion of the Independent Experts, first, and then the Opinion.
 - Meeting of 26 September 2018: Mario Garraffo, Michaela Castelli, Rosalba Casiraghi and Elisa Corghi were present. The Independent Experts illustrated the in-depth analyses underway, focusing on the methods to be used for the purpose of assessing the fairness of the purchase price for the Offer. The relevant set of documentation was discussed and selected to complete the assessments.
 - Meeting of 15 October 2018: Mario Garraffo, Michaela Castelli, Rosalba Casiraghi and Elisa Corghi were present. On this occasion, the relevant documentation, at the time available, was reviewed and examined, together with the Independent Experts, for the purposes of drafting both the Fairness Opinion and the Opinion. The Independent Experts also provided the Independent Directors with updates regarding the work in progress with reference, *inter alia*, to the performance of the ordinary shares of Recordati (price and volumes traded) on the MTA before and after the publication of the press release of 29 June 2018, including the analysis of the price of the ordinary shares of Recordati both in terms of absolute value and with respect to the FTSE MIB, the value of the Recordati shares in absolute terms compared to comparable companies, and the consensus trend, prepared with reference to the studies published by brokers, on the same security.
 - Meeting of 23 November 2018: Mario Garraffo, Michaela Castelli, Rosalba Casiraghi and Elisa Corghi were present. Among other things, the meeting focused on the analysis of the Independent Experts in light of the fluctuations in the value of the Recordati shares that are under the Offer, the comparable companies and the FTSE MIB index, and in consideration of the decision of the Board of Directors of the Issuer of 30 October 2018 to proceed with the distribution of an interim dividend for 2018 equal to EUR 0.45 per share (with issue of dividend coupon on 19 November 2018). The Independent Experts then presented an update of their analyses and assessments, refined also in light of the application of different assumptions to the methodologies identified and integrated from the analysis of the multiples of transactions that had occurred in

the sector between 2012 and 2017. The analysis of the performance of the consensus trend was updated with the new studies published and detailed, highlighting the contribution to the formation of the target price of hypotheses regarding the company's potential M&A.

- Meeting of 16 December 2018: Mario Garraffo, Michaela Castelli, Rosalba Casiraghi and Elisa Corghi were present. The Independent Directors, informed of the completion of the Acquisition and the filing of the Offer Document with Consob, held a meeting with the Independent Experts to examine the conclusions of the latter, as well as to prepare a preliminary draft of a reasoned opinion pursuant to article 39-*bis* of the Issuers' Regulation.
- Meetings of 18 and 19 December 2018: Mario Garraffo, Michaela Castelli, Rosalba Casiraghi and Elisa Corghi were present. During the meetings, having assessed the content of the Fairness Opinion issued by the Independent Experts and of the amendments made to the draft Opinion to take into account the observations that had emerged during the previous meeting of 16 December, taking note of the updating of the Offer Document received from the consultants on 18 December 2018, the Independent Directors approved the present Opinion on 19 December 2018, sending a copy to the Company.

The members of the Board of Statutory Auditors of Recordati constantly monitored the process of the Independent Directors described above, also directly attending the above-mentioned meetings.

4. Evaluation of the Offer and significant aspects

4.1. Essential information on the Offer and on its nature taken from the Offer Document

From the examination of the Offer Document (which must necessarily be referred to for a complete and detailed description of the contents of the Offer), the Independent Directors have drawn the following essential information.

- (i) The Offer has been launched by Rossini Investimenti S.p.A. (Bidder), also in the name and on behalf of the persons acting in concert with it (**‘Persons Acting in Concert’**) and concerns altogether a maximum of 97,735,180 ordinary shares of Recordati traded on the MTA, having a nominal value of EUR 0.125 each, representing 46.735% of the share capital of Recordati and equal to all of the shares of the Issuer minus the 108,308,905 ordinary shares, representing 51.791% of the share capital of Recordati (including the Treasury Shares) (**‘Shareholding’**) held indirectly by the Bidder, through FIMEI, and including maximum of 2,091,500 ordinary shares of Recordati S.p.A. in case of the exercise of all of the stock options arising from the Stock Option Plans. The Bidder has also stated that *‘the number of Shares concerned in the Offer may be decreased if, before the end of the Acceptance Period (or during any possible Reopening of Terms), as well as during the execution of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF, the Bidder or Persons Acting in Concert with it will acquire the Issuers’ ordinary shares outside of the Offer. Any purchases made outside of the Offer will be disclosed to the market pursuant to article 41(2)(c) of the Issuers’ Regulation’* (see Offer Document, Section C, Paragraph C.1).
- (ii) The Bidder has stated that the Offer is a full mandatory take-over bid, pursuant to and for the purpose of articles 102 and 106, paragraph 1 TUF, as well as the applicable provisions contained in the Issuers’ Regulation, and has specified that: *‘the requirement to proceed with the Offer stems from the completion, as at the Date of Completion, of the acquisition by the Bidder from the Sellers of 10 million ordinary shares representing the entire share capital of FIMEI (the ‘FIMEI Shares’) and, accordingly, its indirect acquisition of 108,308,905 ordinary shares, representing 51.791% of the share capital (including the Treasury Shares) of the Issuer as at the Date of the Offer Document (the ‘Acquisition’), for a total purchase price for the Shareholding equal to EUR 2,983,910,332.75, corresponding to a price per Recordati share of EUR 27.55 as well as an additional purchase price of EUR 22,427,279 to take account of the net assets of FIMEI, equal to the difference between the total assets and the total liabilities of FIMEI estimated as at the*

Date of Completion, without prejudice to the circumstance that such values could be adjusted after the Completion Date to the terms and conditions set forth by the Sale and Purchase Agreement and that such adjustment will have no impact on the Purchase Price per Share’ (see Offer Document, Introduction, Paragraph 2).

- (iii) For the specific and exclusive purposes of this Opinion, please note that the Bidder will pay to the adherents to the Offer a Purchase Price of EUR 27.55 for each share tendered to the Offer (the ‘**Purchase Price per Share**’) (see Offer Document, Section E, Paragraph E.1). Therefore, *‘in the case of total acceptance, the maximum total value of the Offer calculated on the basis of the purchase price per share equal to EUR 27.55 and of the maximum number of Recordati shares of the Offer (including all shares of the Issuer as may be issued by the end of the Subscription Period and where article 40-bis of the Issuers’ Regulation applies, during the Reopening of Terms, is equal to EUR 2,692,604,209 (the ‘Maximum Disbursement’)*’ (see Offer Document, Introduction, Paragraph 1.2 and Section E, Paragraph E.1).
- (iv) With respect to the Purchase Price per Share, the Bidder has specified that *‘the Purchase Price per Share, equal to EUR 27.55, paid entirely in cash by the Bidder to Arrigo Recordati s.s., as Seller, for the purchase of the Shareholding (through the purchase of the FIMEI Shares), corresponds to the highest price paid by the Bidder in the twelve months prior to the date of the communication pursuant to article 102, paragraph 1 TUF, for the purchase of the Recordati Shares’*. In addition, the valuation of EUR 27.55 per share *‘was based solely on the value ascribed independently by the Bidder to the shares of the Issuer held by the Bidder and was determined through an analysis completed independently by the Bidder. In particular, the price of EUR 28 cum dividendo per unit for the Recordati shares offered to the Sellers under the Sale and Purchase Agreement (subsequently EUR 27.55 following the distribution of the interim dividend for the 2018 financial year, approved by the Board of Directors of the Issuer on 30 October 2018 for EUR 0.45 per share, with the dividend coupon date of 19 November 2018) was the result of the negotiation with the Sellers on the basis of ‘fundamental’ valuation of the company in question. To this end, account has been taken, in particular, of the market valuation of comparable companies (in particular in terms of multiples of EBITDA) and multiples of comparable transactions carried out in the pharmaceutical industry. Conversely, the Bidder has not given particular relevance to the current stock exchange value of the Recordati shares, since it has considered this value to be influenced to a significant degree by speculation. Finally, it is specified that, within the Acquisition, ‘no further agreements have been signed, nor have any additional payments in kind been*

agreed, which may be relevant for the purposes of determining the Purchase Price per Share (see Offer Document, Section E, Paragraph E.1).

- (v) In accordance with the provisions of article 106, paragraph 1 TUF, the Offer, as it is mandatory, is not subject to any conditions of effectiveness. In particular, the Offer is not conditional upon reaching a minimum threshold of acceptances and is addressed, within the scope of what is specified in the Offer Document, without distinction and on equal terms, to all holders of ordinary shares of the Issuer and has been launched in Italy, as the shares are listed on the MTA. Furthermore, there are no conditions for the effectiveness of the Offer established by law.
- (vi) The Acceptance Period will be agreed with Borsa Italiana pursuant to article 40, paragraph 2 of the Issuers' Regulation.
- (vii) In addition, pursuant to article 40-*bis* of the Issuers' Regulation, the Acceptance Period will reopen for 5 (five) trading days if the Bidder, in the communication of the final results of the Offer (see Paragraph F.1.1 of the Offer Document), on the publication of the outcome of the Offer, communicates that it has reached more than two-thirds of the share capital of the Issuer or to have purchased at least half of the Recordati shares of the Offer. However, the Reopening of Terms will not take place if: (a) if the Bidder notifies the market within 5 (five) trading days before the end of the Acceptance Period (pursuant to article 40-*bis*, paragraph 3(a) of the Issuers' Regulation) that, following the Offer, it has reached more than two-thirds of the Issuers' share capital or has purchased at least half of the shares of the Offer; or (b) at the end of the Acceptance Period, the Bidder holds a shareholding that requires it to fulfil the Commitment to Squeeze Out pursuant to article 108, paragraph 1 TUF (i.e. more than 95% of the share capital subscribed and paid-up as at that date) or a shareholding of more than 90% if it has declared its intention not to proceed with the recovery of a float sufficient to ensure the regular trading performance of the shares (article 40-*bis*, paragraph 3(b) of the Issuers' Regulation).
- (viii) The payment of the Purchase Price per Share to the holders of the shares tendered to the Offer, in exchange for the contemporaneous transfer of ownership of such shares, will take place on the fifth trading day following the end of the Acceptance Period (**'Date of Payment'**). In the event of a Reopening of Terms, the payment of the Purchase Price per Share for the Shares that have been the tendered during the Reopening of Terms will take place on the fifth trading day following the end of the Reopening of Terms (the **'Date of Payment after the Reopening of Terms has ended'**).

