RECORDATI

A European specialty pharmaceutical group

February 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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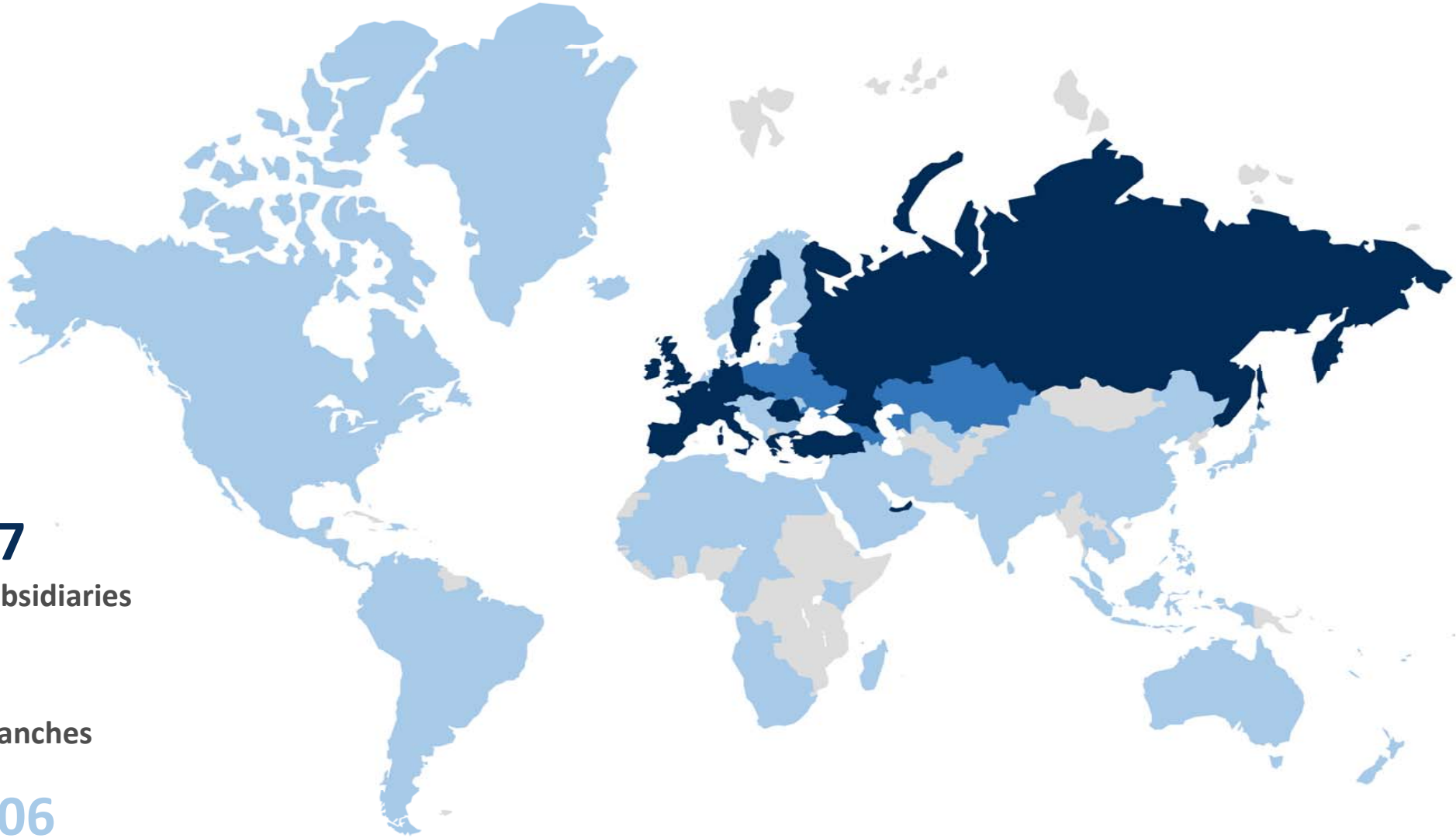
Our products are sold in 130 countries



