RECORDATI

A European specialty pharmaceutical group

EXANE BNP PARIBAS 13TH HEALTHCARE CONFERENCE, PARIS 19 MAY 2011

A strategy of growth and geographical expansion

Profile

- A mid sized pharmaceutical company with a European focus (2800 employees, of which 1400 field force)
- R&D in the cardiovascular and urology fields and in treatments for rare diseases
- Marketing operations in the main Western European markets and in Russia, CEE and Turkey
- Proprietary drugs sold worldwide through licensees

Strategy

- Expand through organic development and through acquisitions
- Develop product portfolio by enhancing product pipeline and new product acquisitions. Prioritize special care.
- Pursue geographical expansion by entering new markets characterized by high growth
- Develop sales of orphan drugs in the U.S.A.

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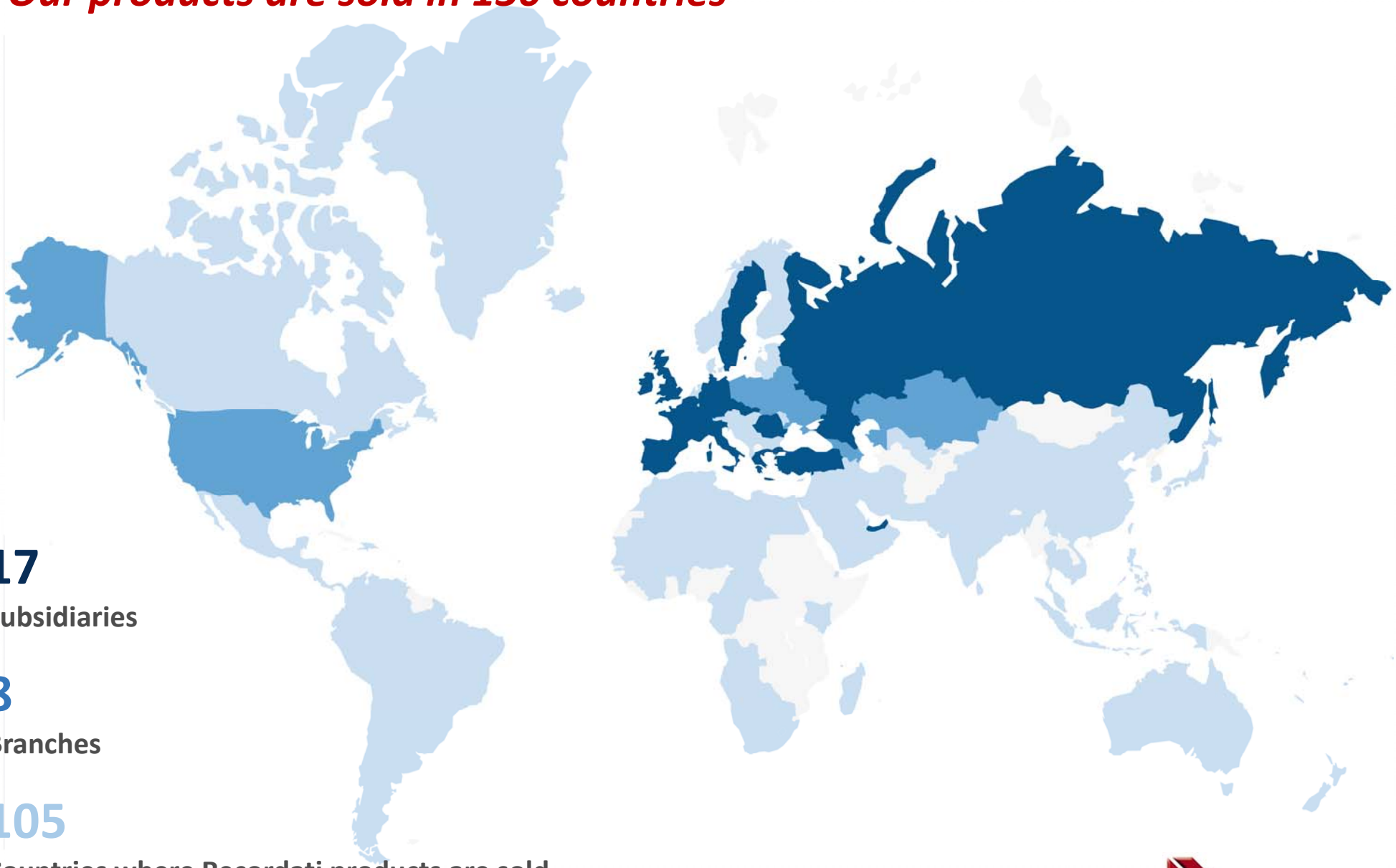
Our products are sold in 130 countries



