Milan, 18 December 2008

2009 - 2011 Business Plan

A plan for sustainable shareholder value creation

RECORDATI

2009 - 2011 BUSINESS PLAN

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RECORDATI

1. STRATEGY

Company Profile

- Mid sized pharmaceutical company with an European focus
- 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, CIS and Turkey
- Expanding through organic development and through acquisitions
- Proprietary drugs sold worldwide through licensees

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1. STRATEGY

- Recordati will continue to develop its business in Europe, both Western and in the new growing CEE (Central and Eastern Europe) markets, which together represent the second largest pharmaceutical market in the world,
- by growing its existing product portfolio,
- acquiring new product rights,
- enriching its pipeline of products in development
- and enlarging its geographical footprint

Portfolio development

- High focus on new corporate products
- Maximization of existing products
- Prioritize development of specialty care products

Geographical expansion

- Enter new markets characterized by high growth in CEE
- Launch new corporate products and existing proprietary products in these markets

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2. SALES DEVELOPMENT

- New corporate products
- Existing corporate products
- Local product portfolios
- New growing markets
- Orphan Europe

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2. SALES DEVELOPMENT

- New corporate products
- Existing corporate products
- Local product portfolios
- New growing markets
- Orphan Europe

RECORDATI

NEW CORPORATE PRODUCTS

- ZANIPRESS® (lercanidipine+enalapril)
- SILODOSIN
- PITAVASTATIN
- KENTERA® (oxybutynin TDS), RUPATADINE, FROVATRIPTAN

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NEW CORPORATE PRODUCTS

ZANIPRESS® (lercanidipine+enalapril)

- Fixed combination of lercanidipine (a CCB) and enalapril (an ACE-I) indicated for the treatment of hypertension. Two strengths: 10mg lercanidipine/10mg enalapril, and 10mg lercanidipine/20mg enalapril.
- Clinical data exclusivity until 2016
- Approved in Germany in July 2006. Approval recognition in EU, Norway and Iceland granted in March 2008. Approved in Australia in February 2008.
- On the market in Germany (three brands, Recordati, Berlin Chemie and Meda), in Australia (Solvay Biosciences) and in Ireland (Recordati).
- Further launches early 2009

- 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, ACE-I, ARB) as opposed to using older treatments.
- The NICE (National Institute for Clinical Excellence, UK) guideline for the treatment of hypertension in primary care was updated to incorporate new evidence (1)
- "In hypertensive patients aged 55 or over, or black patients of any age, the first choice for initial therapy should be either a CCB or a thiazide-type diuretic." (1)
- "If initial treatment was with a CCB or a thiazide-type diuretic and a second drug is required, add an ACE inhibitor. If initial therapy was with an ACE inhibitor, add a CCB or a thiazide-type diuretic." (1)

(1) National Collaborating Centre for Chronic Conditions. *Hypertension: management in adults in primary care: pharmacological update.* London: Royal College of Physicians, 2006.

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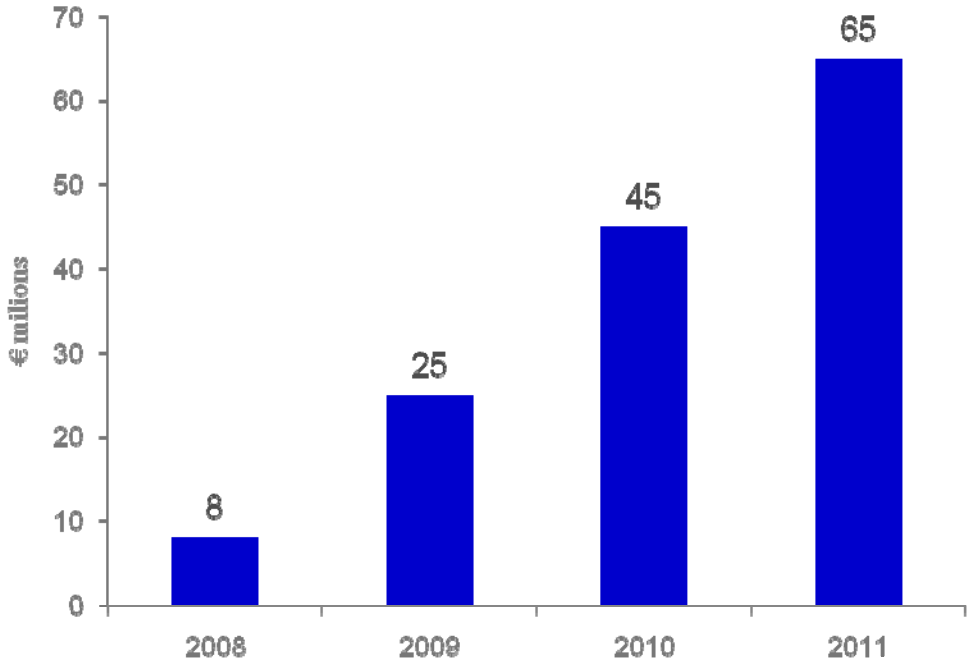
NEW CORPORATE PRODUCTS