4.2. Additional significant elements of the Offer

With regard to the essential elements of the Offer and the possible scenarios that may occur subsequent thereto, the Independent Directors wish to draw attention to the following elements taken from the Offer Document.

- (i) The payment of the sums due in the context of the Offer (calculated assuming a total acceptance by the shareholders of the Offer, taking into account the maximum number of shares subject thereto and, therefore, for a total maximum of EUR 2,692,604,209) *'will be carried out by the Bidder using the following resources to the extent and in accordance with the proportions that will be established by the Bidder close to the date of payment of the Purchase Price (it being understood that the Bidder will in any case use both equity financial resources and debt financial resources):*
 - A. *up to a maximum of EUR 1,066,426,333 through the assets of the Bidder arising from the Third Payment of the Bidder;*
 - B. *up to a maximum of EUR 1,485,000,000 from the proceeds of the Senior Secured Bridge Facilities Agreement; and*
 - C. *up to a maximum of EUR 615 million with proceeds from the Senior Unsecured Bridge Facilities Agreement signed by Rossini Acquisition, whose stock will be used in order to equip the Bidder, through an additional payment of principal, with the necessary resources to partly finance the Offer (see Offer Document, Section A, Paragraph A.2).*
- (ii) Pursuant to current regulatory provisions, *'in order to guarantee the exact performance of the payment obligations of the Bidder under the Offer, the Guarantor Banks for the Exact Performance Guarantee have issued the Exact Performance Guarantee pursuant to article 37-bis of the Issuers' Regulation, consisting of a declaration by which the Guarantor Banks for the Exact Performance Guarantee are obliged, irrevocably and unconditionally, to guarantee the exact performance of the Bidder's payment obligations pursuant to the Offer, to make available the Maximum Disbursement and, in any case, on a pro-rata and several basis, each within the pre-established amount according to the respective exposure pursuant to the various loan agreements that are part of their respective financing commitments, and to pay, with funds of immediate liquidity, to shareholders, the Purchase Price per Share of all the Shares tendered to the Offer (also following any possible Reopening of Terms pursuant to article 40-bis of the Issuers' Regulation), in the interest of the parties who subscribe to the Offer and upon simple written request of the Intermediary Responsible for the Coordination of the Collection*

of Subscriptions' (see Offer Document, Section A, Paragraph A.3).

(iii) The Bidder addressed *'part of its obligations to pay the purchase price of the FIMEI shares, for a total amount of EUR 2,181,337,611.75, by making partial use of the financial resources made available by its shareholders, both directly and indirectly, by way of capital account payments'* (see Offer Document, Section G, Paragraph G.1.2.1). Moreover, in the Offer Document *'it is specified that Rossini has found the necessary resources'* for the Acquisition *'through recourse to the financial resources made available by its shareholders, both directly and indirectly, by way of capital and/or capital account payments and by issuing the Senior Secured Notes Due 2025'* for a total of EUR 650 million (see Offer Document, Section G, Paragraph G.1.2.1).

(iv) According to what is indicated in the Offer Document, *'the Offer is not directed towards the Delisting of the shares of the Issuer from the MTA'*. However, the Bidder has also stated that it *'reserves the right, in any case, to carry out the mergers'* described in the Offer Document (see Section A, Paragraph A.7), clarifying that no formal decisions have yet been made by the competent bodies of the companies that could be involved in such transactions, nor under the related implementing rules.

In particular, *'the Mergers could be realised upon the conclusion of the Offer, (included the possible Reopening of Terms) and/or the fulfilment of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF and/or the Commitment to Squeeze-Out pursuant to article 108, paragraph 1 TUF and the exercise of the Right to Purchase, or also within 12 months from the date of payment of the Purchase Price'* (see Section A, Paragraph A.7).

(v) In detail, the mergers could be carried out by the companies involved in these transactions *'if necessary and/or appropriate to achieve the objectives of future programmes of the Bidder, to shorten the chain of ownership of the Issuer and allow, except to the extent required by applicable law, the use of the cash flows generated by the Issuer for the purposes of repaying the financial indebtedness assumed for the purposes of the Acquisition and the Offer'* (see Section A, Paragraph A.7).

(vi) The individual types of mergers hypothesized by the Bidder are:

'Initial Merger:

Following the closure of the Offer (including any possible Reopening of Terms) the Bidder intends to propose to the competent bodies of the Bidder and FIMEI that greater efficiency in the chain of control of the Issuer be pursued through the merger between the Bidder and FIMEI (the 'Initial Merger'). It being understood that as at the Date of the Offer Document, no

formal decisions have been taken by the competent bodies of the company that could be involved in such transaction or in its implementing rules. The company resulting from the Initial Merger will be defined as 'New Rossini Investimenti'. It is specified that the Initial Merger will not have any impact on the Offer.

Merger of the Bidder:

Without prejudice to the foregoing, if there is any Delisting of the Issuer as a result of the Offer and according to the final outcome of the Offer (including any possible Reopening of Terms), where the Bidder (or in the case where the Initial Merger has already been completed, New Rossini Investimenti) has, directly or indirectly, a holding in the share capital of the Issuer equal to greater than 2/3 voting rights, the Bidder intends to assess whether to propose to the competent bodies of the Bidder and of FIMEI (or if the Initial Merger has already been completed, New Rossini Investimenti) and the Issuer a merger transaction between the Bidder, FIMEI (or, as the case may be, New Rossini Investimenti) and the Issuer (the 'Merger of the Bidder'). It is specified that as at the Date of the Offer Document, no formal decisions have been taken by the competent bodies of the companies that could be involved in such transaction, or to its implementing rules. In particular, no decision has been taken in relation to which the companies possibly involved in the merger of the Bidder will assume the role of the incorporating company (the 'New Operating Company'). At the Date of the Offer Document, it cannot therefore be excluded that the Issuer is incorporated into the Bidder or FIMEI (or, as the case may be, New Rossini Investimenti), which are both unlisted companies. In this case, the Issuer's shareholders who did not participate in the resolution approving the Merger of the Bidder would have the right of withdrawal pursuant to article 2437-quinquies of the Italian Civil Code, since, in this case, they would receive in exchange shares not listed on a regulated market. In such case, the liquidation value of the shares subject to withdrawal would be determined pursuant to article 2437-ter, paragraph 3 of the Italian Civil Code, making exclusive reference to the arithmetic mean of the closing prices in the six months preceding the publication of the notice of call of the shareholders' meeting whose resolutions legitimise the withdrawal. Therefore, following the Merger of the Bidder, the Issuer's shareholders who decide not to exercise their right of withdrawal would become the holders of financial instruments not traded on any regulated market, with consequent difficulties in liquidating their investment in the future.

Merger After Delisting:

Notwithstanding the foregoing, if the Delisting of the Issuer occurs as an outcome of the Offer, the Bidder intends to evaluate whether to propose to the

competent bodies of: (x) if the Initial Merger has already been completed, New Rossini Investimenti, the Issuer and Rossini; (y) if the Merger of the Bidder has already been completed, the New Operating Company and Rossini; or (z) if neither the Initial Merger nor the Merger of the Bidder have been completed, the Bidder, FIMEI, the Issuer and Rossini, said merger transaction to be completed between the above-mentioned companies (the 'Merger after Delisting').

It is specified that as at the Date of the Offer Document, no formal decisions have been taken by the competent bodies of the companies that could be involved in such transaction nor in the implementing rules. In such case, the Issuer's shareholders who have not participated in the deliberations to approve the Merger after Delisting would have the right to withdraw only if one of the conditions laid down in article 2437 of the Italian Civil Code is satisfied. In such case, the liquidation value of the shares withdrawn would be determined in accordance with article 2437-ter, paragraph 2, of the Italian Civil Code, taking into account the total assets of the Issuer and its income-earning prospects as well as the possible market value of the shares.

Merger with Rossini:

If as a result of the Offer, neither the Merger of the Bidder nor the Merger after Delisting have been completed, it will be evaluated whether to propose to the competent bodies of New Rossini Investimenti (or if the Initial Merger has not yet been completed, the Bidder and FIMEI) and Rossini, a merger with New Rossini Investimenti (or where the Initial Merger has not yet been completed, the Bidder and FIMEI) and Rossini, it being understood that as at the Date of the Offer Document, no formal decisions have been taken by the competent bodies of the companies that could be involved in such transaction or in the implementing manners. The Bidder has specified that the possible merger of Rossini Investimenti with Rossini will not have any impact on the Offer.

Without prejudice to the above, the merger will be evaluated also with a view to shortening the chain of control and therefore, depending on the companies involved in the same, may lead to the applicability of article 2501-bis of the Italian Civil Code. In this regard, it is noted that the holders of the Issuer's shares who do not adhere to the Offer or who do not exercise their right of withdrawal as a result of the aforesaid merger will become holders of a shareholding in a company that could have a level of indebtedness higher than that of the Issuer prior to the same merger. As at the Date of the Offer Document, it is not possible to determine any additional indebtedness that could, in whole or in part, arise for the company resulting from the possible merger.