17
Subsidiaries

8
Branches

105
Countries where Recordati products are sold
(under license or exported)

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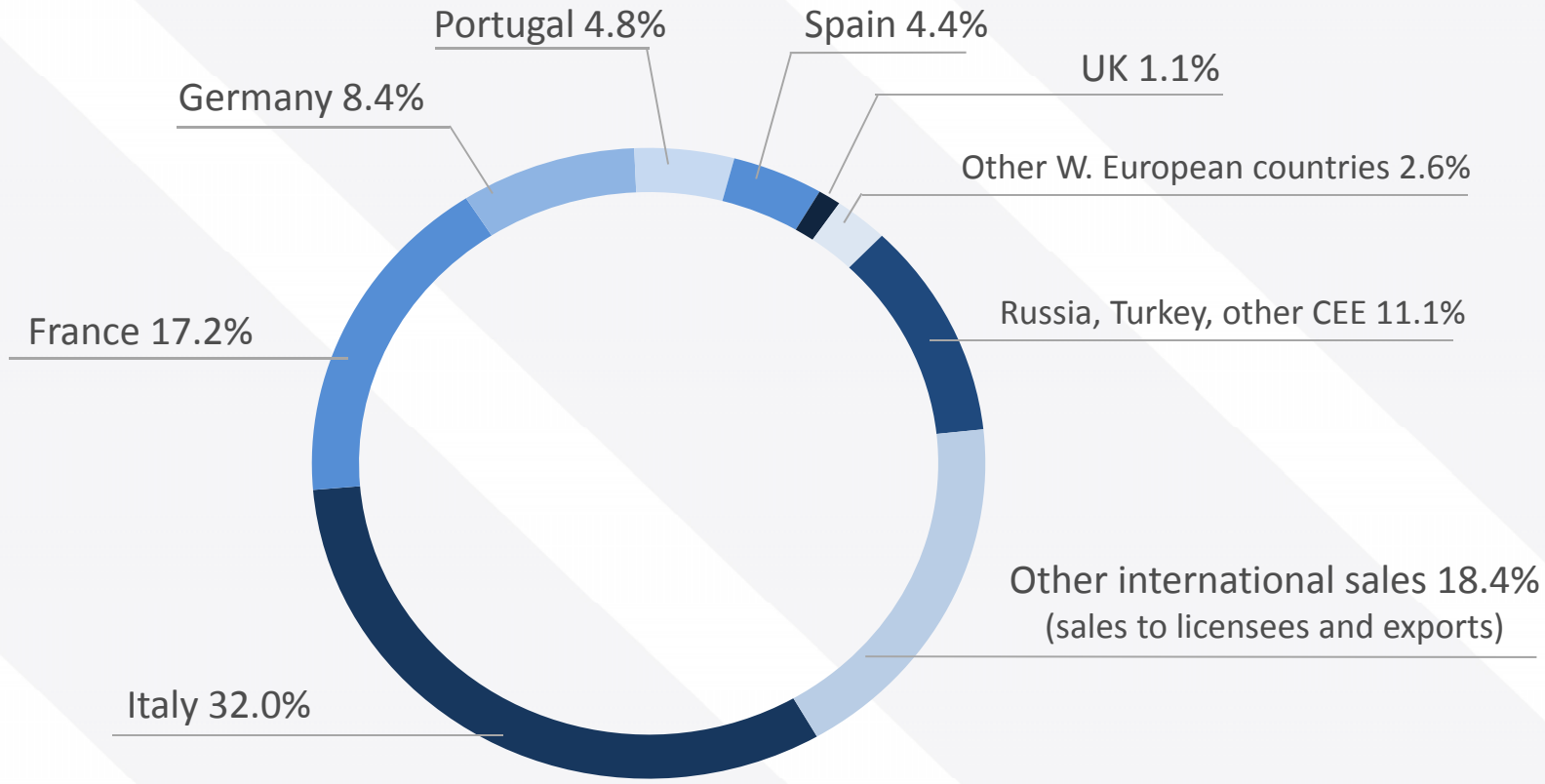
A growing presence in emerging markets