ZANIPRESS® (lercanidipine+enalapril) - expected sales



Includes direct sales and sales to licensees

- Market for fixed combinations of calcium channel blockers and ACE inhibitors (C9B3) is a new market in most countries generating double digit growth
- Plan assumes launch in all European countries (excluding UK)

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NEW CORPORATE PRODUCTS

SILODOSIN

- Highly selective α_{1A} receptor antagonist indicated for the treatment of symptoms associated with benign prostatic hyperplasia (BPH)
- Originator Kissei Pharmaceutical Co., Ltd., Japan. Developed by Recordati for Europe (45 countries) and other 18 countries (Middle East and Africa). Patented in Europe until 2018 (inc. SPC), clinical data exclusivity until 2020
- MAA filed with EMEA November 2008. Foreseen approval time: Early 2010
- Launches to be initiated second half 2010 following local country by country pricing and reimbursement negotiations
- Silodosin to be sold directly by Recordati in 8 EU markets, in Russia and other C.I.S. countries, and in Turkey
- Co-marketing planned in most countries
- License granted to Algorithm for the Middle East (except Israel) and further licenses planned for all territories where we are not present directly

positioning

- The symptoms associated with BPH (urination frequency and urgency, hesitancy and weak urinary flow) interfere with daily activities and sleeping. BPH occurs mainly in elderly patients.
- Silodosin is the first alpha blocker with very high selectivity for α_{1A} adrenergic receptors showing
  - **Fast onset of action**. Significant improvements in the maximum urinary flow rate within 2-6 hours after the first dose, continuing through 12 weeks of therapy
  - **High efficacy** on bothersome symptoms (nocturia) and obstructive signs (Q_{max})
  - **Very good cardiovascular safety**, no symptomatic effects on blood pressure or heart rate when administered in combination with antihypertensive medications
- **Early and sustained benefit to patie**nts, improving their daily quality of life and nocturnal rest

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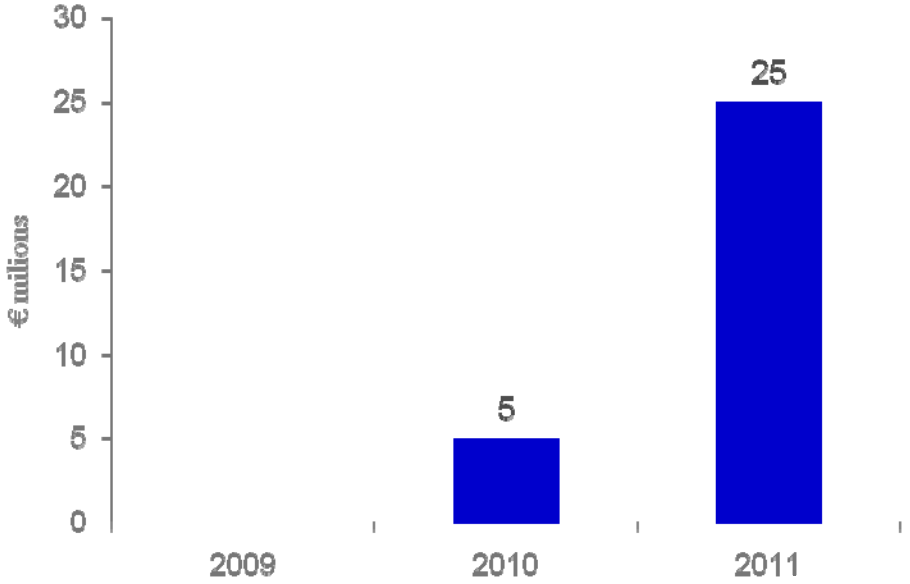
NEW CORPORATE PRODUCTS

