



A Specialty Pharmaceutical Group

Bank of America Merrill Lynch GLOBAL HEALTHCARE CONFERENCE – 11 SEPTEMBER 2012

A strategy of growth and geographical expansion

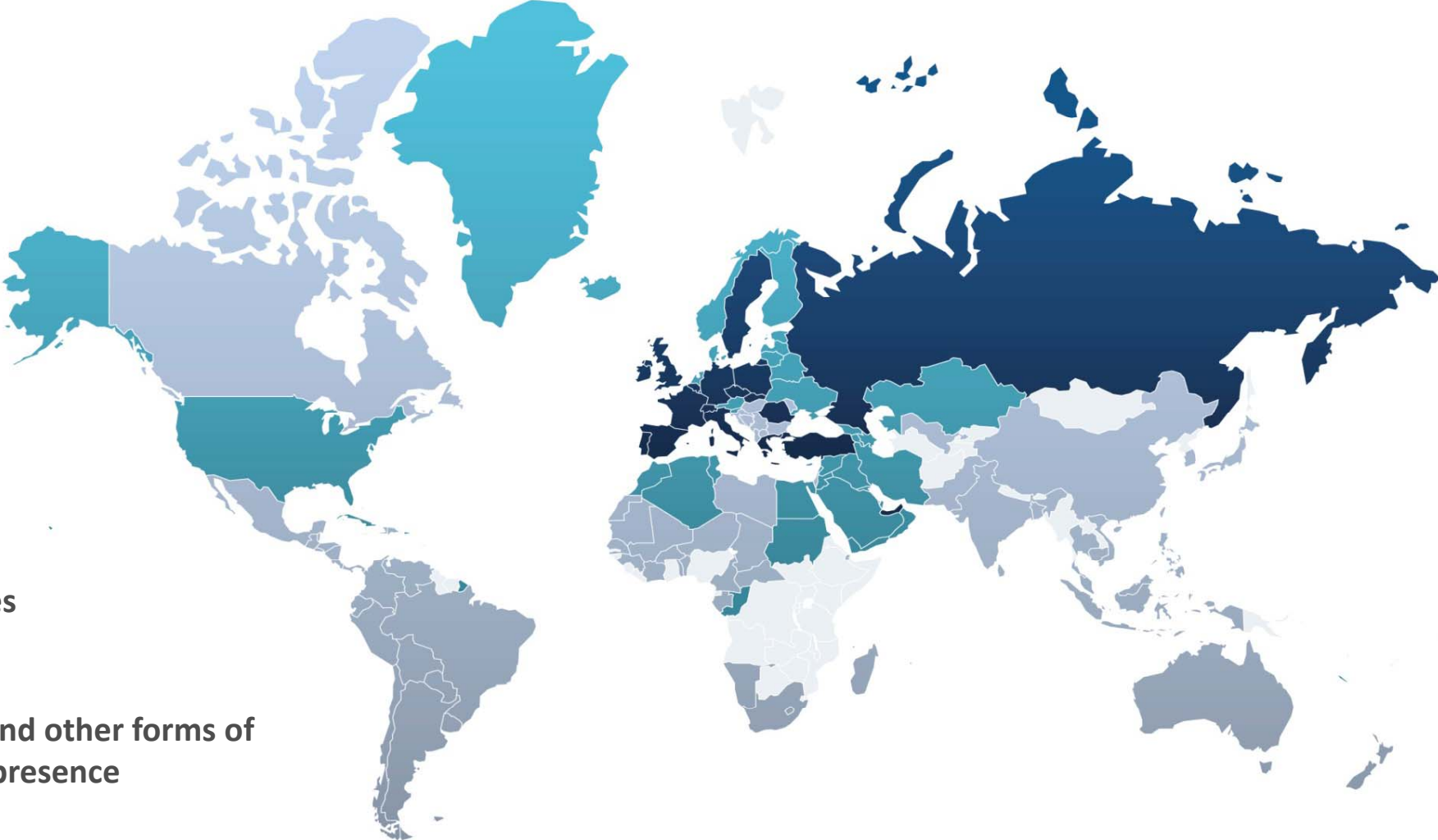
Profile

- A mid sized pharmaceutical company with a European focus (over 3,200 employees)
- 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 worldwide

