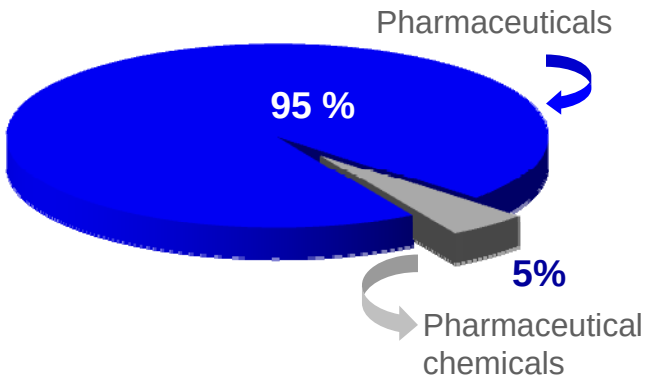
RECORDATI

A growing specialty pharmaceuticals company

Company profile

- A fully integrated pharmaceutical company listed on the Italian Stock Exchange since 1984
- Original research focused on the fields of urology and rare diseases
- Marketing and sales of products belonging to a wide range of therapeutic areas
- A European company - marketing operations in France, Germany, Greece, Ireland, Italy, Portugal, Russia & C.I.S., Spain and the UK. Direct coverage of the European pharmaceutical market with over 1250 reps
- Present in the orphan drug market through the acquisition of Orphan Europe, a specialty company dedicated to treatments for rare diseases with a wide geographical footprint
- Proprietary products sold worldwide through licensees

Composition of sales



Data: First nine months 2008 revenue € 508 m

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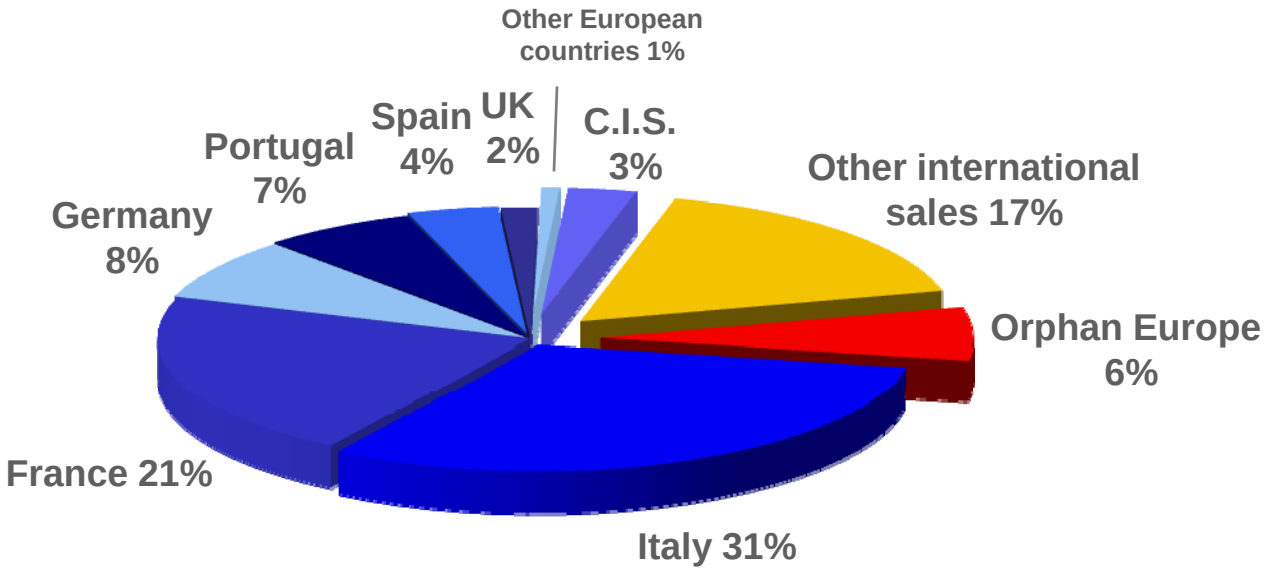
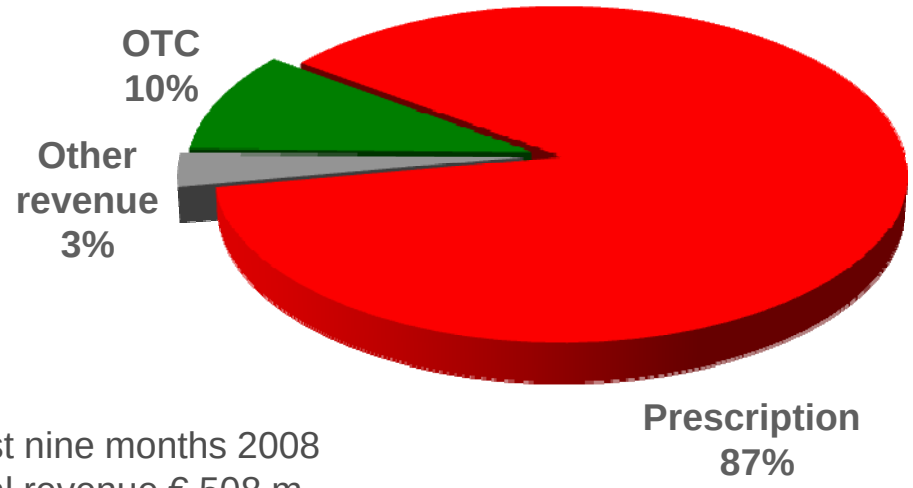
Breakdown of pharmaceutical revenue