17
Subsidiaries

7
Branches

106
Countries where Recordati products are sold
(under license or exported)

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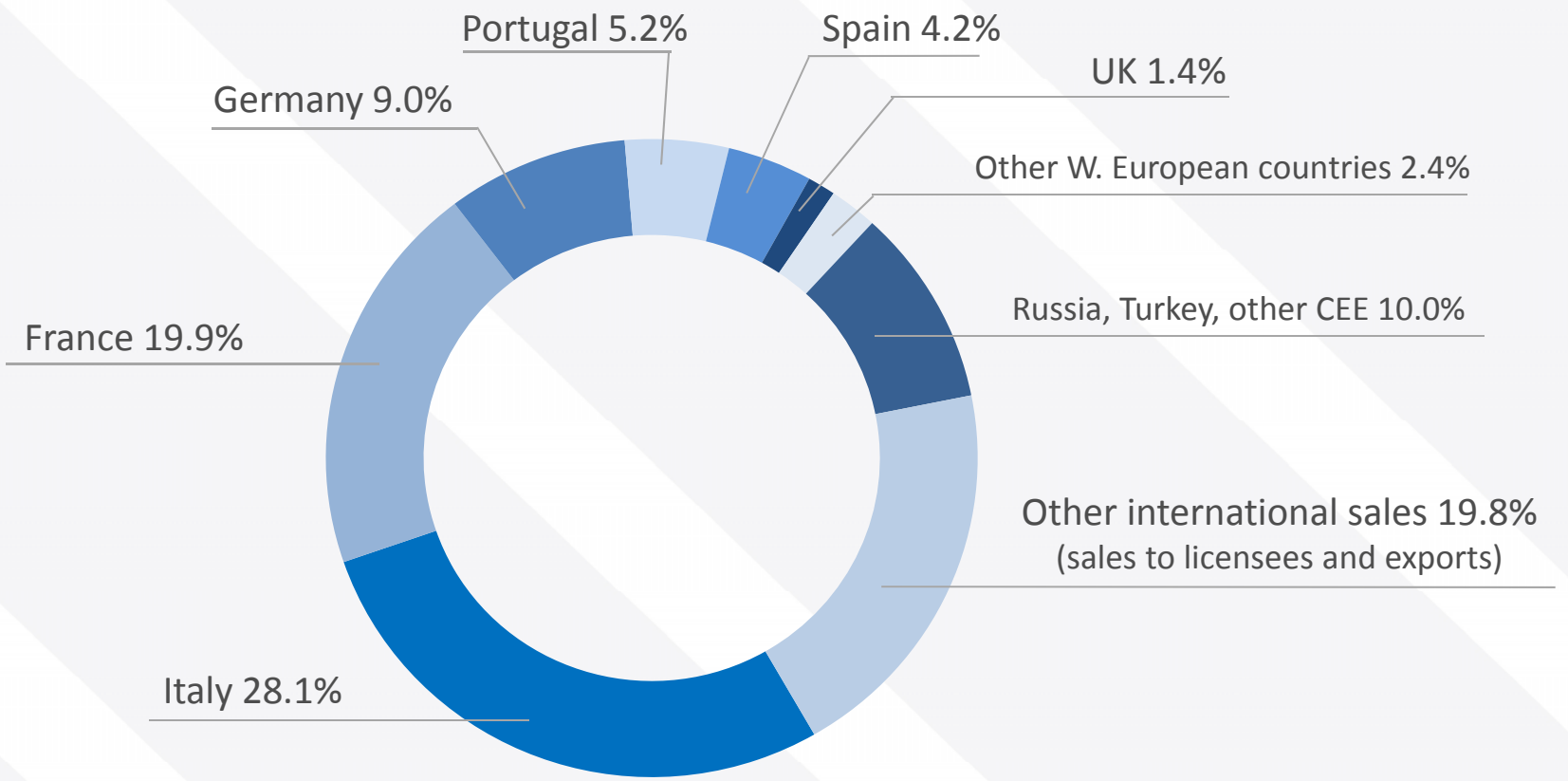
A growing presence in emerging markets



Data: Full year 2010
Pharmaceutical revenue € 702.3 m

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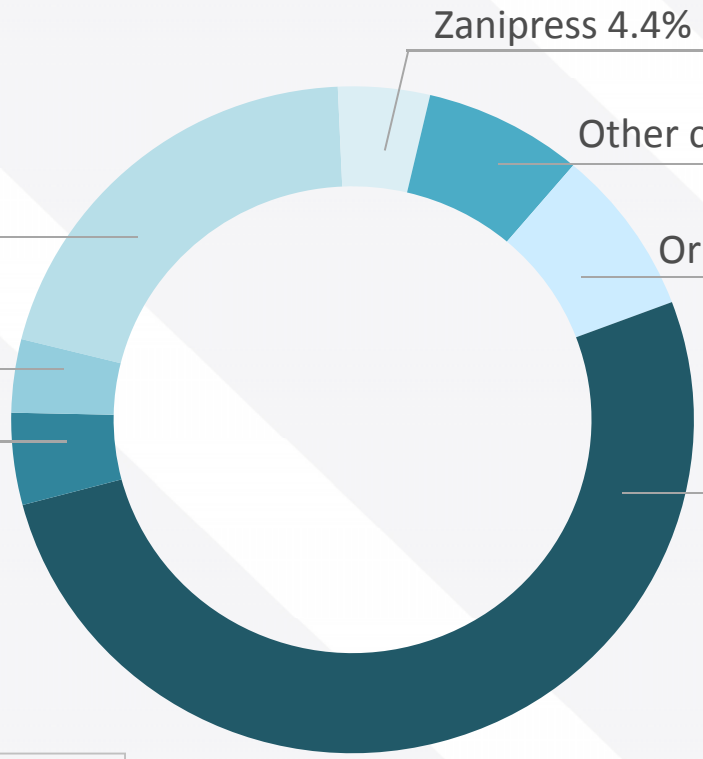
A richer product portfolio