Our products are sold in 135 countries

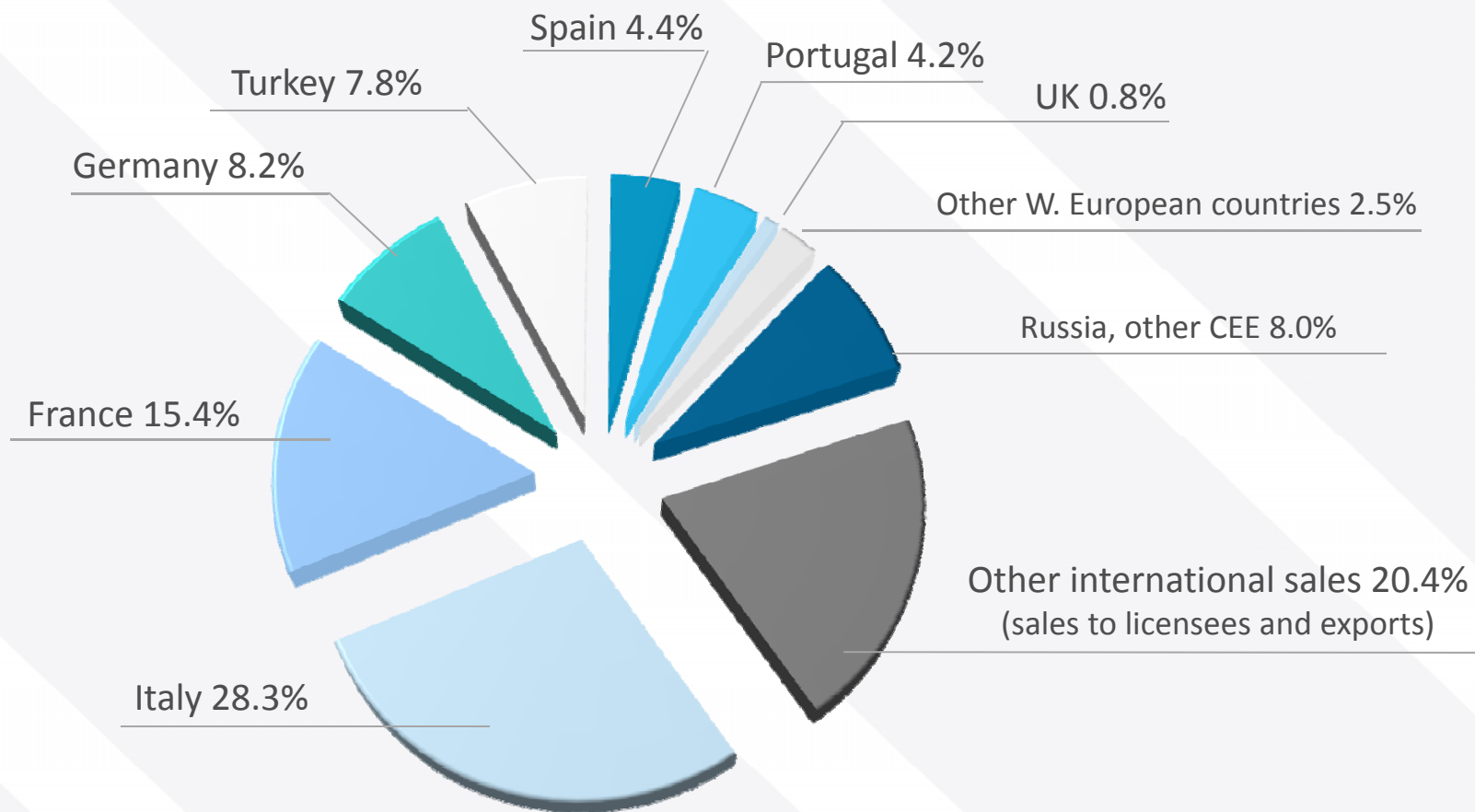


19
Subsidiaries

40
Branches and other forms of territorial presence

76