Data: First nine months 2008
Total revenue € 508 m
Pharmaceutical revenue € 485 m

	% of pharmaceutical revenue
Zanidip®/Zanipress® (lercanidipine/ lercanidipine+enalapril)	32%
Elopram® /Entact® (citalopram/escitalopram)	6%
Peptazol® (pantoprazole)	3%
Tora-Dol® (ketorolac)	3%
Claversal® (mesalazine)	2%
Methadone	2%
Adagen® (pegademase bovine)	2%
Tenstaten® (cicletanine)	2%
Hexa line (biclotimol)	2%
Tergynan®	2%
Nitrocor® (nitroglycerine T.P.)	2%
Cidine® (cinitapride)	2%

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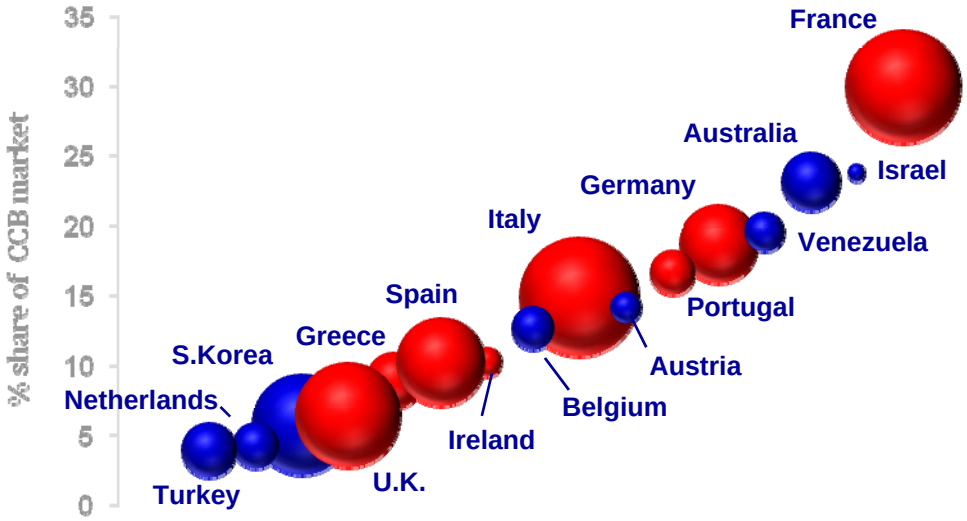
ZANIDIP® (lercanidipine)

- Latest generation calcium-channel blocker. Lipophilic dihydropyridine.
- Natural once a day. Potent, long-lasting vasodilatory activity. Highly vasoselective with gradual onset, smooth and uniform blood pressure lowering activity.
- **Efficacy as best in class.** Significantly **improved tolerability** over other DHP's.
- Launched in **90** countries, approximately one third of world market for calcium channel blockers
- Major European launches
  - 1998 Italy, Spain, UK
  - 2000 Germany
  - 2001 France
- Worldwide CCB market $ 12 billion of which 23% in Europe