Data: First quarter 2011
Pharmaceutical revenue € 189.6 m

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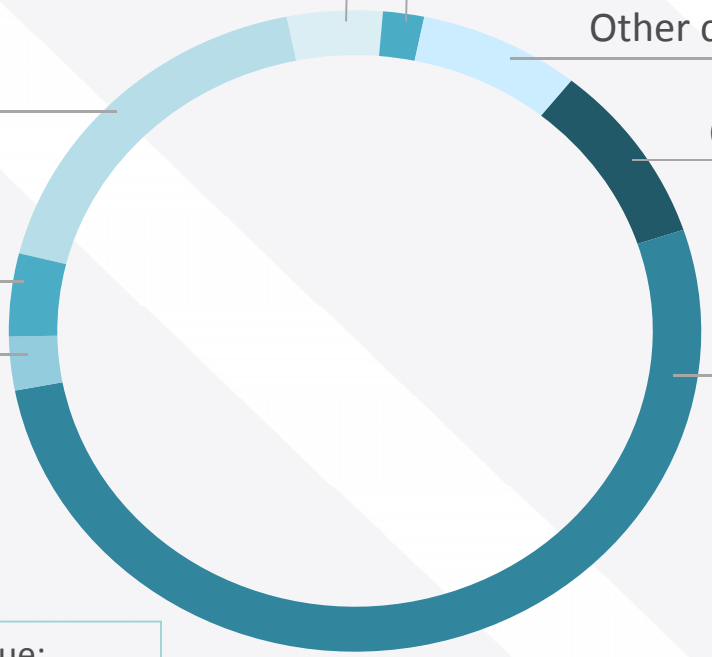
A richer product portfolio



Entact®/Elopram® (escitalopram/citalopram) - Italy	6%
Peptazol® (pantoprazole) – Italy	3%
Methadone – France	3%
Tora-Dol® (ketorolac) – Italy	2%
Tergynan® - France export and C.I.S.	2%
Claversal® (mesalazine) – Germany	2%
Rextat®/Lovinacor® (simvastatin) - Italy	2%
Hexa line (biclotimol) - France and C.I.S.	2%

Breakdown of pharmaceutical revenue:	
Prescription	86%
OTC	11%
Other revenue	3%

Data: First quarter 2011
Total revenue € 197.8 m

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Sales development

Sales growth to accelerate from 5% to 8% over the 2011-2013 period

From € 728 m in 2010 to € 875 m in 2013

- *Key growth drivers:*
  - New corporate products: Urorec® (silodosin)
    Livazo® (pitavastatin)
  - New growing markets
  - Orphan drug business

Based on existing business, possible new acquisitions could be added

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New corporate products

Urorec® (silodosin)

- Highly selective α_{1A} receptor antagonist indicated for the treatment of symptoms associated with benign prostatic hyperplasia (BPH).
- Fast onset of action. High efficacy. Very good cardiovascular safety.
- Launched in 6 markets: Germany, Spain, Ireland, France, Portugal, Lebanon. Further launches to take place in 2011
- License and co-marketing agreements in place with important players
- BPH market in 19 major European markets approx. € 1.0 billion
- In-market peak sales expected: € 100-150 million
- Internal sales expected to reach around € 59 million in 2013

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Livazo® (pitavastatin)

- Highly effective HMG-CoA reductase inhibitor indicated for the treatment of hypercholesterolaemia.
- Thanks to its unique chemical structure Livazo® is a potent LDL-lowering drug with a consistent and progressive HDL-raising effect. *(Atherosclerosis Supplements 2010; 11:15-22)*
- Livazo®, unlike most statins, is only minimally metabolized through a CYP pathway thereby reducing the risk of drug-drug interactions and providing a clear benefit in patients receiving polypharmacy. *(Atherosclerosis Supplements 2010; 11:15-22)*
- Launched in Spain, further launches to take place in 2011
- Statins market in the key countries covered by the agreement was € 3.5 billion in 2010
- In-market peak sales expected: € 100-150 million
- Internal sales to reach approximately € 60 million in 2013

Zanipress® (lercanidipine+enalapril)
Zanidip® (lercanidipine)

