

RECORDATI: REVENUE GROWTH AND SIGNIFICANT MARGIN IMPROVEMENT IN FIRST NINE MONTHS 2014 RESULTS. SALES +5.7%, OPERATING INCOME +21.6% AND NET INCOME +22.2%.

- Consolidated revenue € 742.1 million, + 5.7%.
- EBITDA⁽¹⁾ € 212.9 million, + 22.4%
- Operating income € 180.4 million, + 21.6%.
- Net income € 124.0 million, + 22.2%.
- Net financial position⁽²⁾: net debt of € 152.5 million.
- Vitaros®, an innovative product for the treatment of erectile dysfunction licensed in from Apricus Biosciences.
- Acquisition of a further 23% of the share capital of Opalia Pharma S.A. in Tunisia.
- Orphan drug designation granted to Carbaglu® for the treatment of organic acidemias in the U.S.A..
- PSD502™, a new product for the treatment of premature ejaculation licensed in from Plethora Solutions.
- Full year 2014 targets improved.
- Interim 2014 dividend of € 0.26 per share to be distributed.

Milan, 28 October 2014 – The Board of Directors of Recordati S.p.A. approved the Group's consolidated results for the first nine months 2014 prepared in accordance with International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) and in particular as per IAS 34 requirements for interim reporting. These financial statements will be available today at the company's offices and on the company's website:

http://www.recordati.com/rec_en/investors/reports/ and can also be viewed on the authorized storage system 1Info (www.1Info.it).

Financial highlights

- **Consolidated revenue** in the first nine months 2014 is € 742.1 million, up by 5.7% compared to the same period of the preceding year. International sales grow by 8.1%.
- **EBITDA⁽¹⁾**, at 28.7% of sales, is € 212.9 million, an increase of 22.4% over the same period of the preceding year.
- **Operating income**, at 24.3% of sales, is € 180.4 million, an increase of 21.6%.
- **Net income**, at 16.7% of sales, is € 124.0 million, an increase of 22.2% over the first nine months of 2013.
- **Net financial position⁽²⁾** at 30 September 2014 records a net debt of € 152.5 million. **Shareholders' equity** increases to € 819.4 million.

⁽¹⁾ Earnings before interest, taxes, depreciation and amortization.

⁽²⁾ Cash and short-term financial investments less bank overdrafts and medium/long-term loans which include the measurement at fair value of hedging derivatives (fair value hedge).

Business development news

In February an exclusive license agreement was entered into with Apricus Biosciences Inc., a pharmaceutical company based in San Diego, U.S.A., for the marketing and sales of Vitaros® (alprostadil), an innovative topical product for the treatment of erectile dysfunction, in certain W. European countries including, among others, Spain, EU member countries in Central and Eastern Europe, Russia, Ukraine and the Commonwealth of Independent States (C.I.S.), Turkey and certain African countries. Vitaros® is approved for the treatment of erectile dysfunction by a number of European health authorities and by Health Canada. Vitaros® is a topically-applied cream formulation of alprostadil, a vasodilator, which directly increases blood flow to the penis, causing an erection. Alprostadil is an alternative to the PDE-5 inhibitors for difficult to treat patients and Vitaros® offers a patient-friendly form versus other alprostadil dosage forms.

In May the acquisition of a further 23% of the share capital of Opalia Pharma S.A., a Tunisian pharmaceutical company with headquarters in Ariana, near Tunis, was successfully concluded. This second tranche consists of share capital held by Tunisian shareholders. In October 2013, following permission received from the Tunisian anti-trust authorities, 67% of the share capital of Opalia Pharma S.A. held by non-Tunisian shareholders was acquired. An amount of € 22.6 million were paid at the closing. In May 2014, following permission granted by the *Commission Supérieure des Investissements* in Tunisia, a further 23% of the share capital of Opalia Pharma S.A. was acquired. The price of this portion of shares is of around € 5.9 million of which € 4.3 million already paid. Consequently, as of today Recordati holds 90% of the share capital of Opalia Pharma S.A., while the remaining 10% is held by Mrs. Alya El Hedda, one of the founders of Opalia Pharma S.A. and current General Manager of the company.

In July the U.S. Food and Drug Administration (FDA) granted approval of Orphan Europe's request for orphan drug designation for the use of Carbaglu® (carglumic acid) in the treatment of organic acidemias (OAs). Orphan drug designation applies to drugs that seek to treat rare diseases or conditions affecting fewer than 200,000 patients in the U.S. while providing significant therapeutic advantage over existing therapies. The designation provides the opportunity for seven years marketing exclusivity upon approval for the designated indication, tax credits to offset clinical research expenses, the ability to apply for annual grant funding, and the potential waiver of prescription drug user fees.