In addition, in order to meet the repayment of the amounts due under loan agreements relating to the Acquisition and the Offer (including principle and, where applicable, interest) the Bidder, in light of the prospective trend of the Issuer's business, does not exclude the possibility of using, as the case may be, the cash flows deriving from any distribution of dividends and/or available reserves (if any) of the Issuer and/or, in the event of a merger, of using the cash flows deriving from the carrying out of the Issuer's activities. In this respect, it is specified that until the completion of one of the mergers described above or if the merger is not performed, the repayment of the loan agreements could be made mainly through the use of the cash flows deriving from the distribution of available reserves of the Issuer. Furthermore the Bidder could determine - through the exercise of its voting rights within the shareholders' meeting of the Issuer - the adoption of resolutions directed to distribute to shareholders, as ordinary and/or extraordinary dividends, available reserves of the Issuer, also of large volumes. This possibility could produce negative effects on the Issuer's ability to realize its development plans and/or on the implementation timing of such plans. Lastly, the Bidder does not exclude that the terms and conditions of the loan agreements may be renegotiated following the outcome of the Offer and/or of the possible merger for the purposes of optimising the financial structure of the Bidder and/or the entity resulting from the merger.

Additional possible extraordinary transactions

The Bidder does not exclude, furthermore, the possibility that it will be able to assess, at its discretion, the opportunity to complete', in addition or as an alternative to the Merger transactions described in Paragraph A.7 and in Section G, Paragraph G.2.4 of the Offer Document 'any additional extraordinary transactions deemed appropriate in line with the objectives and the reasons for the Offer, both in the case of Delisting and non-Delisting, such as, by way of example, acquisitions, disposals, mergers, demergers involving the Issuer or certain of its assets or business units, and/or capital increases, provided that, as at the Date of the Offer Document, no formal decisions have been made by the competent bodies of the companies involved in respect of any of the transactions referred to in this Paragraph A.3' (see Offer Document, Section A, Paragraph A.7).

4.3. Programs related to the management of Recordati's business after the Offer

With regard to the Bidder's future plans in relation to the Issuer, the Independent Directors report that the Bidder, in the Offer Document, has communicated the following.

- (i) Given that the Bidder *'believes that the Issuer's business is characterised by effective management, focused on sustainable growth, and by a success story in terms of financial results achieved in recent years,'* it intends *'to continue, together with the management of the Issuer, the path undertaken by the Recordati family over the last 80 years, bringing, as a majority investor, its experience and knowledge deriving from a solid track record of investments in the healthcare sector (and outside of it), with particular reference'* to the areas: (a) of *'organic growth'* and (b) *'business development'* (see Offer Document, Section G, Paragraph G.2.2).
- (ii) In relation to *'organic growth'*, the Bidder *'intends to collaborate with the management to proactively manage the Issuer, preserving the geographic and product diversity of the Recordati Group, while ensuring an efficient operational model and strong cash flow generation'*. In particular:
 - (i) *Consolidation and strengthening of the position of the Issuer as a diversified company specialized in pharmaceuticals working through various therapeutic products and in different geographical areas and in a highly defensible and growing market*
[...]
 - (ii) *Continuous development of the Issuer's organic growth through investment in the product pipeline, including exploring additional licensing opportunities*
[...]
 - (iii) *Support for profitability through an efficient business model*
[...]
 - (iv) *Strong focus on generating operating cash flows'* (see Offer Document, Section G, Paragraph G.2.2).
- (iii) With regard, instead, to the *'business development strategy'*, the Bidder expresses its desire to rely on the following three different levers.
 - (i) *'Continuous improvement through selective growth opportunities for business development*
[...]
 - (ii) *Support for acquisition strategy by maintaining a healthy financial leverage throughout the economic cycle*
[...]

(iii) *Investment in the Issuer as a separate investment within the Group portfolio of the Bidder*' (see Offer Document, Section G, Paragraph G.2.2).

4.4. Possible alternative scenarios for holders of ordinary shares of Recordati other than the Bidder

In the Offer Document, the Bidder outlines the possible alternative scenarios that the recipients of the Offer will be required to evaluate and which the Independent Directors consider it appropriate to report below.

A. Acceptance of the Offer, including during any possible Reopening of Terms

'The Shares may be tendered for the Offer during the Acceptance Period. In the event of acceptance of the Offer, the Issuer's shareholders will receive the Purchase Price per Share equal to EUR 27.55 for each Share they hold and they tender for the Offer. The Purchase Price per Share will be paid on the fifth Trading Day following the end of the Acceptance Period and, therefore, on [●] 2019 (subject to extension of the Acceptance Period in accordance with the applicable regulations). As also indicated in Paragraph F.1.1. of the Offer Document, it should be noted that, pursuant to Article 40-bis of the Issuers' Regulation, by the Trading Day following the Date of Payment, the Acceptance Period may be re-opened for 5 (five) Trading Days (specifically for the sessions of [●], [●], [●], [●] and [●] 2019) if the Bidder, on the occasion of the publication of the Notice on the Final Results of the Offer (see Section F, Paragraph F.3 of the Offer Document), communicates that it has reached a shareholding of more than two-thirds of the Issuer's share capital or that it has purchased at least half of the Shares subject to the Offer, pursuant to Article 40-bis, paragraph 1 b) nos. 1) and 2) of the Issuers' Regulation.

Also in such case, the Bidder will pay to the adherents to the Offer a Purchase Price of EUR 27.55 for each Share tendered to the Offer, which will be paid on the fifth Trading Day following the end of the period of the Reopening of Terms and therefore [●] 2019' (see Offer Document, Section A, Paragraph A.12).

B. Lack of acceptance of the Offer, including during any possible Reopening of Terms

'In the event of non-acceptance of the Offer during the Acceptance Period, as possibly reopened following the Reopening of Terms, the Issuer's shareholders will be faced with one of the possible scenarios described below.

1. Acquisition of less than 90% of the share capital of the Issuer

If, as a result of the Offer, including the eventual Reopening of the Terms, the requirements have not been met for the application of the Commitment to Squeeze-out pursuant to article 108, paragraph 1 TUF or the Commitment to Squeeze-out

pursuant to article 108, paragraph 2 TUF, the Bidder reserves the right to assess whether to proceed to the recovery of a float sufficient to ensure the regular trading performance of the Shares on the MTA, in which case the shareholders who do not participate in the Offer will remain shareholders of the Issuer which may remain listed and will therefore participate in the Issuer's future plans as described in [...] Section G, Paragraph G.2, of the Offer Document (for further information see Section G of the Offer).

2. Acquisition of greater than 90% but less than 95% of the share capital of the Issuer

If, as a result of the Offer, including any possible Reopening of Terms as a result of acceptances to the Offer and any purchases made outside of the Offer, during the Acceptance Period as possibly reopened as a result of the Reopening of Terms, the Bidder holds a stake of more than 90% but less than 95% of the Issuer's share capital subscribed and paid-up on such date, the Bidder, if it communicates its decision not to recover a float sufficient to ensure the regular trading performance, will be subject to the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF (see previous Note A.9). In this case, therefore, the shareholders of the Issuer who have not adhered to the Offer will be entitled to request that the Bidder purchase their Shares, pursuant to Article 108, paragraph 2 TUF at a specified price pursuant to article 108, paragraph 3 TUF, i.e. at a price equal to the Purchase Price per Share.

Following the fulfilment of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF, Borsa Italiana, pursuant to article 2.5.1, paragraph 6 of the Stock Exchange Regulation, will revoke the Issuer's ordinary shares from trading starting on the Trading Day following the day on which the payment for the Purchase Obligation pursuant to article 108, paragraph 2, TUF is made. In this case, the holders of Shares not participating in the Offer and who did not intend to avail themselves of the right to have the Bidder purchase their Shares in fulfilment of the Obligation to Purchase pursuant to Article 108, paragraph 2, TUF (except as indicated in the following point 3), will become holders of financial instruments not traded on any regulated market, with consequent difficulty in liquidating their investment.

3. Achieving a shareholding of at least 95% of the share capital of the Issuer

If, as a result of the Offer, including any possible Reopening of Terms or the fulfilment of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF, as a result of acceptances to the Offer and any purchases made outside of the Offer by the end of the Acceptance Period, as possibly re-opened following the Reopening of Terms, the Bidder holds a total stake of at least 95% of the Issuer's share capital subscribed and paid-in to this date, the Bidder will initiate the Joint

Procedure. In this case, shareholders who did not participate in the Offer will be required to transfer ownership of their Shares to the Bidder and, in exchange, will receive for each Share they hold a price determined in accordance with article 108, paragraph 3 TUF, i.e. at a price equal to the Purchase Price per Share.

Following the fulfilment of the Commitment to Squeeze-Out pursuant to article 108, paragraph 1 TUF, and the Right to Purchase pursuant to article 111 TUF, Borsa Italia, pursuant to article 2.5.1 of the Stock Exchange Regulation, will suspend and/or revoke the Shares from trading on the MTA' (see Offer Document, Section A, Paragraph A.12).

4.5. Considerations relating to the Issuer and future plans of the Bidder

According to what the Bidder has stated, the Offer is mandatory, as it follows from the Acquisition, and is not aimed at the Delisting of the Issuer. The Offer Document, in the opinion of the Independent Directors, appears to comply with the provisions laid down by the legal regime for mandatory full take-over bids, insofar as it does not contain accessory or accidental conditions or elements that affect its essential content.