Countries where Recordati products are sold (under license or exported)

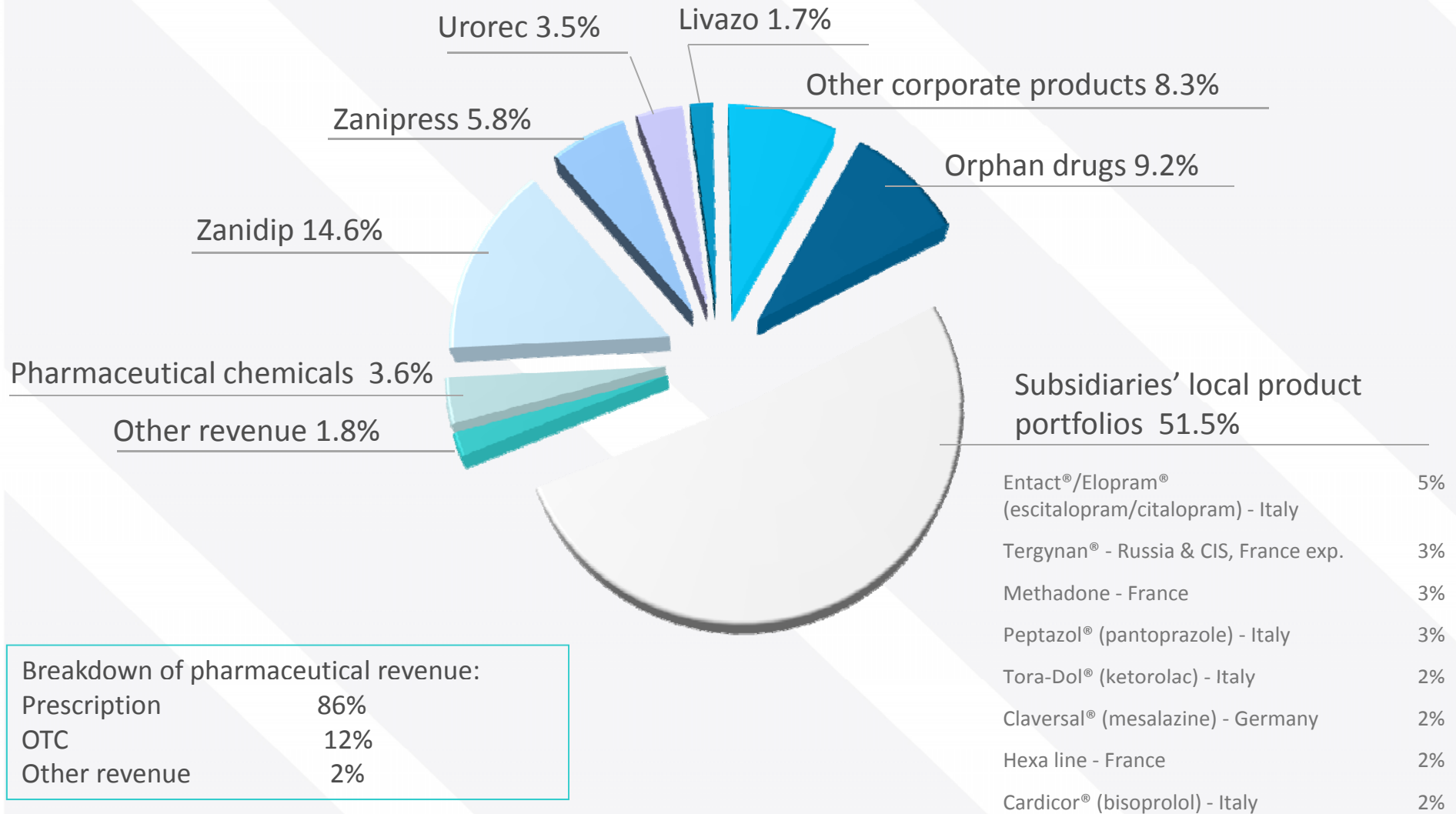
A growing presence in Eastern Europe and Turkey