In September a license agreement with Plethora Solutions Limited and Plethora Solutions Holdings Plc, a specialty pharmaceutical company with headquarters in the UK, for the commercialization of PSD502™ in Europe, Russia, Commonwealth of Independent States (C.I.S.), Turkey and certain countries in North Africa was signed. Subsequently, during October an up-front payment of € 5 million to Plethora was effected. PSD502™ is an easy-to-use fast acting topical spray formulation of lidocaine and prilocaine for the treatment of premature ejaculation. Premature ejaculation is a common form of sexual dysfunction in men. Epidemiological studies conducted in the US and in Europe indicate a prevalence of 20% to 30% in men of all ages. The product has been approved by EMA (the European Medicines Agency) but the new dosage form which will be actually commercialized is currently in development and will require a variation of the approval.

At the end of September Erytech Pharma, a French biopharmaceutical company with which Orphan Europe, Recordati group, established an exclusive agreement in 2012 for the commercialization and distribution in Europe of Graspas® (a treatment for hematological malignancies intended to satisfy the unmet medical needs of frail patients, patients suffering relapses and other patient groups for whom the current treatments are not suitable) reported positive top-line phase III results from its clinical study with Graspas® in acute lymphoblastic leukemia (ALL). Graspas® met the primary endpoints

compared to native L-asparaginase: the reduction of allergic reactions was statistically significant and the increase in duration of asparaginase activity was also statistically significant.

Business outlook

The group's business performance was in line with expectations during October. For the full year 2014, in view of the results obtained in the first nine months of the year, targets are to achieve sales of slightly below € 1,000 million, operating income of around € 230 million and net income of around € 160 million.

Further resolutions

2014 Interim dividend

The Board of Directors resolved to distribute an interim dividend relating to the financial year 2014 amounting to € 0.26 (before withholding tax) on each outstanding share, excluding shares in treasury stock. The interim dividend will be paid, through the authorised intermediaries, as from November 19, 2014 (record date November 18, 2014) on coupon No. 14 to be presented on November 17, 2014.

The Independent Auditor's opinion on the distribution of the interim dividend is also available at the Company's registered offices as per article 2433-bis of the Italian Civil Code.

The Directors' Report and financial statements of Recordati S.p.A. as at 30 June 2014, on which the Board of Directors based its resolution to distribute the abovementioned interim dividend, are available at the Company's registered offices and published on the Company's website (www.recordati.com). Such documents can also be viewed on the authorized storage system 1Info (www.1Info.it).

Conference call

Recordati will be hosting a *conference call* **today 28 October 2014** at 4.00 pm Italian time (3.00 pm London time, 9.00 am New York time). The dial-in numbers are:

Italy	+39 02 8058811, toll free 800 213 858
UK	+44 1 212818003, toll free 800 0156384
USA	+1 718 7058794, toll free 855 2656959
France	+33 170918703
Germany	+49 65 255114451

Callers are invited to dial-in 10 minutes before conference time. If conference operator assistance is required during the connection please digit * followed by 0 or call +39 02 8061371. A recording of the conference call will be placed on the website www.recordati.com.

A set of slides which will be referred to during the call will be available on our website www.recordati.com under Investors/Company Presentations.

Recordati, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), with a total staff of around 4,000, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Russia, in other Central and Eastern European countries, in Turkey, in North Africa and in the United States of America. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals,

both proprietary and under license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses for its territories. Recordati is committed to the research and development of new specialties within the urogenital therapeutic area and of treatments for rare diseases. Consolidated revenue for 2013 was € 941.6 million, operating income was € 195.4 million and net income was € 133.7 million.

For further information:

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Statements contained in this release, other than historical facts, are "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are based on currently available information, on current best estimates, and on assumptions believed to be reasonable. This information, these estimates and assumptions may prove to be incomplete or erroneous, and involve numerous risks and uncertainties, beyond the Company's control. Hence, actual results may differ materially from those expressed or implied by such forward-looking statements. All mentions and descriptions of Recordati products are intended solely as information on the general nature of the company's activities and are not intended to indicate the advisability of administering any product in any particular instance.