The Independent Directors, as stated above, draw the attention of the recipients of the Opinion to the following aspects that emerge from the Offer Document.

- (i) According to what the Bidder has stated, the Offer is not aimed at the Delisting of Recordati. The Bidder therefore intends, in principle, to maintain the listing of the Issuer's shares on the MTA. However, the Issuer's Delisting is not entirely excluded, as the Bidder may, depending on the number of shares tendered to the Offer, may decide (a) not to restore the float or (b) to proceed with the incorporation of Recordati into an unlisted company in the controlling equity chain. Reference is made in particular to the Offer Document, specifying, as regards the case under (a) above, that *'should the Bidder become the owner of more than 90% and less than 95% of the share capital of the Issuer, it will likely not proceed to the recovery of a float sufficient to ensure the regular trading performance of the Shares on the MTA. It is moreover specified that if the Bidder should purchase upon the completion of the Offer a percentage in the ordinary share capital of the Issuer that is very significant or close to the relevant threshold for the application of the Commitment to Squeeze-Out pursuant to article 108, paragraph 2 TUF, it is likely that the Bidder will evaluate concretely to perform transactions directed to the delisting of the Issuer's ordinary shares, as, for example, the further purchase of the Issuer's shares outside the Offer which lead the delisting threshold being exceeded, or a merger transaction of the Issuer*

in a company not listed on the MTA, with the subsequent delisting of the Issuer's ordinary shares' (see Offer Document, Section G, Paragraph G.2.1). As for item (b), it is instead reminded that *'if there is any Delisting of the Issuer as a result of the Offer [...], where the Bidder [...] holds, directly or indirectly, a holding in the share capital of the Issuer equal to greater than 2/3 of the voting rights, the Bidder intends to assess the merits of [...] a merger transaction between the Bidder, FIMEI [...] and the Issuer'* (see Offer Document, Section A, Paragraph A.7).

- (ii) The Issuer and its subsidiaries have, as a result of the Acquisition, become part of a group of companies belonging to CVC and its Co-Investors, characterized, as it emerges from the Offer Document, by the presence of a debt of over EUR 2 billion contracted for the Acquisition and, therefore, of the investment held in Recordati (whose debt exposure has not yet changed due to the Acquisition). The debt of the group of companies to which the Bidder belongs may increase up to an additional EUR 2.1 billion in the case of subscriptions to the Offer which entail, for the Bidder, the use of new loans, as indicated in the Offer Document (see Offer Document, Section A, Paragraph A.2). On this point, it is reminded that the holders of the Issuer's shares who do not adhere to the Offer or who do not exercise their right of withdrawal due to the merger by incorporation of Recordati into one or more companies in its chain of control *'would become holders of a shareholding in a company that could have a level of indebtedness higher than that of the Issuer prior to the same merger'* (see Offer Document, Section A, Paragraph A.7).
- (iii) The Bidder's group also declares in the Offer Document its intention to *'continue to focus its strategy on generating significant cash flow and on the maintenance of a healthy balance sheet with adequate levels of indebtedness. This allows the Issuer'* – continues the Offer Document – *'to pursue a growing acquisition strategy, in addition to maintaining an attractive dividend policy for shareholders'* (see Offer Document, Section G, Paragraph G.2.2 (a) (iv)). The possibility that Recordati will maintain its strategy of growing acquisitions may be conditioned, among other things, by any extraordinary merger transactions hypothesised in the Offer Document and/or by any reduction in the Company's assets resulting from extraordinary distributions of profits or reserves. In this last regard, it is reminded that, *'in order to meet the repayment of the amounts due under loan agreements relating to the Acquisition and the Offer (including principle and, where applicable, interest) and in light of the prospective trend of the Issuer's business – it does not exclude the possibility of using, as the case may be, the cash flows deriving from any distribution of dividends and/or available reserves (if any) of the Issuer and/or, in the event of a merger, of*

using the cash flows deriving from the carrying out the Issuer's activities' (see Offer Document, Section A, Paragraph A.7).

5. Evaluations concerning the fairness of the purchase price of the Offer

5.1. Purchase Price per Share

As indicated by the Bidder in the Offer Document (see Section E, Paragraphs E.1, E.2 and E.4 of the Offer Document):

- (i) the Bidder will pay to each adherent to the Offer EUR 27.55 for each Share tendered to the Offer and purchased by the Bidder;*
- (ii) the Purchase Price per Share is net of coupons, to the extent owed, and of fees, commissions and expenses that will be paid by the Bidder, while the withholding tax on capital gains, where due, will be borne by the adherents to the Offer;*
- (iii) the Maximum Disbursement in the event that all Recordati shares are tendered to the Offer will be equal to EUR 2,692,604,209;*
- (iv) given the mandatory nature of the Offer and taking into account the structure of the transaction that results in obligation to launch the Offer, the Purchase Price per Share has been set in accordance with the provisions of article 106, paragraph 2 TUF, pursuant to which the Offer must be launched at a price not lower than the highest price paid by the Bidder for the purchase of Recordati shares, in the twelve months prior to the date of the disclosure pursuant to article 102, paragraph 1 TUF;*
- (v) as agreed between the Sellers and the Bidder pursuant to the Sale and Purchase Agreement, the Purchase price per Share implies an economic value for the parties participating in the Offer higher than the total price per share paid by the Bidder for the purchase from the Sellers of the Shareholding (through the purchase of the FIMEI Shareholding), which instead provides for a portion of the same already paid on the Completion Date and a portion to be paid in deferred form (through the DP Notes, as defined in the Offer Document);*
- (vi) the Bidder and (to the knowledge of the Bidder) the Persons Acting in Concert did not make further purchases of ordinary shares of Recordati in the 12 months prior to the disclosure pursuant to article 102 TUF with the exception of that reported in paragraph E.6 of the Offer Document;*
- (vii) the Bidder has stated that 'in determining the above-mentioned valuation, the Bidder has not made use of expert opinions or specific assessment documents and that such valuation was based solely on the value ascribed independently*

by the Bidder to the shares of the Issuer [...] and was determined through an analysis completed independently by the Bidder' (for greater detail, see paragraph 4.1 (iv) above and Section E, Paragraph E.1 of the Offer Document,);

- (viii) the Bidder also declares that, with the exception of what is described in the Offer Document, 'no further agreements have been signed, nor have any additional payments in kind been agreed, which may be relevant for the purposes of determining the Purchase Price per Share' (See Offer Document, Section E, Paragraph E.1);
- (ix) the Purchase price per Share (see Offer Document, Section E, Paragraph E.4) incorporates a discount of approximately 16.3% compared to the official price of the Recordati stock recorded on 28 June 2018 (i.e. final trading day before the announcement of the Offer to the market), equal to EUR 33.4, as well as the following discounts with respect to the weighted arithmetic average of the official prices of the reference periods considered below:

Reference period prior to 29 June 2018	Weighted average price during the period	Purchase Price ¹ vs. weighed average price of the period
1 month	32.9	-14.9%
3 months	31.6	-11.4%
6 months	31.4	-10.8%
1 year	33.4	-16.1%

Note 1) Purchase Price per Share *cum dividendo*

5.2. Content of the Fairness Opinion

On 18 December 2018, the Independent Experts issued the Fairness Opinion, attached as Annexes A and B, to which reference should be made for a more detailed analysis of the content, limits and results obtained.

In drafting the Fairness Opinion, the Independent Experts examined, among other things, the economic terms of the mandatory take-over bid envisaged in the Offer Document and based their opinion on publicly available information or information made available by the Company, also during meetings held with the senior management of the Company in relation to the business prospects and the financial forecasts of Recordati.

The Independent Experts have also specified that for the preparation of the Fairness Opinion, taking into account the specific characteristics of Recordati, they have used various evaluation methods and have also specified that these methodologies and

analyses must not be considered individually, but only as integral parts of a combined and complex evaluation process.

When referring to the Fairness Opinion, attached hereto as Annexes A and B, for a more detailed description of the methods used and the analyses carried out by the Independent Experts, the Independent Directors report below the result to which the co-advisors have arrived upon the completion of the aforementioned analyses according to each method identified and used:

- (i) *Discounted Cash Flow Analysis*: with reference to this valuation method, based on the projections deriving from the consensus of the financial analysts who follow the Company, and confirmed by Recordati's senior management, the Independent Experts identified two ranges of values for each Recordati share that are respectively, in a stand-alone scenario and in an M&A scenario, between EUR 27.45 and EUR 32.63 and between EUR 29.47 and EUR 35.89;
- (ii) *Precedent Transactions Analysis*: with reference to this valuation method, based on a selected sample of previous transactions in the Specialty Pharma sector from 2012 to 2018, the Independent Experts identified a range of values for each Recordati share that is between EUR 27.64 and EUR 30.04;
- (iii) *Comparable Companies Analysis*: with reference to this valuation method, based on a selected sample of European listed companies operating in the so-called 'Specialty Pharma' sector, the Independent Experts identified a range of values for each Recordati share that is between EUR 24.04 and EUR 26.57. The sample selected by characteristics and by types of products, however, is not fully comparable with the Issuer;
- (iv) *Market Prices and Premium Paid Analysis*: with reference to this valuation method, based on the identification of the Undisturbed Share Prices of the Recordati shares and on the application of the implicit premiums in the fees of previous mandatory full take-over bids in Italy from 2013 to 2018 at stock exchange prices of the Recordati shares prior to the announcement of the transaction, the Independent Experts identified two ranges of values for each Recordati share that are respectively between EUR 29.78 and EUR 31.22 and between EUR 31.93 and EUR 36.27;
- (v) *Analyst Target Price Analysis*: with reference to this valuation method, based on the objective assessments published by the financial analysts who follow the Company, the Independent Experts identified a range of values for each Recordati share that is between EUR 30.00 and EUR 39.10.

