

**RECORDATI SHAREHOLDERS APPROVE THE 2016 ACCOUNTS. DIVIDEND € 0.70 PER SHARE (+16.7% vs 2015).**

- *Shareholders approve the 2016 results: consolidated revenues € 1,153.9 million (+10.1% vs 2015), operating income € 327.4 million (+17.6%), net income € 237.4 million (+19.4%).*
- *Dividend for 2016 € 0.70 per share (+16.7% vs 2015), of which € 0.35 already paid in November 2016.*
- *Appointment of the Board of Directors, composed of 9 members, 6 of which independent, for the 2017-2019 three-year period.*
- *Appointment of the Board of Statutory Auditors for the 2017-2019 three-year period.*
- *Remuneration policy approved.*
- *Authorization to buy-back and dispose of Recordati shares renewed.*
- *Renewal of the five-year authorization for the Board of Directors to increase capital and to issue convertible bonds for a maximum amount of € 50,000,000 and € 80,000,000 respectively.*
- *First quarter 2017 consolidated revenues € 342 million (+13% vs the first quarter of 2016).*

*Milan, 11 April 2017* – Today the Annual and Extraordinary Meeting of Recordati S.p.A. Shareholders was held.

Recordati S.p.A.'s Annual Shareholders' Meeting approved the company's 2016 financial accounts, which were prepared according to IAS/IFRS. In addition, the group's consolidated statements, which were also prepared according to IAS/IFRS, were presented. The tables attached contain a summary of the 2016 financial statements which were commented in the press release issued on 1 March 2017. In 2016 consolidated revenues were € 1,153.9 million (+10.1%), operating income (EBIT) was € 327.4 million (+17.6%), and net income was € 237.4 million (+19.4%). International sales account for 79.4% of total sales.

As proposed by the Board of Directors, the shareholders approved a dividend of € 0.35 per share, in full balance of the interim 2016 dividend of € 0.35, to be paid to all shares outstanding at ex-dividend date, excluding those in treasury stock, as from 26 April 2017 (record date 25 April 2017), with ex-dividend on 24 April 2017 (against presentation of coupon no. 19). The full 2016 dividend is therefore of € 0.70 per share (€ 0.60 per share in 2015).

**Further shareholder resolutions***Appointment of the members of the Board of Directors and Board of Statutory Auditors*

The shareholders appointed the Board of Directors for the years 2017-2019 (until the Annual Shareholders' Meeting which will approve the 2019 financial statements) which is composed of nine members, by approving the proposal made by the majority shareholder FIMEI S.p.A. to confirm Alberto Recordati, Andrea Recordati, Fritz Squindo, Rosalba Casiraghi, Michaela Castelli, Marco Vitale, Mario Garraffo and Paolo Fresia and to appoint Elisa Corghi as a new member. The shareholders, furthermore, appointed the Statutory Auditors for the years 2017-2019 (until the Annual Shareholders' Meeting which will approve the 2019 financial statements) by electing Marco Nava (Auditor), Livia Amidani Aliberti (Auditor) and Patrizia Paleologo Oriundi (Alternate Auditor) from the list presented by the majority shareholder FIMEI S.p.A., and Antonio Santi (President) and Andrea Balelli (Alternate Auditor) from the

**RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.**

Sede Legale  
VIA M. CIVITALI, 1  
20148 MILANO, ITALIA  
TEL. (39) 0248787.1  
FAX (39) 0240073747

CAPITALE SOCIALE € 26.140.644,50 I.V.  
REG. IMP. MILANO N. 00748210150  
CODICE FISCALE/P.IVA 007482210150  
R.E.A. MILANO N. 401832

list presented by other institutional shareholders who hold 0.7591% of the share capital.

The professional résumés of the members of the new Board of Directors and the new Statutory Auditors are available on the company's website under the Shareholders Meetings title in the Investors section.

The shareholders also approved the remuneration for the Board of Directors and the Statutory Auditors.

#### *Remuneration policy*

The Shareholders' Meeting also approved the remuneration policies for the year 2017 in accordance with article 123<sup>ter</sup> of Legislative Decree No. 58 of 24 February 1998 which is the object of the Board's explanatory report on the fourth item of the agenda of the Shareholders' Meeting and can be found on the company's website under the Shareholders Meetings title in the Investors section.