- Sales of Zanidip® (lercanidipine) to erode progressively over time following its patent expiry at the beginning of 2010.
- Sales of Zanipress® (lercanidipine+enalapril) to grow as promotional effort switched from Zanidip®
- Zanipress® to be rolled-out progressively in new markets
- Zanipress® prices will come under pressure
- Sales of the Zanidip®/ Zanipress® franchise to stabilize at around € 165 million

Russia, Ukraine and other C.I.S. markets

Russia has the largest pharmaceutical market in the CEE region, forecast to grow at a CAGR of 11.6% in the period 2010-2014. *(Jefferies)*

- Rusfic in Russia and FIC Médical in the other CIS countries to become exclusive Recordati subsidiaries over the 2011-2013 period
- Sales organization increased to around 210 reps
- New and existing corporate products to be added to the current portfolio of promoted products
- Launches of corporate products expected as from 2011
- Sales expected to grow at a CAGR of 16.7% to 2013

Turkey

Turkey remains one of the most promising pharmaceutical markets in Central and Eastern Europe in the long term. *(Research and Markets)*

Pharmaceutical market CAGR estimated at 10-13% over the 2009-2014 period. *(IMS)*

- Yeni Recordati delivering excellent sales growth since acquisition in 2008
- Sales organization increased to over 160 reps
- Recordati corporate products now sold directly in Turkey
- Launches of new corporate products expected as from 2011
- Sales expected to grow by a CAGR of 14.6% to 2013

Orphan Europe - *A worldwide business*

Huge market potential: 5,000-7,000 rare diseases identified for which only 72 orphan drugs are approved.

Progressive country introduction of rare disease plans and access to diagnostic tests will stimulate the market for orphan drugs.

- Sales CAGR 10% since 2008
- Vedrop® (water soluble vitamin E) approved
- Carbaglu® (carglumic acid) approved and launched in the U.S.
- New indication for Carbaglu® filed in Europe
- Sales coverage of new territories outside Europe either directly or through partnerships
- Sales expected to grow at a CAGR of 11.4% to 2013

Orphan drugs

ADAGEN® (pegademase bovine), indicated in the treatment of SCID-ADA deficiency

CARBAGLU® (carglumic acid), indicated in the treatment of hyperammonaemia due to NAGS deficiency

CYSTADANE® (betaine anhydrous), indicated in the treatment of homocystinuria

CYSTAGON® (cysteamine bitartrate), indicated in the treatment of nephropathic cystinosis

NORMOSANG® (human haemin), indicated in the treatment of acute attacks of hepatic porphyria

PEDEA® (ibuprofen I.V.), indicated in the treatment of patent *ductus arteriosus*

SUCRAID® (sacrosidase), indicated in the treatment of sucrase isomaltase deficiency

VEDROP® (water soluble vitamin E), indicated in the treatment of vitamin E deficiency in pediatric patients suffering from congenital chronic cholestasis

WILZIN® (zinc acetate), indicated in the treatment of Wilson's disease

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A well balanced R&D pipeline

NAME	ORIGINATOR	INDICATION	DEVELOPMENT STATUS
LIVAZO®/ALIPZA®	Kowa	Dyslipidemia	Approved
CARBAGLU®	Recordati	Organic acidemias	Filed in EU Phase III in U.S.
NORMOSANG®	Recordati	Hepatic porphyria	Pre-registration in U.S.
NX 1207	Nymox	Benign prostatic hyperplasia (BPH)	Phase III
lercanidipine/enalapril combination*	Recordati	Essential hypertension	Phase II
CYSTADROPS®	Recordati	Ocular cystinosis	Phase II
REC 0422	Recordati	Overactive bladder and Incontinence	Phase II
REC 1819	Recordati	Overactive bladder and Incontinence	Preclinical
REC 0436	Recordati/UFPeptides	Overactive bladder in patients with spinal lesions	Preclinical
REC 0467	Recordati	Gastroesophageal reflux disease (GERD)	Preclinical

* New dosage
First line indication

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A well balanced R&D pipeline (cont'd)

- CARBAGLU® (carglumic acid), currently approved for the treatment of hyperammonaemia due to NAGS deficiency, is in pre-registration phase in Europe and in phase III clinical development in the USA for additional indications in organic acidemias.