The Independent Experts have also underlined how each method used has its own strengths and weaknesses, and how the nature of some available information could

influence the reliability of some of these methods.

On the basis of the analyses carried out, the Independent Experts have concluded on the date of issue of the Fairness Opinion that the purchase price of the Offer is, from a financial point of view, not fair for the shareholders of Recordati holding the shares subject to the Offer.

5.3. Evaluations concerning the fairness of the Purchase Price per Share

The Independent Directors examined the Fairness Opinion issued by the Independent Experts also in light of the documentation and information both prepared by them and illustrated during the numerous meetings that took place with said Independent Experts during the process that led to the issuance of the present Opinion.

Upon the completion of the evaluations and in-depth analyses, the Independent Directors decided to share the identified evaluation methods and their application.

In adopting the conclusions presented in the Fairness Opinion, the Independent Directors also took into consideration the following:

- (i) the Offer Document highlights the interest in maintaining continuity of the senior management of the company;
- (ii) the results of the Company and the growth targets, which confirm the positive performance of Recordati's profits;
- (iii) Recordati's strategy which, alongside organic growth, aims to drive growth through acquisitions, an historically important driver of its profits, has been confirmed by the Bidder, as shown in the Offer Document (see Section G, Paragraph G.2.2);
- (iv) the company is actively pursuing the growth objective through acquisitions;
- (v) to date, the covenants relating to the Issuer's indebtedness have allowed for the pursuit of the growth strategy outlined in the Offer Document while maintaining '*an attractive dividend policy*' (see Offer Document, Section G, Paragraph G.2.2).

6. Conclusions

Without prejudice to the purposes and limitations of scope of the Opinion indicated in paragraph 2 above, the Independent Directors

have examined, in particular, the content

- of the Notice of the Bidder of 6 December 2018 prepared in accordance with article 102, paragraph 1 TUF and article 37 of the Issuers' Regulation, by which the Bidder has announced that it is required to launch the Offer;
- the version of the Offer Document dated 18 December 2018 prepared by the Bidder in accordance with articles 102 and 106, paragraph 1 TUF and placed at the disposal of the Independent Directors on 18 December 2018 for the purposes of the present Opinion;
- the Fairness Opinion issued by Lazard S.r.l. and Colombo&Associati S.r.l. on 18 December 2018, in their capacity as Independent Experts attached hereto as Annexes A and B;

have acknowledged

- the nature of the Offer, as a result of the acquisition of 100% of the share capital of the controlling company of the Issuer and, therefore, of the requirement to set a purchase price that is not lower, indirectly, than the purchase price of the Recordati shares purchased by the Buyer;
- that, as of the present date, as far as the Independent Directors are aware, the Supervisory Authority has not begun the procedure pursuant to article 47-*sexies* of the Issuers' Regulation for increasing the price of mandatory takeover bids,

direct attention

- in particular, to what is highlighted under paragraph 4.5 and the contents of paragraphs 5.2 and 5.3,

consider unanimously, in their opinion,

- (i) with respect to the Offer, that it is in compliance with the requirements laid down under the legal regime for mandatory takeover bids, not containing conditions or accessory or accidental elements that affect its essential content, as described above in paragraph 4;
- (ii) with regard to the fairness of the Purchase Price per Share, having obtained and reviewed the valuation methods used by the Independent Experts, as well as the related application, and agreeing with the conclusions thereof, that the Purchase Price per Share should be considered as not fair, as described above in paragraph 5.

In any case, the economic convenience of accepting the Offer must be assessed independently by each individual shareholder of Recordati, also taking into account, in particular, the performance of the shares during the Acceptance Period, their own investment strategies and the characteristics of the shareholding held by each of them.

Annexes:

“A” *Fairness opinion* rendered by Lazard S.r.l. on 18 December 2018

“B” *Fairness opinion* rendered by Colombo & Associati S.r.l. on 18 December 2018

* * *

Milan, 19 December 2018

Mario Garraffo

Rosalba Casiraghi

Michaela Castelli

Elisa Corghi

LAZARD

Recordati S.p.A.

Via M. Civitali, 1

20148 Milan, Italy

Attention: The Independent Members of the Board of Directors

18th December 2018

Dear Members of the Board:

We understand that Rossini Investimenti S.p.A. (the "Bidder"), an acquisition vehicle established, indirectly, by CVC Capital Partners Limited ("CVC"), PSP Investments Holding Europe Ltd. ("PSP"), StepStone ("StepStone") and AlpInvest Partners ("AlpInvest") (together the "Acquirers") will launch a mandatory public offer, dated as of 19th December 2018 (the "Offer" or the "Transaction") in accordance with articles 102 and 106 paragraph 1 of the Legislative Decree No. 58 of February 1998, as subsequently amended and supplemented, to acquire all of the issued and outstanding ordinary shares, each having a nominal value of Euro 0.125, of Recordati S.p.A. (the "Company Shares" and the "Company", respectively) other than the Company Shares held by the Bidder or any person acting in concert with the Bidder for an amount in cash equal to Euro 27.55 per Company Share (the "Consideration"). Provided that certain conditions are met, GTB Capital Partners II LP, HL/AS Global Coinvest LP, HL International Investors LP, Series P, PRIT PEC LLC, AlpInvest North Rush II, LP, PSP, HarbourVest Mercurius L.P. e HarbourVest Vulcanus L.P. (collectively, the "Additional Investors") may also make an investment in one of the companies indirectly controlling the Bidder. While certain provisions of the Offer are summarized herein, the terms and conditions of the Offer are more fully set forth in the draft Offer document provided to us on December 18th, 2018 (the "Offer Document") and expected to be approved by Consob (*Commissione Nazionale per le Società e la Borsa*) on December 19th, 2018.

You have requested the opinion of Lazard S.r.l. ("Lazard") as of the date hereof as to the fairness, from a financial point of view, to the holders of the Company Shares (other than the Bidder, any of its affiliates or any person acting in concert with the Bidder), of the Consideration to be paid in the Offer. In connection with this opinion, we have:

- (i) reviewed the financial terms and conditions of the Offer as set forth in the Offer Document;
- (ii) reviewed certain publicly available historical business and financial information relating to the Company;
- (iii) reviewed various financial forecasts and other data provided to us by the Company relating to the business of the Company as well as certain publicly available research reports for the Company and a set of financial forecasts derived therefrom and inertial extrapolations thereto relating to the business of the Company and approved for our use by senior management of the Company (the "Broker Forecasts");
- (iv) held discussions with members of the senior management of the Company with respect to the business and prospects of the Company;
- (v) reviewed public information with respect to certain other companies in lines of business we believe to be generally relevant in evaluating the business of the Company;
- (vi) reviewed the financial terms of certain transactions involving companies in lines of businesses we believe to be generally relevant in evaluating the business of the Company;
- (vii) reviewed the historical stock prices and trading volumes of the Company Shares;
- (viii) reviewed the historical premia applied in precedent tender offers in Italy; and
- (ix) conducted such other financial studies, analyses and investigations as we deemed appropriate.

In preparing this opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all of the foregoing information, including, without limitation, all the financial and other information and reports provided or discussed with us and all representations made to us. We have not undertaken any independent investigation or appraisal of such information, reports or representations. We have not provided, obtained or reviewed on your behalf any specialist advice, including but not limited to, legal, accounting, actuarial, environmental, information technology or tax advice, and accordingly our opinion does not take into account the possible implications of any such specialist advice.

We have assumed that the valuation of assets and liabilities and the profit and loss forecasts, made by the management of the Company are fair and reasonable. We have not independently investigated, valued or appraised any of the assets or liabilities (contingent or otherwise) of the Company or the solvency or fair value of the Company, and we have not been furnished with any such valuation or appraisal. Furthermore, in light of the fact that (i) the last available version of the business plan (2017-2019), approved

by the Board of Directors of the Company and published on 9th February 2017, is outdated and does not include the effect of the acquisitions realized by the Company thereafter and (ii) no updated version of the business plan has been approved by the Board of Directors of the Company, the senior management of the Company has guided us to use the Broker Forecasts and indicated that they are a reasonable basis to evaluate the future results of operations and financial condition and performance of the Company. We have, therefore, assumed, with consent of senior management of the Company, that the Broker Forecasts have been reasonably prepared based on the best currently available estimates and judgments of the senior management of the Company as to the future results of operations and financial condition and performance of the Company, and we have assumed, with consent of senior management of the Company, that such financial forecasts and projections will be realized in the amounts and at the times contemplated thereby. We assume no responsibility or liability for and express no view as to any such forecasts, projections or the assumptions on which they are based.

In preparing our opinion, we have assumed that the Transaction will be consummated on the terms and subject to the conditions described in the Offer Document without any waiver or modification of any of its material terms or conditions. We have also assumed that all governmental, regulatory or other approvals and consents required in connection with the consummation of the Offer will be obtained without any reduction in the benefits of the Offer to the shareholders of the Company or any adverse effect on the Transaction.

Further, our opinion is necessarily based on the financial, economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Our analyses refer to the current perimeter of the Company as of December 12th, 2018 and therefore do not reflect the effects of any potential disposal and/or acquisition that may occur thereafter (except for the discounted cash flow analysis (as described below), which also considers a sensitised M&A scenario that reflects the potential impact of hypothetical acquisitions by the Company based on its historical track record with respect to inorganic growth). Events or circumstances occurring after the date hereof (including changes in laws and regulations) may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion.