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

Breakdown of pharmaceutical revenue:	
Prescription	85%
OTC	10%
Other revenue	5%

Data: Full year 2010
Total revenue € 728.1 m

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A growing portfolio of corporate products

ZANIDIP® (lercanidipine), 22% of sales

- Calcium channel blocker indicated for the treatment of hypertension. Lipophilic dihydropiridine discovered and developed by Recordati. On the market in 95 countries.

ZANIPRESS® (lercanidipine+enalapril), 4% of sales, growing

- Fixed combination of lercanidipine (a CCB) and enalapril (an ACE-I) indicated for the treatment of hypertension. On the market in 16 countries, further launches expected.

UROREC® (silodosin), launch phase

- 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.

LIVAZO® (pitavastatin), launches to start 2H 2011

- Highly effective HMG-CoA reductase inhibitor indicated for the treatment of hypercholesterolaemia.
- Low risk of drug-drug interactions due to metabolic pathway.

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A growing orphan drug business - (CAGR 10%)

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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Other corporate products

LOMEXIN® (fenticonazole), indicated in the treatment dermatological and gynecological mycotic infections

URISPAS® (flavoxate), indicated in the symptomatic treatment of micturition disorders

KENTERA® (oxybutynin transdermal patch), indicated in the treatment of symptoms associated with disorders of the lower urinary tract

TRANSACT® LAT (flurbiprofen transdermal patch), indicated for the symptomatic relief of localized pain involving the musculoskeletal system

RUPAFIN®/WYSTAMM®/ALERGOLIBER® (rupatadine), antihistamine indicated in the treatment of allergies

ISIMIG®/PITUNAL® (frovatriptan), indicated in the acute treatment of migraine attacks

LOPRESOR® (metoprolol), indicated in the treatment of different cardiovascular disorders, in particular hypertension and angina pectoris

PROCTO-GLYVENOL® indicated for the localized treatment of internal and external hemorrhoids

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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.

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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Operational and financial highlights - full year 2010

- Revenue € 728.1 million, down 2.6%, international sales down 1.2%
- Operating income (EBIT) € 154.8 million, down 4.6%
- Net Income € 108.6 million, down 1.8%
- Silodosin (Urorec®/Silodyx™) approved in Europe and launched in a number of countries
- Carbaglu® (carglumic acid) approved by the FDA in the U.S.
- Pitavastatin (Livazo®/Alipza®) approved in Europe
- Acquisition of ArtMed International, a company dedicated to the promotion of pharmaceutical products in Romania
- Agreement with Nymox Pharmaceutical Corporation for the development and marketing in Europe of NX-1207, an experimental drug for BPH
- Licensing-out agreements signed with Leespharm for Zanidip® (lercanidipine) in China, with Esteve for pitavastatin in Spain, with Zambon for Silodyx™ (silodosin) in France and with Merck Serono for Alipza® (pitavastatin) in France
- Cardicor® (bisoprolol) in-licensed from Merck KGaA for Italy

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Composition of revenue

Low impact of lercanidipine generic competition

(million Euro)	2010	2009	Change %
Italy	197.0	210.6	(6.5)
France	139.9	162.4	(13.8)
Germany	63.3	65.8	(3.8)
Portugal	36.3	36.8	(1.5)
Spain	29.6	30.9	(4.0)
United Kingdom	9.9	15.1	(34.9)
Other Western European countries	16.9	15.6	8.1
Russia, Turkey, other CEE countries	70.3	54.8	28.1
Other international sales	139.2	128.6	8.2
TOTAL PHARMACEUTICALS	702.3	720.6	(2.5)
PHARMACEUTICAL CHEMICALS	25.9	26.9	(3.8)

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Main product sales

Significant growth of new corporate products and orphan drugs

(million Euro)	2010	2009	Change %
Zanidip® (lercanidipine)	148.7	214.9	(30.8)
Zanipress® (lercanidipine+enalapril)	31.7	20.8	52.5
Other corporate products	54.9	37.1	48.0
Orphan drugs	58.8	48.9	20.1