- NORMOSANG® (human haemin) is indicated for the treatment of acute attacks of hepatic porphyria. It is an emergency medicine used to stop the attack and prevent neuropathic complications. Normosang® is approved in Europe and contacts are ongoing with the FDA to pursue its approval in the USA.

- NX 1207 is a novel patented drug developed by Nymox, currently in Phase III trials in the U.S., which involves a new targeted approach to the treatment of benign prostatic hyperplasia (BPH). The drug is administered by a urologist in an office setting directly into the zone of the prostate where the enlargement occurs. No anesthesia or catheterization are required. A single dose of NX-1207 has been found to produce very promising symptomatic improvements and follow-up studies have shown evidence of long lasting benefit with a significant proportion of men who received a single dose reporting maintained improvement in BPH symptoms without other treatments for several years.

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A well balanced R&D pipeline (cont'd)

- CYSTADROPS® (cysteamine chlorhydrate) are eye drops developed for "ocular manifestations of cystinosis" which cannot be controlled by orally administered cysteamine, specially formulated in a patient-friendly gel form. A phase II clinical study is currently ongoing.
- REC 0422 is a combination of two existing drugs, indicated for other conditions, which has displayed a significant synergistic effect in pharmacological models of overactive bladder (OAB), a condition associated with irritative symptoms of the lower urinary tract (mainly urgency and frequency with or without incontinence) affecting mainly women and the elderly.
- REC 1819 has a completely new mechanism of action at the CNS level and is also being studied for the treatment of symptoms associated with overactive bladder.
- REC 0436 represents a structurally different class of compounds and is being studied for the treatment of OAB in patients with spinal lesions
- REC 0467 a modified release formulation of a PPI for use in gastric esophageal reflux disease (GERD)

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First quarter 2011 highlights

Starting a new growth cycle

- Revenue € 197.8 million, up 6.4%.
- Operating income (EBIT) € 44.3 million or 22.4% of sales, up 2.9%.
- Net income € 31.4 million or 15.9% of sales, up 4.8%.
- Acquisition of Procto-Glyvenol® for the markets of Central and Eastern Europe.
- Launch of Zanipress® (lercanidipine+enalapril) in Italy.
- Launch of Urorec® (silodosin) in a further five countries.

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Composition of revenue

New emerging markets, a significant driver of growth

(million Euro)	1Q 2011	1Q 2010	Change %
Italy	60.6	55.6	9.1
France	32.6	36.9	(11.6)
Germany	16.0	15.5	3.3
Portugal	9.1	8.1	11.7
Spain	8.3	6.9	20.2
United Kingdom	2.1	2.5	(15.9)
Other Western European countries	4.9	4.3	15.1
Russia, Turkey, other CEE countries	21.1	14.6	44.0
Other international sales	34.9	35.2	(1.0)
TOTAL PHARMACEUTICALS	189.6	179.6	5.5
PHARMACEUTICAL CHEMICALS	8.2	6.2	32.4

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Main product sales

Significant growth of new corporate products and orphan drugs

(million Euro)	1Q 2011	1Q 2010	Change %
Zanidip® (lercanidipine)	35.5	44.2	(19.7)
Zanipress® (lercanidipine+enalapril)	8.8	6.4	37.0
Urorec® (silodosin)	3.8	-	n.s.
Other corporate products	14.9	13.5	10.6
Orphan drugs	18.1	15.7	15.1

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First quarter 2011 results

Back to sales and profit growth

(million Euro)	1Q 2011	1Q 2010	Change %
Revenue	197.8	185.9	6.4
Gross Profit as % of revenue	130.9 66.2	126.2 67.9	3.8
SG&A Expenses as % of revenue	70.9 35.8	65.8 35.4	7.9
R&D Expenses as % of revenue	15.6 7.9	16.4 8.8	(4.9)
Other Income (Expense), net as % of revenue	(0.1) 0.0	(0.9) (0.5)	(94.2)
Operating Income as % of revenue	44.3 22.4	43.1 23.2	2.9
Net Income as % of revenue	31.4 15.9	30.0 16.1	4.8

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Financial position and Shareholders' equity

A very strong balance sheet

(million Euro)	31 Mar 2011	31 Dec 2010	Change
Cash and short-term financial investments	200.1	161.7	38.4
Bank overdrafts and short-term loans	(5.9)	(3.5)	(2.4)
Loans – due within one year	(16.0)	(16.3)	0.3
Loans – due after one year	(140.7)	(95.9)	(44.8)
NET FINANCIAL POSITION	37.5	46.0	(8.5)
SHAREHOLDERS' EQUITY	599.1	576.0	23.0