Lercanidipine as a % of all calcium channel blockers

Bubble size represents $ market value of CCB's

- 16 main markets represent ~ 86% of sales
- Average market share 15%
- Lercanidipine second after amlodipine (~ 36%)



Source: IMS data – 12 months rolling to June 2008

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R&D pipeline

NAME	ORIGINATOR	INDICATION	DEVELOPMENT STATUS
Zanipress®/Zanitek®	Recordati	Hypertension (lercanidipine+enalapril)	Launched in Germany and Australia MRP in Europe completed
rupatadine	Uriach	Rhinitis, allergic, seasonal / perennial urticaria	Approved
fentanyl patch	Lavipharm	Moderate to severe chronic pain	Filed in the RMS (UK)
prulifloxacin	Nippon Shinyaku /Angelini	Infection, respiratory tract Infection, urinary tract	Filed
pitavastatin	Kowa	Hyperlipidemia, general	Filed
silodosin	Kissei	Benign prostatic hyperplasia	Pre-filing
lercanidipine MR	Diff. technology platforms	Hypertension, general	Formulation/Phase II/Phase III
2 new lercanidipine combinations	Recordati	Hypertension	Phase II
REC 0422	Recordati	Overactive bladder and Incontinence	Preclinical
REC 1819	Recordati	Overactive bladder and Incontinence	Preclinical

MRP – Mutual Recognition Process

Lercanidipine fixed combinations

- Fixed combinations will play a significant role in the future hypertension market
  - New aggressive targets for blood pressure control. Combination of drugs needed for most patients
  - Increased patient compliance
  - Large clinical outcome trials show that cardiovascular events are drastically reduced by using modern antihypertensive drug combinations (CCB, ACEi, ARB) as opposed to using older treatments.
- Zanipress® (lercanidipine+enalapril) launched in Germany in 2007 and in Australia in 1H 2008. Other European launches planned for beginning 2009.
- To address the new therapeutic guidelines for the treatment of hypertension and the increasing role of polytherapy, lercanidipine is being developed in fixed combinations with other broadly prescribed antihypertensive drugs
  - One of the new combinations is based on lercanidipine and another drug acting on the angiotensin II receptor
  - The second, under parallel development, is an original fixed combination targeting more severe or resistant patients

Pitavastatin

- Competitive inhibitor of the enzyme HMG-CoA reductase indicated for the treatment of hypercholesterolaemia
- Safe and effective novel statin. More effective than other statins since its affinity for the HMG-CoA enzyme is stronger.
- Induces decrease in LDL (cholesterol fraction associated with high cardiovascular risk) while increasing HDL, the “protective” fraction of cholesterol. Prolonged beneficial effect.
- Originator: Kowa
- Recordati has semi-exclusive license for France, Italy, Spain, Portugal, Greece, Ireland, Cyprus, Russia & other C.I.S. countries, Turkey (total 21 countries)
- Market of reference: class C10A1 in 6 EU countries + Russia and Turkey, approx. € 2.8 billion.
- Kowa filed for approval end August 2008 in Europe using the decentralized procedure (DCP). Recordati will seek approval in Russia & other C.I.S. countries and in Turkey

Silodosin

- Selective alpha-1A receptor antagonist indicated for the symptomatic treatment of benign prostatic hyperplasia
- Benign prostatic hyperplasia increasing in frequency due to the progressive ageing of the population
- Phase III trials completed in the U.S. and in Europe indicate rapid onset of action and confirm the expected clinical profile
- Originator: Kissei
- Recordati has exclusive license for Europe (45 countries) plus 16 countries in the Middle East and Africa
- Market of reference: class G4C sales in 12 EU countries, € 0.8 billion.
- Recordati completed the clinical development of silodosin in Europe. Filing MAA with EMEA (centralized authorization procedure) end 2008.

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New developments for the Lower Urinary Tract Symptoms (LUTS) and incontinence

- Irritative symptoms of the lower urinary tract (mainly urgency and frequency with or without incontinence) are frequent, mainly in women and the elderly. This condition, known as Overactive Bladder (OAB) is either idiopathic or due to known conditions (interstitial cystitis, neurogenic causes, etc.). Only 7 million of the estimated 65 million OAB sufferers in the U.S. and the EU are treated at any time. Under-diagnosis and under-treatment are the main reasons.