#### *Authorization to buy-back and dispose of Recordati shares*

The Shareholders' Meeting authorized the buyback and disposal of Recordati shares until the Annual Shareholders' Meeting that will approve the 2017 financial statements. The objective of the proposal to renew the authorization to buy back and dispose of Recordati shares until the Annual Shareholders' Meeting which will approve the 2017 financial statements is, as in previous years, to grant the Board the possibility: of using shares for equity acquisitions or as consideration for strategic agreements; of allowing the company to invest in its own shares; and of constituting a stock of own shares to service current and future stock option plans. The company would be allowed to purchase up to 10,000,000 Recordati existing ordinary (common) shares, which includes those shares held in Treasury stock at any given time, for a maximum cash outlay of € 300,000,000. The purchase price must be at least equal to the shares' nominal value (€ 0.125) and must not exceed the average official Stock Exchange price recorded over the 5 trading days prior to the transaction, plus 5%. Possible purchases will be made on regulated markets and must comply with article 132 of Legislative Decree 58/1998 and with article 144-bis, paragraph 1.b) of the Issuers' Regulations as approved by CONSOB's resolution 11971/1999 and with market practice allowed and recognized by CONSOB. At 10 April 2017 the company has 3,091,261 shares in Treasury stock which amounts to 1.478% of the current share capital.

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#### **Extraordinary Meeting**

Today's Extraordinary Meeting resolved to renew the authorization, which is about to expire, for the Board of Directors to increase the company's share capital on one or more occasions, gratuitously or against payment, by issuing ordinary shares and/or share subscription warrants, for a maximum nominal amount of € 50,000,000, and to issue, on one or more occasions, for a maximum nominal amount of € 80,000,000, bonds convertible into ordinary shares, or with share subscription warrants, for a period not exceeding five years from the date of the resolution, with the consequent modification of article 6 of the company's by-laws. The previous authorization granted by the Shareholders Meeting of 19 April 2012, which will expire on 19 April 2017, is therefore revoked.

#### **Meeting of the Board of Directors following the Shareholders' Meeting**

The new Board of Directors, in a meeting held following the Shareholders' Meeting, confirmed Alberto Recordati as Chairman and Andrea Recordati as Vice Chairman and CEO, and confirmed the same powers granted previously to the latter.

The Board therefore confirmed, taking into account their functions, Alberto Recordati, Chairman,

Andrea Recordati Vice Chairman and CEO, and Fritz Squindo, Managing Director e CFO, as executive directors.

The Board, using as a basis the Directors' statements and available information, verified the effective existence of the independence requisites, pursuant both to Legislative Decree 58/1998 and to the Corporate Governance Code adopted by the company (see the Corporate Governance and Ownership Structure Report for 2016), concerning the Directors who declared to possess such requisites (Rosalba Casiraghi, Michaela Castelli, Elisa Corghi, Paolo Fresia, Mario Garraffo, and Marco Vitale; all qualifying as independent). The Board therefore comprises 6 independent members out of the total of 9 members.

On the basis of the Auditors' statements and available information, the Board also verified the effective existence of the independence requisites, pursuant to Legislative Decree 58/1998 and to the Corporate Governance Code adopted by the company, of the Statutory Auditors and confirmed that all the Statutory Auditors, including Mr. Nava who has held this position for more than nine years, are independent, by sharing the result of the verification of the effective existence of the independence requisites undertaken by the Statutory Auditors following their appointment.

The Board proceeded to nominate the Audit, Risk and Sustainability Committee, integrating the functions previously assigned to the Audit and Risk Committee, additionally attributing to said Committee the supervision of the sustainability issues related to business activities and the dynamics of their interaction with all stakeholders. The Audit, Risk and Sustainability Committee is composed of the independent and non executive members Marco Vitale, President, Michaela Castelli and Elisa Corghi.

Finally, the Board of Directors resolved to nominate the Remuneration Committee, composed of the independent and non executive members: Mario Garraffo, President, Rosalba Casiraghi and Michaela Castelli. The activities which the Corporate Governance Code assigns to the Nomination Committee will be carried out by the entire Board of Directors.

### **First quarter 2017**

Revenue performance in the first quarter 2017 is positive. Group sales are € 342 million, an increase of 13% over those in the first quarter of the preceding year and include those generated by the Italian company Italcimici S.p.A. and the Swiss company Pro Farma AG, acquired in 2016 and consolidated respectively as from 1 June and 1 July of that year. Excluding the new acquisitions sales growth would have been of 8%.