SILODOSIN - expected sales



Includes direct sales and sales to licensees

- The market for BPH products in 19 major European markets for the 12 months to September 2008: € 1.0 billion.
- Main competitor: tamsulosin
- In-market peak sales: € 100 -150 million

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NEW CORPORATE PRODUCTS

PITAVASTATIN

- Highly effective HMG-CoA reductase inhibitor indicated for the treatment of hypercholesterolaemia
- Semi-exclusive license granted by Kowa Pharmaceutical Europe (KPE) for marketing and sales in Italy, France, Spain, Portugal, Greece, Ireland, Cyprus, Turkey, Russia and other C.I.S. countries
- MAA submitted by KPE for the 7 EU territories in the Recordati license. Decentralized procedure. Russia, Turkey and CIS territories: submission up to Recordati
- Foreseen approval time: November 2009
- Launches expected to take place as from second half 2010

positioning

- Similar LDL-C reduction of market leading best-in-class statins
- Broad-spectrum effects on secondary lipid parameters
- **Any time of day dosing** allows prescribing flexibility
- Similar safety to other statins
- **Low risk of drug-drug interactions** due to metabolic pathway
- Appropriate for multi-medicated patients
- In high-risk difficult-to-treat patients with dyslipidemia only pitavastatin allows thorough control due to its dual action both on LDL and HDL. It offers **high reduction of aggressive factors (LDL) as well as good increase of protective ones (HDL)**.

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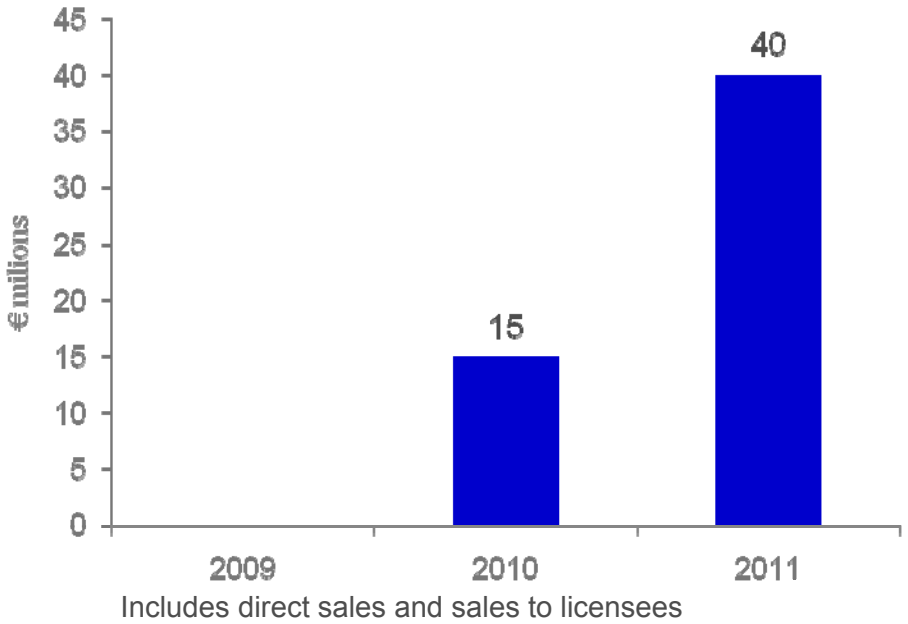
NEW CORPORATE PRODUCTS

PITAVASTATIN - expected sales



Includes direct sales and sales to licensees

- Statins market in the 8 largest of the 21 countries covered by the agreement was € 2.8 billion in 2007
- Competitors: atorvastatin, rosuvastatin, simvastatin, pravastatin, lovastatin, etc.
- In-market peak sales: € 100 - 150 million

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NEW CORPORATE PRODUCTS

KENTERA® (oxybutynin TDS)

- Bi-weekly oxybutynin transdermal patch indicated for the symptomatic treatment of urge incontinence and/or increased urinary frequency and urgency as may occur in patients with unstable bladder (or otherwise referred to as overactive bladder, OAB)
- Approved through the centralized procedure by the EMEA in 2004
- Exclusive license granted by a subsidiary of Watson Pharmaceuticals, Inc. for marketing and sales in 29 European countries
- Kentera® currently re-launched in Germany, UK, Greece and Ireland by Recordati and in other European countries by sub-licensees
- License granted to Orion for the Scandinavian countries and Switzerland, and to EuroCept BV for Belgium, the Netherlands and Luxembourg