- Unmet medical and market needs are significant. Under-treatment is often due to lack of satisfactory efficacy and tolerability of existing drugs. All existing drugs have the same mechanism of action and the older ones are cheap. Therefore, reimbursement issues in Europe make newer drugs less accessible.

- Recordati is taking into development two innovative products:

  - REC 0422 is a combination of two existing drugs, indicated for other conditions, which has displayed a significant synergistic effect in pharmacological models of OAB

  - REC 1819 has a completely new mechanism of action at the CNS level

Orphan Europe

- Recordati completed the acquisition of Orphan Europe, a European pharmaceutical company dedicated to treatments for rare diseases, in December 2007
- Orphan Europe operates in an untapped niche market. It has a well balanced, cash generating portfolio of 9 products with strong growth potential and a promising pipeline
- A unique distribution network from a centralized unit in Paris serves patients worldwide
- Orphan Europe employs about 120 personnel and has subsidiaries in nine European countries and in the United Arab Emirates as well as representative offices in seven countries.
- Well trained orphan drug specialists and a scientific product support team collaborate with healthcare professionals and patient groups to improve knowledge and awareness of rare diseases

R&D pipeline – drugs for rare diseases

NAME	ORIGINATOR	INDICATION	DEVELOPMENT STATUS
Carbaglu®	Orphan Europe (Recordati)	NAGS deficiency	Approved in EU Filed in U.S.
Carbaglu®	Orphan Europe (Recordati)	Organic acidemias	Pre-registration in EU
Vedrop®	Orphan Europe (Recordati)	Vitamin E deficiency in cystic fibrosis and chronic cholestasis	Filed with EMEA
Infasurf®	Ony	Calf derived surfactant for RDS	Pre-filing
Stanate®	Rockefeller U. /InfaCare	Neonatal jaundice, hyperbilirubinemia	Phase II-III
Cystagon®	Mylan	Other indication unrelated to nephropathic cystinosis	Phase II-III
Cystadrops®	Orphan Europe (Recordati)	Ocular cystinosis	Phase II
Normosang®	Orphan Europe (Recordati)	Hepatic porphyria	Approved in EU Pre-registration in U.S.

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Development of drugs for rare diseases

- Carbaglu® (carglumic acid), a drug developed by Orphan Europe for the treatment of NAGS deficiency, approved in the EU in 2003 and filed recently for approval with the FDA. Carbaglu® is also in pre-registration phase in Europe for additional indications in organic acidaemias.

- Vedrop® (tocofersolan), a drug developed by Orphan Europe indicated for vitamin E deficiency in patients with cystic fibrosis or chronic cholestasis, is a water-soluble vitamin E which is easily absorbed in such patients. The drug was filed for EMEA approval in 2007 and market authorization is expected in 2008.

- Infasurf® is a calf derived surfactant for the prevention and treatment of neonatal respiratory distress syndrome (RDS) originated by Ony. Neonatal RDS is a life-threatening disease which affects mainly premature infants and surfactants are well established in the treatment of this condition. Exclusive marketing rights for 27 European countries. Launches expected in 2010.

Development of drugs for rare diseases

- Stanate® (stannsoporfin) Inhibits the production of bilirubin in cases of hyperbilirubinemia of different origin. Originated by Rockefeller University, is under development by InfaCare for the treatment of neonatal hyperbilirubinemia (jaundice).
  - Severe hyperbilirubinemia, if untreated, can lead to severe brain damage. If approved, stannsoporfin could be used immediately in infants not responding to phototherapy.
  - Orphan Europe will complete the clinical development of stannsoporfin in Europe in accordance with the relevant regulatory bodies' scientific advice. The plan addresses hyperbilirubinemia caused by G6PD deficiency and AB0 incompatibility.

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Development of drugs for rare diseases

- Cystagon® (cysteamine bitartrate), a drug indicated for the treatment of nephropathic cystinosis, is being studied for a new and promising unrelated indication.

- Cystadrops® (cysteamine chlorhydrate) are eye drops developed for “ocular cystinosis” which cannot be treated by orally administered cysteamine and specially formulated in a patient-friendly gel form. A phase II clinical study is currently ongoing.