***Recordati**, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), with a total staff of more than 4,100, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Russia, in other Central and Eastern European countries, in Turkey, in North Africa, in the United States of America, in Mexico and in some South American countries. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses for its territories. Recordati is committed to the research and development of new specialties with a focus on treatments for rare diseases. Consolidated revenue for 2016 was € 1,153.9 million, operating income was € 327.4 million and net income was € 237.4 million.*

For further information:

Recordati website: [www.recordati.com](http://www.recordati.com)

Investor Relations

Marianne Tatschke

(39)0248787393

e-mail: [inver@recordati.it](mailto:inver@recordati.it)Media Relations

Studio Noris Morano

(39)0276004736, (39)0276004745

e-mail: [norismorano@studionorismorano.com](mailto:norismorano@studionorismorano.com)

*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 €)

<b>INCOME STATEMENT</b>	<b>2016</b>	<b>2015</b>	<b>Change %</b>
REVENUE	1,153,942	1,047,676	10.1
Cost of sales	(360,959)	(335,210)	7.7
GROSS PROFIT	792,983	712,466	11.3
Selling expenses	(304,435)	(293,204)	3.8
Research and development expenses	(83,710)	(76,736)	9.1
General & administrative expenses	(64,784)	(58,980)	9.8
Other income (expenses), net	(12,631)	(5,029)	151.2
OPERATING INCOME	327,423	278,517	17.6
Financial income (expenses), net	(10,141)	(13,080)	(22.5)
PRE-TAX INCOME	317,282	265,437	19.5
Provision for income taxes	(79,851)	(66,634)	19.8
NET INCOME	237,431	198,803	19.4
Attributable to:			
Equity holders of the parent	237,406	198,792	19.4
Minority interests	25	11	127.3

<b>EARNINGS PER SHARE</b>	<b>2016</b>	<b>2015</b>	<b>Change %</b>
Basic	€ 1.152	€ 0.968	19.0
Diluted	€ 1.135	€ 0.951	19.3

Earnings per share (EPS) are based on average shares outstanding during each year, 206,117,418 in 2016 and 205,270,094 in 2015, net of average treasury stock which amounted to 3,007,738 shares in 2016 and 3,855,062 shares in 2015. Diluted earnings per share is calculated taking into account stock options granted to company personnel.

<b>COMPOSITION OF REVENUE</b>	<b>2016</b>	<b>2015</b>	<b>Change %</b>
Total revenue	1,153,942	1,047,676	10.1
Italy	237,615	211,570	12.3
International	916,327	836,106	9.6

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<b>ASSETS</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Property, plant and equipment	110,202	108,987
Intangible assets	279,884	246,450
Goodwill	556,566	453,285
Equity investments	19,199	32,444
Non-current receivables	5,428	4,549
Deferred tax assets	37,231	30,500
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,008,510</b>	<b>876,215</b>
Inventories	158,800	143,093
Trade receivables	205,988	177,219
Other receivables	30,974	28,883
Other current assets	5,481	5,280
Fair value of hedging derivatives (cash flow hedge)	12,497	12,671
Short-term financial investments, cash and cash equivalents	138,493	225,525
<b>TOTAL CURRENT ASSETS</b>	<b>552,233</b>	<b>592,671</b>
<b>TOTAL ASSETS</b>	<b>1,560,743</b>	<b>1,468,886</b>
<b>EQUITY AND LIABILITIES</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Share capital	26,141	26,141
Capital in excess of par value	83,719	83,719
Treasury stock	(76,761)	(35,061)
Hedging reserve	(7,420)	(3,290)
Translation reserve	(78,309)	(66,918)
Other reserves	35,295	42,543
Retained earnings	756,004	685,587
Net income for the period	237,406	198,792
Interim dividend	(72,245)	(61,606)
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>903,830</b>	<b>869,907</b>
Minority interest	110	85
<b>SHAREHOLDERS' EQUITY</b>	<b>903,940</b>	<b>869,992</b>
Loans due after one year	293,644	282,615
Employees' termination pay	21,675	18,895
Deferred tax liabilities	27,659	22,360
Other non-current liabilities	2,515	2,517
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>345,493</b>	<b>326,387</b>
Trade payables	124,644	106,597
Other payables	77,957	72,351
Tax liabilities	20,432	14,592
Other current liabilities	562	959
Provisions	27,977	29,400
Fair value of hedging derivatives (cash flow hedge)	3,621	4,290
Loans due within one year	40,428	34,469
Bank overdrafts	15,689	9,849
<b>TOTAL CURRENT LIABILITIES</b>	<b>311,310</b>	<b>272,507</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,560,743</b>	<b>1,468,886</b>

**RECORDATI S.P.A.**

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

	<b>2016</b>	<b>2015</b>	Change %
Revenue	323,113	299,510	7.9
Operating income	74,596	52,444	42.2
Pre-tax income	133,590	142,904	(6.5)
Net income	110,102	125,516	(12.3)

	<b>31.12.2016</b>	<b>31.12.2015</b>
Non-current assets	711,629	584,456
Current assets	338,310	311,803
<b>TOTAL ASSETS</b>	<b>1.049,939</b>	<b>896,259</b>
Shareholders' equity	316,717	389,571
Non-current liabilities	287,949	205,842
Current liabilities	445,273	300,846
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,049,939</b>	<b>896,259</b>

**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.