RUPATADINE

- Latest generation systemic antihistamine drug indicated for the treatment of allergies and in particular allergic rhinitis
- Rupatadine does not cause sleepiness, an undesired side effect of previous generation drugs
- License granted by Uriach for marketing and sales in Spain (Alergoliber® on the market since beginning 2004), Italy and Germany (launched in 2008 as Rupafin®) and France (to be launched in 2009 as Wystamm®)

FROVATRIPTAN

- New selective $5HT_{1B/1D}$ receptor agonist indicated for the acute treatment of migraine attacks with or without aura
- Frovatriptan distinguished from other triptans by its long half-life (26 hours) ensuring long-lasting clinical efficacy and reduction of the recurrence rate of migraine attacks
- Semi-exclusive license granted by Menarini for marketing and sales in France and Greece where it will be launched as Isimig® and Pitunal® respectively
- Product approved in the licensed markets

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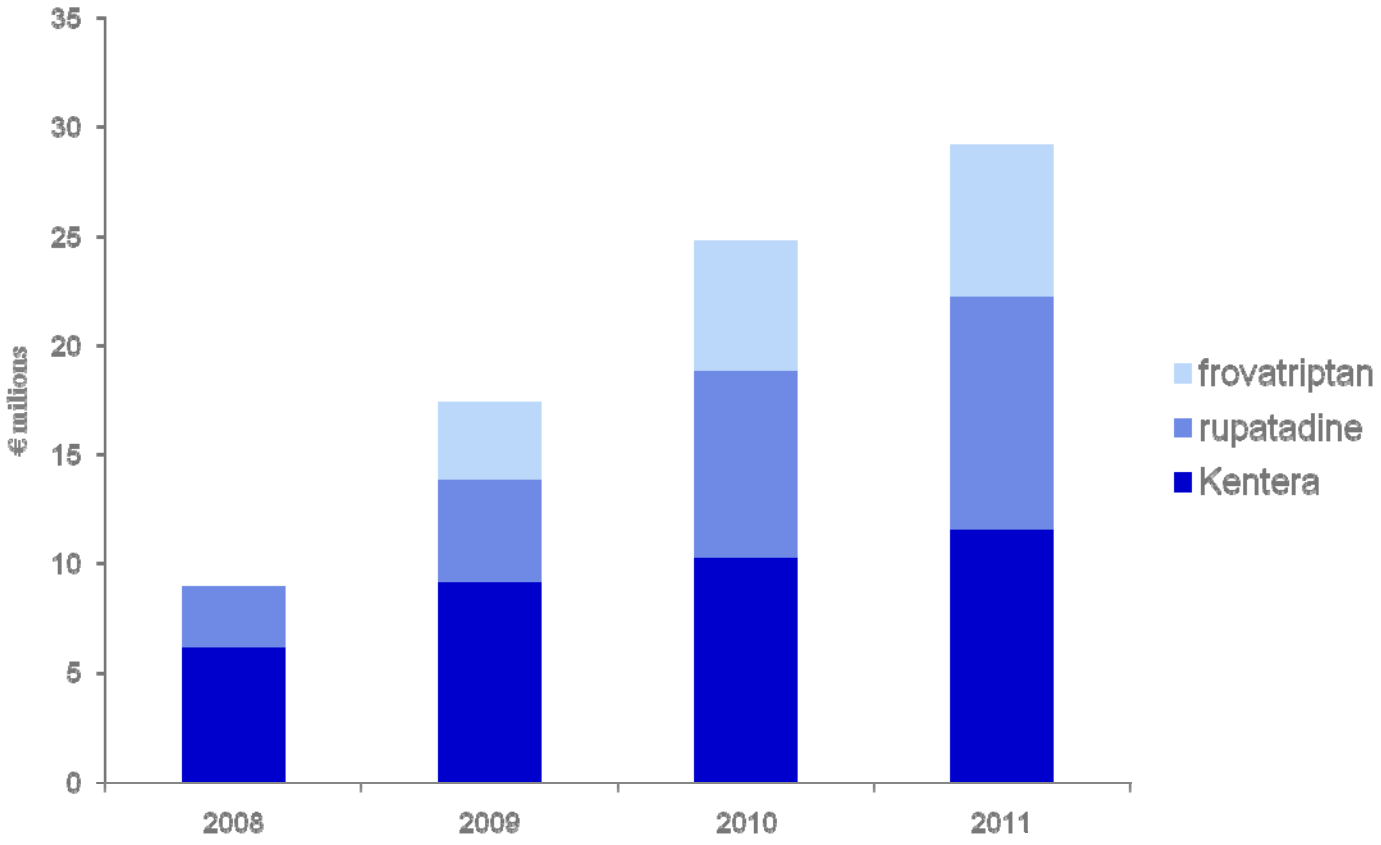
NEW CORPORATE PRODUCTS