We are acting as financial advisor to the Independent Members of the Board of Directors of the Company (the "Independent Members") in connection with the Transaction and will receive a fee for our services, which is payable upon delivery of this opinion. Companies of the Lazard Group (other than Lazard) are currently providing services to CVC or its affiliates or affiliates of one or more of the Acquirers for which they will receive customary fees. Lazard or other companies of the Lazard Group have in the past provided financial advisory services to CVC or its affiliates as well as affiliates of one or more of the Acquirers for which they have received customary fees, and Lazard or other companies of the Lazard Group may in the future provide financial advisory services to the Company, the Bidder, the Acquirers, the Additional Investors or any of their respective affiliates (including CVC) for which they may receive

customary fees. In addition, certain companies of the Lazard Group may trade in the shares and other securities of the Company for their own account and for the accounts of their customers, and accordingly, may at any time hold a long or short position in such securities, and may also trade and hold securities on behalf of the Company, the Bidder and/or certain of their respective affiliates. We do not express any opinion as to the price at which the Company Shares may trade at any time.

This opinion is being provided solely for the benefit of the Independent Members (in their capacity as such) in connection with, and for the purposes of, their consideration, in their sole independence of judgment, of the Offer and is not on behalf or for the benefit of, and shall not confer rights or remedies upon any shareholder of the Company, the Bidder or any other person. This opinion may not be used or relied upon by any person other than the Independent Directors for any purpose. This opinion addresses only the fairness, as of the date hereof, from a financial point of view, to the holders of the Company Shares (other than the Bidder, any of its affiliates or any person acting in concert with the Bidder) of the Consideration to be paid in the Offer, and does not address any other aspect or implication of the Transaction, including without limitation, any legal, tax, regulatory or accounting matters or the form or structure of the Transaction or any agreements or arrangements entered into in connection with, or contemplated by, the Transaction. In connection with our engagement, we were not authorized to, and we did not, solicit indications of interest from third parties regarding a potential transaction with the Company. In addition, our opinion does not address the relative merits of the Transaction as compared to any alternative transaction or strategy that might be available to the Company or the merits of the underlying decision by the Company to engage in the Transaction. This opinion is not intended to and does not constitute a recommendation to any person as to whether such person should tender shares pursuant to the Offer or as to how any shareholder of the Company should act with respect to the Offer or any matter relating thereto.

The following is a brief summary of the material financial analyses and reviews that Lazard deemed appropriate in connection with rendering its opinion. The brief summary of Lazard's analyses and reviews provided below is not a complete description of the analyses and reviews underlying Lazard's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of analysis and review and the application of those methods to particular circumstances, and, therefore, is not readily susceptible to summary description. Considering selected portions of the analyses and reviews or the summary set forth below, without considering the analyses and reviews as a whole, could create an incomplete or misleading view of the analyses and reviews underlying Lazard's opinion.

For purposes of its analyses and reviews, Lazard considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of the Company. No company, business or transaction used in Lazard's analyses and reviews as a comparison is identical to the Company, and an evaluation of the results of those analyses and reviews is not entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, businesses or transactions used in Lazard's analyses and reviews. The estimates contained in Lazard's analyses and reviews and the ranges of valuations resulting from any particular analysis or review are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by Lazard's analyses and reviews. In addition, analyses and reviews relating to the value of companies, businesses or securities do not purport to be appraisals or to reflect the prices at which companies, businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Lazard's analyses and reviews are inherently subject to substantial uncertainty.

The summary of the analyses and reviews provided below includes information presented in tabular format. In order to fully understand Lazard's analyses and reviews, the tables must be read together with

the full text of each summary. The tables alone do not constitute a complete description of Lazard's analyses and reviews. Considering the data in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of Lazard's analyses and reviews.

Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before December 12th, 2018 and is not necessarily indicative of current market conditions.

FINANCIAL ANALYSES

Discounted Cash Flow Analysis

Based on Broker Forecasts, Lazard performed a discounted cash flow analysis of the Company to calculate the estimated present value of the unlevered, after-tax free cash flows that the Company could generate during the fiscal years ended December 31, 2018 through December 31, 2023, assuming both a standalone and an M&A scenario that reflects the potential impact of hypothetical acquisitions by the Company based on its historical track record with respect to inorganic growth. Lazard also calculated terminal values by applying the perpetual growth methodology adopting a perpetuity growth rate range of 1.75% to 2.25%. The standalone, unlevered, after-tax free cash flows and terminal values were discounted to present value using discount rates ranging from 7.50% to 8.00%, which were based on a weighted average cost of capital analysis of the selected comparable companies used in the comparable companies analysis. The results of these analyses implied an equity value per Company Share in the range of Euro 27.45 to Euro 32.63 in the standalone scenario and Euro 29.47 to Euro 35.89 in the M&A scenario.

Precedent Transactions Analysis

Lazard reviewed and analyzed certain publicly available financial information of target companies in selected recent precedent merger and acquisition transactions involving companies in the Specialty Pharma industry it considered generally relevant in evaluating the business of the Company. In performing these analyses, Lazard analyzed certain financial information and transaction multiples relating to the target companies involved in the selected transactions and compared such information to the corresponding information for the sCompany.

Specifically, Lazard calculated for the selected panel of comparable transactions, to the extent information was publicly available, the transaction value as a multiple of EBITDA, in each case, for the last twelve months preceding the date in which the relevant transaction was announced (or the last available EBITDA prior to such date).

The results of the analyses were as follows:

	Transaction Value / EBITDA
Mean	12.9x
Median	13.2x

Based on the foregoing analyses, Lazard applied a range of +/- 0.5x around the Median Transaction Value / EBITDA multiple of 13.2x to the Company's EBITDA for the twelve months ending September

30, 2018 as reported by the Company to calculate an implied equity value per share range. The results of the analyses implied an equity value per Company Share in the range of Euro 27.64 to Euro 30.04.

Although none of the selected precedent transactions or the companies party to such transactions is directly comparable to the Transaction or to the Company, all of the transactions were chosen because they involve transactions that, for purposes of analysis, may be considered similar to the Transaction and/or involve publicly traded companies with operations that, for purposes of analysis, may be considered generally relevant in evaluating the operations of the Company.

Comparable Companies Analysis

Lazard reviewed and analyzed selected publicly traded companies in the European Specialty Pharma industry that it viewed as generally relevant in evaluating the Company based on Lazard's knowledge of such industry. In performing these analyses, Lazard reviewed and analyzed publicly available financial information relating to the selected comparable companies and compared such information to the corresponding information for the Company based on the Broker Forecasts. Specifically, Lazard compared the Company to the following four companies in the European Specialty Pharma industry:

- Almirall SA
- Ipsen SA
- H. Lundbeck A/S
- UCB S.A.

Although none of the selected companies is directly comparable to the Company, the companies included are publicly traded companies with operations and/or other criteria, such as lines of business, markets, business risks, growth prospects, maturity of business and size and scale of business, that for purposes of analysis Lazard considered generally relevant in evaluating the business of the Company. Further, the analysis refers to a minority interest approach only as it takes as reference publicly traded prices, which are an expression of free float positions for each selected company.

Based on equity analysts' estimates and other public information, Lazard reviewed, among other things, the enterprise value of each selected comparable company as a multiple of such comparable company's projected EBITDA for the calendar year ending December 31st, 2019 ("EV/EBITDA 19E").

The results of these analyses were as follows:

	EV/EBITDA 19E
Mean	10.7x
Median	11.1x

Based on the foregoing, Lazard applied a range of +/- 0.5x around the Median EV/EBITDA 19E multiple of 11.1x to the Company's fiscal year 2019 estimated EBITDA to calculate an implied equity value per share range, using estimated Company EBITDA from the Broker Forecasts. The results of these analyses implied an equity value per Company Share in the range of Euro 24.04 to Euro 26.57.

Market Prices and Premium Paid Analyses

Lazard reviewed and analyzed the undisturbed share prices of the Company recorded on the stock market over various time frames prior to the rumors about the acquisition of Fimef S.p.A. by the Acquirers

("Fimef Acquisition") on May 16th, 2018. For the purpose of this analysis, we considered the volume-weighted Company Share prices as of, and for the six-month period prior to, May 16th, 2018, which respectively equal Euro 29.78 and Euro 31.22 (both prices adjusted for the Euro 0.45 dividend per Company Share paid on November 21st, 2018).

Further, Lazard performed a premium paid analysis based on premia paid in certain Italian public mandatory tender offer transactions since 2013 involving target companies with a transaction value in excess of Euro 100 million.

The implied premia in this analysis were calculated by comparing the per share acquisition price to the target company's (i) volume-weighted share price one-day prior to announcement and (ii) volume-weighted average share price for the six-month period prior to announcement. The average and median of premia ranged from 18.3% to 7.2% in case (i) above and from 26.9% to 16.2% in case (ii) above.

Lazard applied the median premia from these transactions to the undisturbed share price of the Company, *i.e.*, recorded prior to the rumors of the Fimef Acquisition on May 16th, 2018, which acquisition closed on December 6th, 2018 ("Closing of the Fimef Acquisition"). The result of the analysis implied an equity value per Company Share in the range of Euro 31.93 to Euro 36.27.

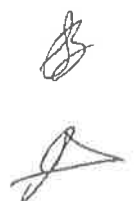
Analyst Target Price

Lazard reviewed the most recent equity research analysts per share target prices for the Company Shares issued after the announcement but prior to the Closing of the Fimef Acquisition, which ranged from Euro 30.00 to Euro 39.10 per Company Share.