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2011 targets, 2012-2013 plan

Net income to grow by around 10% in 2012 and 2013

(million Euro)	2010 Actual	2011 Targets	2012 Plan	2013 Plan
Revenue	728.1	~ 750	~ 810	~ 875
Operating income (EBIT)	154.8	~160	~ 170	~ 185
Net Income	108.6	~110	~120	~132

Based on existing business, possible new acquisitions could be added

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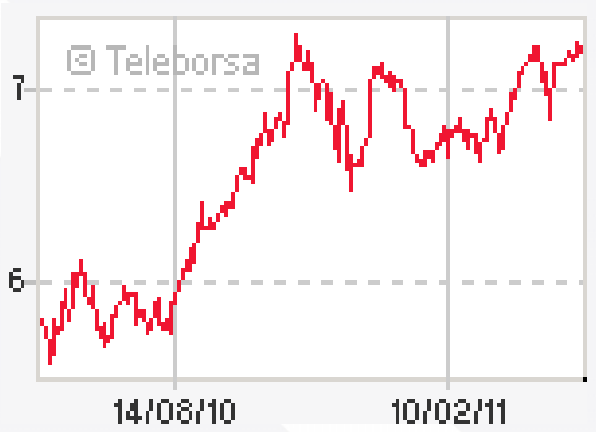
The Recordati share

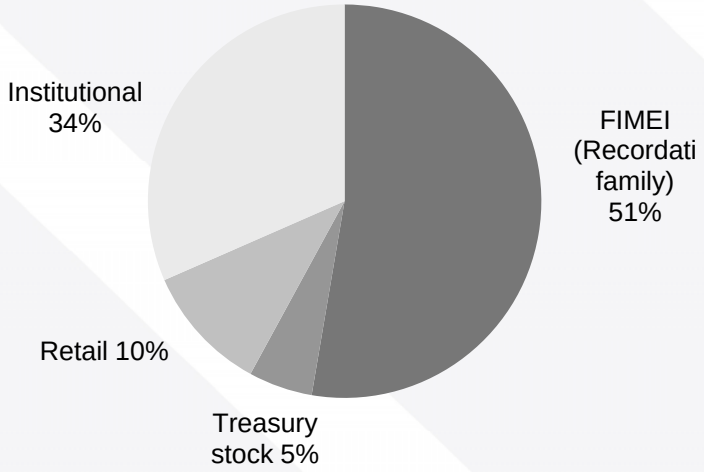
The Recordati share (ticker REC, Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271) has been listed on the Italian Stock Exchange since 1984. It belongs to the FTSE IT Mid Cap and FTSE IT Health Care indexes.

Share capital consists of 209,125,156 ordinary (common) shares with a par value of € 0.125 each.

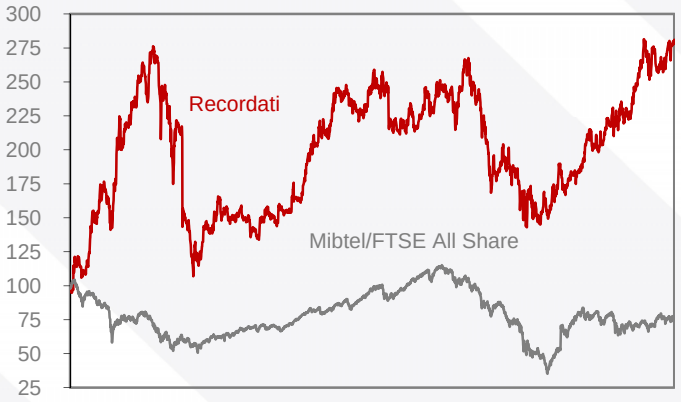
Last 12 months' prices:



Ownership:



10 year performance vs. market:



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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) with a total staff of over 2,800, dedicated to the research, development, manufacturing and marketing of pharmaceuticals, with headquarters in Milan, Italy, operations in the main European countries, and a growing presence in the new markets of Central and Eastern Europe. A European field force of around 1,400 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 and of treatments for rare diseases. Consolidated revenue for 2010 was € 728.1 million, operating income was € 154.8 million and net income was € 108.6 million.

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