Data: 1H 2012

Pharmaceutical revenue € 405.0 m

A richer product portfolio



Data: First half 2012
Total revenue € 419.9 m

Sales development

Key growth drivers

- New corporate products: Urorec[®] (silodosin)
Livazo[®] (pitavastatin)
- New growing markets
- Orphan drug business

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 15 markets: Belgium, Bulgaria, Czech Rep., France, Germany, Greece, Ireland, Italy, Lebanon, the Netherlands, Portugal, Romania, Russia & CIS, Slovakia and Spain. Further launches to take place.
- 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

New corporate products

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 and Portugal, further launches to take place
- Statins market in the key countries covered by the agreement was € 3.5 billion in 2010
- In-market peak sales expected: € 100-150 million

Lercanidipine franchise

Zanipress[®] (lercanidipine+enalapril) **Zanidip[®] (lercanidipine)**

- Lercanidipine is a latest generation calcium channel blocker indicated for the treatment of hypertension. Enalapril is an ACE inhibitor indicated for the treatment of hypertension.
- 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 expected to stabilize at around € 165 million

New growing markets

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
- Launch of corporate products started in 2011
- Revenue generated in this area in 2011 € 36.9 million, up 34.8%. First half 2012 sales grow by 15.7%.

New growing markets

Turkey

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

- Following the acquisition of Yeni Recordati in 2008 and of Dr. Frik İlaç in 2011 the Turkish market represents the third largest in the Group after Italy and France, together with Germany
- Sales organization increased to nearly 400 reps
- Recordati corporate products now sold directly in Turkey
- Launches of new corporate products started in 2011

Orphan drugs

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 >16% since 2008
- Carbaglu® (carglumic acid) approved and launched in the U.S.
- New indication for Carbaglu® approved in Europe
- Sales coverage of new territories outside Europe, including the U.S., either directly or through partnerships
- Sales of drugs for rare diseases in 2011 total € 69.3 million, an increase of 17.9%. First half 2012 sales grow by 9.8%.

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 and to the main organic acidemias

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*

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

A well balanced R&D pipeline

NAME	ORIGINATOR	INDICATION	DEVELOPMENT STATUS
CARBAGLU®	Recordati	Organic acidemias	Approved in EU Phase III in U.S.
NORMOSANG®	Recordati	Hepatic porphyria	Pre-registration in U.S.
Iercanidipine/enalapril combination*	Recordati	Essential hypertension	Pre-registration
REC 0482	Nymox (NX-1207)	Benign prostatic hyperplasia (BPH)	Phase III
CYSTADROPS®	Recordati	Ocular cystinosis	Phase II
REC 0422	Recordati	Overactive bladder and Incontinence	Phase II
REC 1819	Recordati	Overactive bladder and Incontinence	Phase I
REC 0438	Recordati/UFPeptides	Overactive bladder in patients with spinal lesions	Phase I

* New dosage

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

- **CARBAGLU[®]** (carglumic acid), currently approved for the treatment of hyperammonaemia due to NAGS deficiency, recently approved 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.
- **REC 0482 (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.

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.
- **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

First half 2012 highlights

- Revenue € 419.9 million, up 4.7%.
- Operating income (EBIT) € 90.2 million or 21.5% of sales, up 2.3%.
- Net income € 63.3 million or 15.1% of sales, up 1.5%.
- Phase III trials started for REC 0482, the new innovative BPH treatment from Nymox
- Acquisition of 6 OTC products for our German subsidiary, Recordati Pharma, in April
- Urorec[®] (silodosin) now launched in 15 countries, with an overall market share of 7.5%.