CRITICAL ISSUES AND LIMITATIONS

In carrying out our financial analyses and valuations, the following critical issues and limitations have been identified. It is noted that any possible changes or differences in respect of the following could have an impact, even significant, on the results of our analyses and valuations:

- (i) Given the above mentioned lack of an updated business plan of the Company approved by the Board of Directors of the Company, the analyses and valuations were performed using the Broker Forecasts; such data by their nature entail profiles of uncertainty and unpredictability. Changes in the assumptions underlying the forecast data could have an impact, even significant, on the results underlying the present opinion;
- (ii) A significant percentage of the discounted cash flows value is represented by the terminal value, which is highly sensitive to the assumptions made for key variables such as perpetual growth rate, target financial structure and normalized profitability, which variables are subjective and highly aleatory;
- (iii) With respect to the precedent transactions analysis, we note that the price agreed in each comparable transaction is significantly influenced by the specific terms and conditions agreed to by the parties in relation to the transaction, the asset's characteristics and the macroeconomic conditions that prevail at the moment of the transaction;
- (iv) With respect to the trading comparables analysis, we note that the reliability of this methodology is limited by the following factors: (i) the number of comparable companies is limited, (ii) product portfolios of comparable companies differ and (iii) the geographical exposure of comparable companies differ; and



- (v) With respect to the premium paid analysis, we note that the premia implied in the price paid in precedent tender offers may be affected by several factors, including, among others, the level of expected synergies, as well as the general stock market conditions at the time of the offer. Also, the rumors of the Fimef Acquisition may have affected prices in the period preceding the announcement, therefore we have used as reference date May 16th 2018.

* * *

The present opinion is confidential and may not be disclosed, referred to or communicated by you (in whole or in part) to any third party for any purpose whatsoever without our prior written authorization, except that this opinion may be included as an attachment to the Company communication ("*Comunicato dell'Emittente*") to be published in accordance with article 39 of the Consob Regulation ("*Regolamento Consob*") n. 11971/1999 in connection with the Transaction. This opinion is subject to the mandate entered into between the Company and Lazard and effective as of 6 September 2018.

This opinion is issued in the English language, and if any translations of this opinion may be delivered, they are provided only for ease of reference, have no legal effect and we make no representation as to (and accept no liability in respect of) the accuracy of any such translation. This opinion shall be governed and construed in accordance with Italian law.

Based on and subject to the foregoing, we are of the opinion, as of the date hereof, that the Consideration to be paid in the Offer is inadequate, from a financial point of view, to the holders of the Company Shares (other than the Bidder, any of its affiliates or any person acting in concert with the Bidder).

Very truly yours,

Lazard S.r.l.

By: 

By: 

COLOMBO & ASSOCIATI

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

Attention: The Independent Members of the Board of Directors

Milan, 18th December 2018

Dear Members of the Board:

We understand that Rossini Investimenti S.p.A. (the "Bidder"), an acquisition vehicle established, indirectly, by CVC Capital Partners Limited ("CVC"), PSP Investments Holding Europe Ltd. ("PSP"), StepStone ("StepStone") and AlpInvest Partners ("AlpInvest") (together the "Acquirers") will launch a mandatory public offer, dated as of 19th December 2018 (the "Offer" or the "Transaction") in accordance with articles 102 and 106 paragraph 1 of the Legislative Decree No. 58 of February 1998, as subsequently amended and supplemented, to acquire all of the issued and outstanding ordinary shares, each having a nominal value of Euro 0.125, of Recordati S.p.A. (the "Company Shares" and the "Company", respectively) other than the Company Shares held by the Bidder or any person acting in concert with the Bidder for an amount in cash equal to Euro 27.55 per Company Share (the "Consideration"). Provided that certain conditions are met, GTB Capital Partners II LP, HL/AS Global Coinvest LP, HL International Investors LP, Series P, PRIT PEC LLC, AlpInvest North Rush II, LP, PSP, HarbourVest Mercurius L.P. and HarbourVest Vulcanus L.P. (collectively, the "Additional Investors") may also make an investment in one of the companies indirectly controlling the Bidder. While certain provisions of the Offer are summarized herein, the terms and conditions of the Offer are more fully set forth in the draft Offer document provided to us on December 18th, 2018 (the "Offer Document") and expected to be approved by Consob (*Commissione Nazionale per le Società e la Borsa*) on December 19th, 2018.

You have requested the opinion of Colombo & Associati S.r.l. ("C&A") as of the date hereof as to the fairness, from a financial point of view, to the holders of the Company Shares (other than the Bidder, any of its affiliates or any person acting in concert with the Bidder), of the Consideration to be paid in the Offer. In connection with this opinion, we have:

- (i) reviewed the financial terms and conditions of the Offer as set forth in the Offer Document;
- (ii) reviewed certain publicly available historical business and financial information relating to the Company;
- (iii) reviewed various financial forecasts and other data provided to us by the Company relating to the business of the Company as well as certain publicly available research reports for the Company and a set of financial forecasts derived therefrom and inertial extrapolations thereto relating to the business of the Company and approved for our use by senior management of the Company (the "Broker Forecasts");



- (iv) held discussions with members of the senior management of the Company with respect to the business and prospects of the Company;
- (v) reviewed public information with respect to certain other companies in lines of business we believe to be generally relevant in evaluating the business of the Company;
- (vi) reviewed the financial terms of certain transactions involving companies in lines of businesses we believe to be generally relevant in evaluating the business of the Company;
- (vii) reviewed the historical stock prices and trading volumes of the Company Shares;
- (viii) reviewed the historical premia applied in precedent tender offers in Italy; and
- (ix) conducted such other financial studies, analyses and investigations as we deemed appropriate.

In preparing this opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all of the foregoing information, including, without limitation, all the financial and other information and reports provided or discussed with us and all representations made to us. We have not undertaken any independent investigation or appraisal of such information, reports or representations. We have not provided, obtained or reviewed on your behalf any specialist advice, including but not limited to, legal, accounting, actuarial, environmental, information technology or tax advice, and accordingly our opinion does not take into account the possible implications of any such specialist advice.

We have assumed that the valuation of assets and liabilities and the profit and loss forecasts, made by the management of the Company are fair and reasonable. We have not independently investigated, valued or appraised any of the assets or liabilities (contingent or otherwise) of the Company or the solvency or fair value of the Company, and we have not been furnished with any such valuation or appraisal. Furthermore, in light of the fact that (i) the last available version of the business plan (2017-2019), approved by the Board of Directors of the Company and published on 9th February 2017, is outdated and does not include the effect of the acquisitions realized by the Company thereafter and (ii) no updated version of the business plan has been approved by the Board of Directors of the Company, the senior management of the Company has guided us to use the Broker Forecasts and indicated that they are a reasonable basis to evaluate the future results of operations and financial condition and performance of the Company. We have, therefore, assumed, with consent of senior management of the Company, that the Broker Forecasts have been reasonably prepared based on the best currently available estimates and judgments of the senior management of the Company as to the future results of operations and financial condition and performance of the Company, and we have assumed, with consent of senior management of the Company, that such financial forecasts and projections will be realized in the amounts and at the times contemplated thereby. We assume no responsibility or liability for and express no view as to any such forecasts, projections or the assumptions on which they are based.

In preparing our opinion, we have assumed that the Transaction will be consummated on the terms and subject to the conditions described in the Offer Document without any waiver or

modification of any of its material terms or conditions. We have also assumed that all governmental, regulatory or other approvals and consents required in connection with the consummation of the Offer will be obtained without any reduction in the benefits of the Offer to the shareholders of the Company or any adverse effect on the Transaction.

Further, our opinion is necessarily based on the financial, economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Our analyses refer to the current perimeter of the Company, as of December 12th, 2018 and therefore do not reflect the effects of any potential disposal and/or acquisition that may occur thereafter (except for the discounted cash flow analysis (as described below), which also considers a sensitised M&A scenario, that reflects the potential impact of hypothetical acquisitions by the Company based on its historical track record with respect to inorganic growth). Events or circumstances occurring after the date hereof (including changes in laws and regulations) may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion.

We are acting as financial advisor to the Independent Members of the Board of Directors of the Company (the "Independent Members") in connection with the Transaction and will receive a fee for our services, which is payable upon delivery of this opinion. C&A may in the future provide financial advisory services to the Company, the Bidder, the Acquirers, the Additional Investors or any of their respective affiliates (including CVC) for which C&A may receive customary fees. We do not express any opinion as to the price at which the Company Shares may trade at any time.

This opinion is being provided solely for the benefit of the Independent Members (in their capacity as such) in connection with, and for the purposes of, their consideration, in their sole independence of judgment, of the Offer and is not on behalf or for the benefit of, and shall not confer rights or remedies upon any shareholder of the Company, the Bidder or any other person. This opinion may not be used or relied upon by any person other than the Independent Directors for any purpose. This opinion addresses only the fairness, as of the date hereof, from a financial point of view, to the holders of the Company Shares (other than the Bidder, any of its affiliates or any person acting in concert with the Bidder) of the Consideration to be paid in the Offer, and does not address any other aspect or implication of the Transaction, including without limitation, any legal, tax, regulatory or accounting matters or the form or structure of the Transaction or any agreements or arrangements entered into in connection with, or contemplated by, the Transaction. In connection with our engagement, we were not authorized to, and we did not, solicit indications of interest from third parties regarding a potential transaction with the Company. In addition, our opinion does not address the relative merits of the Transaction as compared to any alternative transaction or strategy that might be available to the Company or the merits of the underlying decision by the Company to engage in the Transaction. This opinion is not intended to and does not constitute a recommendation to any person as to whether such person should tender shares pursuant to the Offer or as to how any shareholder of the Company should act with respect to the Offer or any matter relating thereto.