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Full year 2010 results

Profit margins maintained despite lercanidipine patent loss

(million Euro)	2010	2009	Change %
Revenue	728.1	747.5	(2.6)
Gross Profit as % of revenue	488.1 67.0	511.9 68.5	(4.7)
SG&A Expenses as % of revenue	260.5 35.7	267.4 35.7	(2.6)
R&D Expenses as % of revenue	68.8 9.5	69.4 9.3	(0.9)
Other Income (Expense), net as % of revenue	(3.9) (0.5)	(12.8) (1.7)	(69.2)
Operating Income as % of revenue	154.8 21.3	162.2 21.7	(4.6)
Net Income as % of revenue	108.6 14.9	110.6 14.8	(1.8)

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Financial position and Shareholders' equity

A very strong balance sheet

(million Euro)	31 Dec 2010	31 Dec 2009	Change
Cash and short-term financial investments	n.a.	93.8	
Bank overdrafts and short-term loans	n.a.	(28.9)	
Loans – due within one year	n.a.	(2.4)	
Loans – due after one year	n.a.	(82.2)	
NET FINANCIAL POSITION	46.0	(19.7)	65.7
SHAREHOLDERS' EQUITY	n.a.	509.0	

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Financial projections

Loss of lercanidipine sales to generics fully compensated

(million Euro)	2010 Actual	2011 Targets
Revenue	728.1	~ 750
Operating income (EBIT)	154.8	~ 160
Net Income	108.6	~ 110

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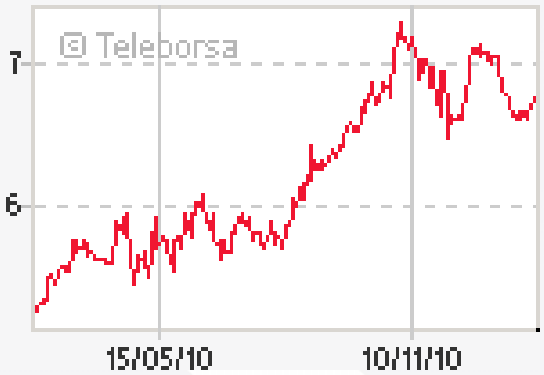
The Recordati share

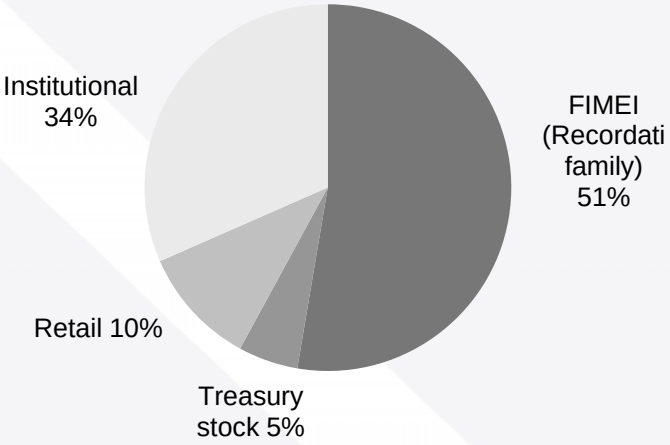
The Recordati share (ticker REC, Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271) has been listed on the Italian Stock Exchange since 1984. It belongs to the FTSE IT Mid Cap and FTSE IT Health Care indexes.

Share capital, at 4 December 2009, consists of 209,125,156 ordinary (common) shares with a par value of € 0.125 each.

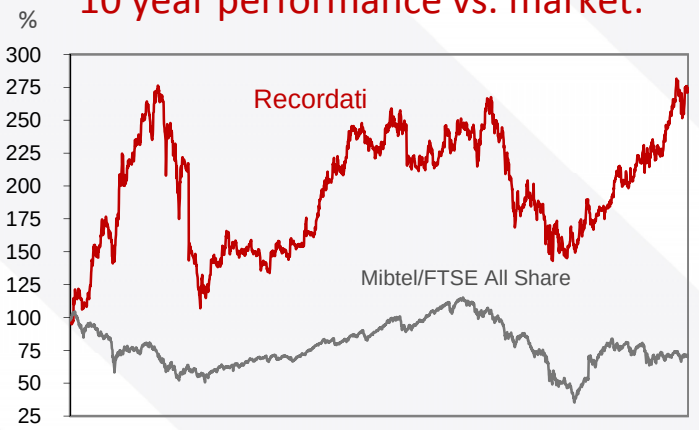
Last 12 months' prices:



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 2009 was € 747.5 million, operating income was € 162.2 million and net income was € 110.6 million.

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