Composition of revenue

New markets and new products drive growth

(million Euro)	1H 2012	1H 2011	Change %
Italy	114.9	121.8	(5.7)
France	62.3	66.2	(5.8)
Germany	33.4	32.8	1.8
Turkey	31.8	16.3	95.2
Spain	17.6	16.3	7.9
Portugal	16.9	17.2	(1.8)
United Kingdom	3.3	4.2	(21.6)
Other Western European countries	10.0	9.6	3.6
Russia and other CEE countries	32.3	27.9	15.7
Other international sales	82.5	73.1	12.9
TOTAL PHARMACEUTICALS	405.0	385.5	5.1
PHARMACEUTICAL CHEMICALS	14.9	15.6	(4.0)

Main product sales

Corporate products including orphan drugs now account for 43.1% of revenue

(million Euro)	1H 2012	1H 2011	Change %
Zanidip [®] (lercanidipine)	61.6	69.2	(10.9)
Zanipress [®] (lercanidipine+enalapril)	24.2	19.6	23.9
Urorec [®] (silodosin)	14.5	7.9	84.3
Livazo [®] (pitavastatin)	7.0	2.4	n.s.
Other corporate products	34.8	31.1	12.1
Orphan drugs	38.6	35.2	9.8

First half 2012 results

Sales and earnings growth in line with guidance

(million Euro)	1H 2012	1H 2011	Change %
Revenue	419.9	401.0	4.7
Gross Profit as % of revenue	272.4 64.9	267.5 66.7	1.8
SG&A Expenses as % of revenue	151.6 36.1	147.8 36.8	2.6
R&D Expenses as % of revenue	28.8 6.9	30.9 7.7	(7.0)
Other Income (Expense), net as % of revenue	(1.9) (0.4)	(0.6) (0.2)	n.s.
Operating Income as % of revenue	90.2 21.5	88.2 22.0	2.3
Net Income as % of revenue	63.3 15.1	62.4 15.5	1.5

Financial position and Shareholders' equity

(million Euro)	30 Jun 2012	31 Dec 2011	Change
Cash and short-term financial investments	79.1	105.2	(26.1)
Bank overdrafts and short-term loans	(5.6)	(13.6)	8.0
Loans – due within one year	(7.6)	(11.6)	4.0
Loans – due after one year	(132.5)	(135.7)	3.2
NET FINANCIAL POSITION	(66.6)	(55.7)	(10.9)
SHAREHOLDERS' EQUITY	646.8	594.5	52.3

Financial projections

Challenging 2012 targets

(million Euro)	2011 Actual	2012 Targets
Revenue	762.0	810-830
Operating income (EBIT)	163.5	160-170
Net Income	116.4	115-120

The Recordati share

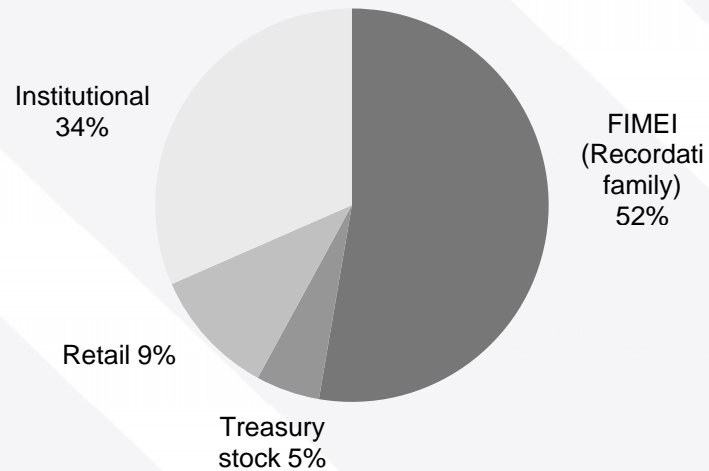
The Recordati share (ticker REC, **Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271**) has been listed on the Italian Stock Exchange since 1984. It belongs to the FTSE IT Mid Cap and FTSE IT Health Care indexes.

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

2011 EPS (diluted): € 0.556

2011 dividend per share: € 0.30

Ownership:



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 3,200, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Central and Eastern Europe, and in Turkey. A field force of around 1,700 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 from companies which do not have a European presence. 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 2011 was € 762.0 million, operating income was € 163.5 million and net income was € 116.4 million.

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