The following is a brief summary of the material financial analyses and reviews that C&A deemed appropriate in connection with rendering its opinion. The brief summary of C&A's analyses and reviews provided below is not a complete description of the analyses and reviews underlying C&A's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of analysis and review

and the application of those methods to particular circumstances, and, therefore, is not readily susceptible to summary description. Considering selected portions of the analyses and reviews or the summary set forth below, without considering the analyses and reviews as a whole, could create an incomplete or misleading view of the analyses and reviews underlying C&A's opinion.

For purposes of its analyses and reviews, C&A considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of the Company. No company, business or transaction used in C&A's analyses and reviews as a comparison is identical to the Company, and an evaluation of the results of those analyses and reviews is not entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, businesses or transactions used in C&A's analyses and reviews. The estimates contained in C&A's analyses and reviews and the ranges of valuations resulting from any particular analysis or review are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by C&A's analyses and reviews. In addition, analyses and reviews relating to the value of companies, businesses or securities do not purport to be appraisals or to reflect the prices at which companies, businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, C&A's analyses and reviews are inherently subject to substantial uncertainty.

The summary of the analyses and reviews provided below includes information presented in tabular format. In order to fully understand C&A's analyses and reviews, the tables must be read together with the full text of each summary. The tables alone do not constitute a complete description of C&A's analyses and reviews. Considering the data in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of C&A's analyses and reviews.

Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before December 12th, 2018 and is not necessarily indicative of current market conditions.

FINANCIAL ANALYSES

Discounted Cash Flow Analysis

Based on Broker Forecasts, C&A performed a discounted cash flow analysis of the Company to calculate the estimated present value of the unlevered, after-tax free cash flows that the Company could generate during the fiscal years ended December 31, 2018 through December 31, 2023, assuming both a standalone and an M&A scenario that reflects the potential impact of hypothetical acquisitions by the Company based on its historical track record with respect to inorganic growth. C&A also calculated terminal values by applying the perpetual growth methodology adopting a perpetuity growth rate range of 1.75% to 2.25%. The standalone, unlevered, after-tax free cash flows and terminal values were discounted to present value using discount rates ranging from 7.50% to 8.00%, which were based on a weighted average cost of capital analysis of the selected comparable companies used in the comparable companies

analysis. The results of these analyses implied an equity value per Company Share in the range of Euro 27.45 to Euro 32.63 in the standalone scenario and Euro 29.47 to Euro 35.89 in the M&A scenario.

Precedent Transactions Analysis

C&A reviewed and analyzed certain publicly available financial information of target companies in selected recent precedent merger and acquisition transactions involving companies in the Specialty Pharma industry it considered generally relevant in evaluating the business of the Company. In performing these analyses, C&A analyzed certain financial information and transaction multiples relating to the target companies involved in the selected transactions and compared such information to the corresponding information for the Company.

Specifically, C&A calculated for the selected panel of comparable transactions, to the extent information was publicly available, the transaction value as a multiple of EBITDA, in each case, for the last twelve months preceding the date in which the relevant transaction was announced (or the last available EBITDA prior to such date).

The results of the analyses were as follows:

	Transaction Value / EBITDA
Mean	12.9x
Median	13.2x

Based on the foregoing analyses, C&A applied a range of +/- 0.5x around the Median Transaction Value / EBITDA multiple of 13.2x to the Company's EBITDA for the twelve months ending September 30, 2018 as reported by the Company to calculate an implied equity value per share range. The results of the analyses implied an equity value per Company Share in the range of Euro 27.64 to Euro 30.04.

Although none of the selected precedent transactions or the companies party to such transactions is directly comparable to the Transaction or to the Company, all of the transactions were chosen because they involve transactions that, for purposes of analysis, may be considered similar to the Transaction and/or involve publicly traded companies with operations that, for purposes of analysis, may be considered generally relevant in evaluating the operations of the Company.

Comparable Companies Analysis

C&A reviewed and analyzed selected publicly traded companies in the European Specialty Pharma industry that it viewed as generally relevant in evaluating the Company based on C&A's knowledge of such industry. In performing these analyses, C&A reviewed and analyzed publicly available financial information relating to the selected comparable companies and compared such information to the corresponding information for the Company based on the

Broker Forecasts. Specifically, C&A compared the Company to the following four companies in the European Specialty Pharma industry:

- Almirall SA
- Ipsen SA
- H. Lundbeck A/S
- UCB S.A.

Although none of the selected companies is directly comparable to the Company, the companies included are publicly traded companies with operations and/or other criteria, such as lines of business, markets, business risks, growth prospects, maturity of business and size and scale of business, that for purposes of analysis C&A considered generally relevant in evaluating the business of the Company. Further, the analysis refers to a minority interest approach only as it takes as reference publicly traded prices, which are an expression of free float positions for each selected company.

Based on equity analysts' estimates and other public information, C&A reviewed, among other things, the enterprise value of each selected comparable company as a multiple of such comparable company's projected EBITDA for the calendar year ending December 31st, 2019 ("EV/EBITDA 19E").

The results of these analyses were as follows:

	EV/EBITDA 19E
Mean	10.7x
Median	11.1x

Based on the foregoing, C&A applied a range of +/- 0.5x around the Median EV/EBITDA 19E multiple of 11.1x to the Company's fiscal year 2019 estimated EBITDA to calculate an implied equity value per share range, using estimated Company EBITDA from the Broker Forecasts. The results of these analyses implied an equity value per Company Share in the range of Euro 24.04 to Euro 26.57.

Market Price and Premium Paid Analyses

C&A reviewed and analyzed the undisturbed share prices of the Company recorded on the stock market over various time frame, prior to the rumors about the acquisition of Fimeï S.p.A. by the Acquirers ("Fimeï Acquisition"), on May 16th, 2018. For the purpose of this analysis, we considered the volume-weighted Company Share prices as of, and for the six-month period prior to, May 16th, 2018, which respectively equal Euro 29.78 and Euro 31.22 (both prices adjusted for the Euro 0.45 dividend per Company Share paid on November 21st, 2018).

Further, C&A performed a premium paid analysis based on premia paid in certain Italian public mandatory tender offer transactions since 2013 involving target companies with a transaction value in excess of Euro 100 million.

The implied premia in this analysis were calculated by comparing the per share acquisition price to the target company's (i) volume-weighted share price one-day prior to announcement and (ii) volume-weighted average share price for the six-month period prior to announcement. The average and median of premia ranged from 18.3% to 7.2% in case (i) above and from 26.9% to 16.2% in case (ii) above.

C&A applied the median premia from these transactions to the undisturbed share price of the Company, i.e. recorded prior to the rumors of the Fimeit Acquisition on May 16th, 2018, which closed on December 6th, 2018 ("Closing of the Fimeit Acquisition"). The result of the analyses implied an equity value per Company Share in the range of Euro 31.93 to Euro 36.27.

Analyst Target Price

C&A reviewed the most recent equity research analysts per share target prices for the Company Shares issued after the announcement but prior to the Closing of the Fimeit Acquisition, which ranged from Euro 30.00 to Euro 39.10 per Company Share.

CRITICAL ISSUES AND LIMITATIONS

In carrying out our financial analyses and valuations, the following critical issues and limitations have been identified. It is noted that any possible changes or differences in respect of the following could have an impact, even significant, on the results of our analyses and valuations:

- (i) Given the above mentioned lack of an updated business plan of the Company approved by the Board of Directors of the Company, the analyses and valuations were performed using the Broker Forecasts; such data by their nature entail profiles of uncertainty and unpredictability. Changes in the assumptions underlying the forecast data could have an impact, even significant, on the results underlying the present opinion;
- (ii) A significant percentage of the discounted cash flows value is represented by the terminal value, which is highly sensitive to the assumptions made for key variables such as perpetual growth rate, target financial structure and normalized profitability, variables which are subjective and highly aleatory;
- (iii) With respect to the precedent transactions analysis, we note that the price agreed in each comparable transaction is significantly influenced by the specific terms and conditions agreed to by the parties in relation to the transaction, the asset's characteristics and the macroeconomic conditions that prevail at the moment of the transaction;
- (iv) With respect to the trading comparables analysis, we note that the reliability of this methodology is limited by the following factors: (i) the number of comparable companies is limited, (ii) product portfolios of comparable companies differ and (iii) the geographical exposure of comparable companies differ; and

- (v) With respect to the premium paid analysis, we note that the premia implied in the price paid in precedent tender offers may be affected by several factors, including, among others, the level of expected synergies, as well as the general stock market conditions at the time of the offer. Also, the rumors of the Fimef Acquisition may have affected prices in the period preceding the announcement, therefore we have used as reference date May 16th, 2018.

* * *

The present opinion is confidential and may not be disclosed, referred to or communicated by you (in whole or in part) to any third party for any purpose whatsoever without our prior written authorization, except that this opinion may be included as an attachment to the Company communication (“*Comunicato dell’Emittente*”) to be published in accordance with article 39 of the Consob Regulation (“*Regolamento Consob*”) n. 11971/1999 in connection with the Transaction. This opinion is subject to the mandate entered into between the Company and C&A and effective as of 6 September 2018.

This opinion is issued in the English language, and if any translations of this opinion may be delivered, they are provided only for ease of reference, have no legal effect and we make no representation as to (and accept no liability in respect of) the accuracy of any such translation. This opinion shall be governed and construed in accordance with Italian law.

Based on and subject to the foregoing, we are of the opinion, as of the date hereof, that the Consideration to be paid in the Offer is inadequate, from a financial point of view, to the holders of the Company Shares (other than the Bidder, any of its affiliates or any person acting in concert with the Bidder).

Very truly yours,

Colombo & Associati S.r.l.



By: Paolo Andrea Colombo