RECORDATI GROUP

Summary of consolidated results prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS)
(thousands of €)

INCOME STATEMENT	First nine months 2014	First nine months 2013	Change %
REVENUE	742,088	702,009	5.7
Cost of sales	(244,785)	(241,915)	1.2
GROSS PROFIT	497,303	460,094	8.1
Selling expenses	(211,279)	(205,987)	2.6
Research and development expenses	(61,960)	(55,390)	11.9
General & administrative expenses	(42,049)	(38,888)	8.1
Other income (expenses), net	(1,645)	(11,507)	(85.7)
OPERATING INCOME	180,370	148,322	21.6
Financial income (expenses), net	(13,126)	(10,569)	24.2
PRE-TAX INCOME	167,244	137,753	21.4
Provision for income taxes	(43,222)	(36,271)	19.2
NET INCOME	124,022	101,482	22.2
Attributable to:			
Equity holders of the parent	124,017	101,470	22.2
Minority interests	5	12	(58.3)

EARNINGS PER SHARE	First nine months 2014	First nine months 2013	Change %
Basic	€ 0.610	€ 0.504	21.0
Diluted	€ 0.593	€ 0.479	23.8

Earnings per share (EPS) are based on average shares outstanding during each year, 203.336.543 in 2014 and 201.356.295 in 2013, net of average treasury stock which amounted to 5.788.613 shares in 2014 and to 7.768.861 shares in 2013.

Diluted earnings per share is calculated taking into account stock options granted to employees.

COMPOSITION OF REVENUE	First nine months 2014	First nine months 2013	Change %
Total revenue	742,088	702,009	5.7
Italy	170,369	173,125	(1.6)
International	571,719	528,884	8.1

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INCOME STATEMENT	Third quarter 2014	Third quarter 2013	Change %
REVENUE	234,467	224,275	4.5
Cost of sales	(73,747)	(76,255)	(3.3)
GROSS PROFIT	160,720	148,020	8.6
Selling expenses	(65,721)	(62,932)	4.4
Research and development expenses	(21,262)	(17,441)	21.9
General & administrative expenses	(13,984)	(12,259)	14.1
Other income (expenses), net	(1,179)	(9,622)	(87.7)
OPERATING INCOME	58,574	45,766	28.0
Financial income (expenses), net	(4,354)	(3,716)	17.2
PRE-TAX INCOME	54,220	42,050	28.9
Provision for income taxes	(13,243)	(10,863)	21.9
NET INCOME	40,977	31,187	31.4
Attributable to:			
Equity holders of the parent	40,975	31,183	31.4
Minority interests	2	4	(50.0)

COMPOSITION OF REVENUE	Third quarter 2014	Third quarter 2013	Change %
Total revenue	234,467	224,275	4.5
Italy	47,303	49,563	(4.6)
International	187,164	174,712	7.1

RECORDATI GROUP

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(thousands of €)

ASSETS	30.09.2014	31.12.2013
Property, plant and equipment	87,332	81,288
Intangible assets	281,671	295,498
Goodwill	469,339	469,205 *
Equity investments	12,935	5,939
Non-current receivables	3,987	4,256
Deferred tax assets	26,898	25,205
TOTAL NON-CURRENT ASSETS	882,162	881,391
Inventories	134,357	140,430
Trade receivables	176,259	179,775
Other receivables	22,567	24,979
Other current assets	9,858	5,363
Short-term financial investments, cash and cash equivalents	241,629	52,271
TOTAL CURRENT ASSETS	584,670	402,818
TOTAL ASSETS	1,466,832	1,284,209

EQUITY AND LIABILITIES	30.09.2014	31.12.2013
Share capital	26,141	26,141
Capital in excess of par value	83,719	83,719
Treasury stock	(26,885)	(37,791)
Hedging reserve	(4,567)	(2,270)
Translation reserve	(40,806)	(42,853)
Other reserves	30,442	25,776
Retained earnings	627,281	559,878
Net income for the period	124,017	133,678
Interim dividend	0	(44,526)
GROUP SHAREHOLDERS' EQUITY	819,342	701,752
Minority interest	73	68
SHAREHOLDERS' EQUITY	819,415	701,820
Loans due after one year	267,185	196,788
Employees' termination pay	16,826	16,698
Deferred tax liabilities	21,222	21,072
Other non-current liabilities	4,220	4,823 *
TOTAL NON-CURRENT LIABILITIES	309,453	239,381
Trade payables	97,982	107,156
Other payables	66,072	70,808 *
Tax liabilities	16,894	15,951
Other current liabilities	863	855
Provisions	24,648	29,454
Fair value of hedging derivatives (cash flow hedge)	4,567	2,270
Fair value of hedging derivatives (fair value hedge)	310	2,210
Loans due within one year	94,094	80,280
Bank overdrafts	32,534	34,024
TOTAL CURRENT LIABILITIES	337,964	343,008
TOTAL EQUITY AND LIABILITIES	1,466,832	1,284,209

* Restated due to variation in the acquisition cost of Opalia Pharma

DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

The manager responsible for preparing the company's financial reports Fritz Squindo declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.