- Normosang® (human haemin) is indicated for the treatment of acute attacks of hepatic porphyria. It is an emergency medicine that is recognized as the gold standard therapy to stop the attack and prevent neuropathic complications. Normosang® is approved in the 27 EU countries and Orphan Europe is discussing with the FDA its registration in the USA.

First nine months 2008 Highlights

- Revenue € 508.2 million, up 9.0%, international sales grow by 12.5%
- EBIT € 111.3 million, up 10.3%
- Net income € 76.6 million, up 19.6%
- Acquisition of FIC and FIC Médical, our distribution arm in Russia and other C.I.S. countries
- New lercanidipine/enalapril fixed combination approved in the EU
- Launch of Zan-Extra® in Australia
- Sale of the Portuguese production facility and business
- License to sell pitavastatin in Europe and other countries
- Acquisition of Yeni Ilaç in Turkey

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Composition of revenue

(million Euro)	Jan - Sep 2008	Jan - Sep 2007	Change %
Italy	148.1	151.2	(2.0)
France	104.3	100.5	3.8
Germany	38.7	38.3	1.1
Portugal	32.3	32.6	(1.0)
Spain	19.5	16.7	16.7
United Kingdom	8.0	8.5	(6.5)
Other European countries	3.7	1.6	n.s.
C.I.S. countries	14.7	9.8	50.8
Other international sales	83.0	81.2	2.2
Orphan Europe	32.7	-	n.s.
TOTAL PHARMACEUTICALS	485.0	440.4	10.1
PHARMACEUTICAL CHEMICALS	23.2	26.0	(10.8)

First nine months 2008 results

(million Euro)	Jan-Sep 2008	Jan-Sep 2007	Change %
Revenue	508.2	466.4	9.0
Gross Profit as % of revenue	346.6 68.2%	316.0 67.7%	9.7
SG&A Expenses as % of revenue	190.4 37.5%	175.6 37.7%	8.4
R&D Expenses as % of revenue	42.3 8.3%	36.9 7.9%	14.7
Other Income (Expense), net as % of revenue	(2.7) (0.5%)	(2.6) (0.6%)	5.7
Operating Income as % of revenue	111.3 21.9%	100.9 21.6%	10.3
Net Income as % of revenue	76.6 15.1%	64.0 13.7%	19.6

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Net financial position

(million Euro)	30 Sep 2008	31 Dec 2007	Change
Cash and short-term financial investments	127.0	89.4	37.6
Bank overdrafts and short-term loans	(85.1)	(98.8)	13.7
Loans – due within one year	(2.4)	(2.9)	0.6
Loans – due after one year	(83.1)	(84.8)	1.7
NET FINANCIAL POSITION	(43.5)	(97.2)	53.6

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Growth targets

(million Euro)	2008 growth targets	Change %	2007
Revenue	~ 690	+10%	628.4
R&D expenses	~ 60	+20%	49.1
Operating income (EBIT)	~ 145	+10%	131.5
Net Income	~ 100	+18%	84.9

- **Develop our direct presence in Eastern Europe**
- **Reinforce our product portfolio and R&D pipeline**
- **Growing strategic interest in specialized therapies including new drugs for rare diseases**
- **Reinforce our presence in Germany, Spain and the UK through selective company and/or product acquisitions**

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Company declarations, disclaimers and profile

DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS
The manager responsible for preparing the company's financial reports Fritz Squindo declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

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

Recordati, established in 1926, is a European pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), dedicated to the research, development, manufacturing and marketing of pharmaceuticals, with headquarters in Milan, Italy, operations in the main European countries, and a total staff of over 2,400. A European field force of over 1,300 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's current and growing coverage of the European pharmaceutical market makes it a partner of choice for new product licenses from companies which do not have European marketing organizations. Recordati is committed to the research of new drug entities within the cardiovascular and urogenital therapeutic areas in which its research team has proven scientific competence and a track record of discovery and development of original drugs, the most recent of which, lercanidipine, a latest generation calcium channel blocker for the treatment of hypertension, is the company's leading product. Consolidated revenue for 2007 was € 628.4 million, operating income was € 131.5 million and net income was € 84.9 million.

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