KENTERA® , RUPATADINE, FROVATRIPTAN - expected sales



Includes direct sales and sales to licensees

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2. SALES DEVELOPMENT

- New corporate products
- **Existing corporate products**
- Local product portfolios
- New growing markets
- Orphan Europe

RECORDATI

EXISTING CORPORATE PRODUCTS

- ZANIDIP® (lercanidipine)
- FENTICONAZOLE, FLAVOXATE

RECORDATI

EXISTING CORPORATE PRODUCTS

ZANIDIP® (lercanidipine)

- Calcium channel blocker indicated for the treatment of hypertension. Lipophilic dihydropiridine discovered and developed by Recordati. Efficacy as best in class, superior tolerability.
- On the market in 90 countries. Second largest CCB in the 16 main markets. Leader in its class in France
- Patent expires end January 2010 in main markets. Generic competition expected in France, Italy, UK, Germany, Spain, and other European countries
- Strategy will be to match, or nearly match, the generic price to keep sales volumes
- In most markets, at the same price, the branded drug is preferred
- Promotion to continue in these markets where brands maintain their value
- In some markets where brands are more likely to lose their value, an own generic of lercanidipine will be sold

- Sales in 2008 expected to reach € 200 million
- Sales in 2009 expected to be around € 200 million
- Following appearance of generic competition in main markets sales in 2010 expected to be around € 105 million
- Further price erosion in 2011 expected to be of around 20%

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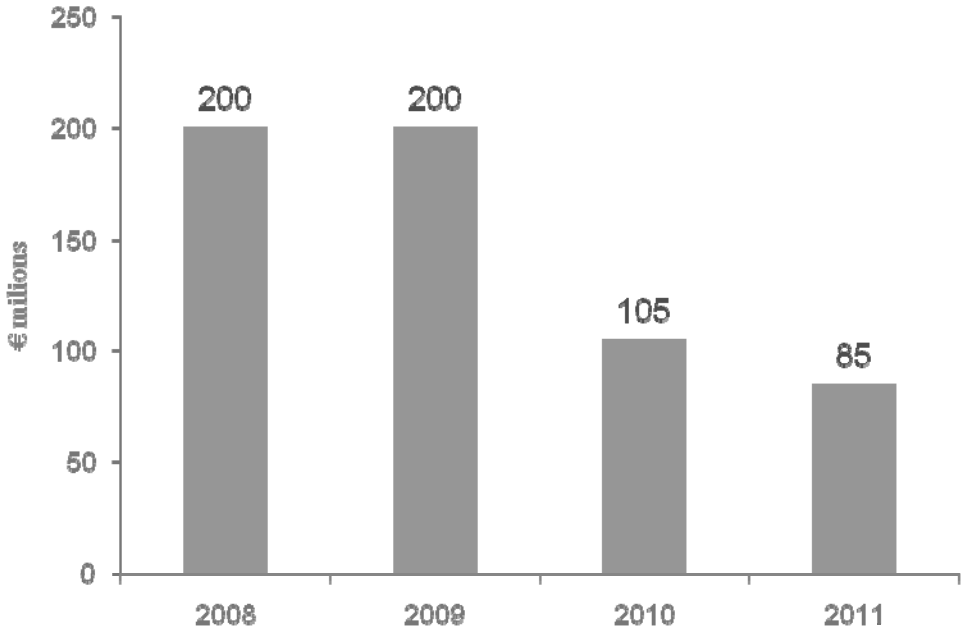
EXISTING CORPORATE PRODUCTS

ZANIDIP ® (lercanidipine) - expected sales



Includes direct sales and sales to licensees

- The market for CCB's today in the 16 main territories where lercanidipine is present is worth approx. € 2 billion

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EXISTING CORPORATE PRODUCTS

LOMEXIN® (fenticonazole)

- Antimycotic for dermatological and gynecological use
- Original Recordati product now off-patent but represents new sales opportunity in growing markets
- Currently sold directly to the market in Italy and Spain and in a number of other countries through licensing agreements
- Will be sold directly in Turkey as from 2009

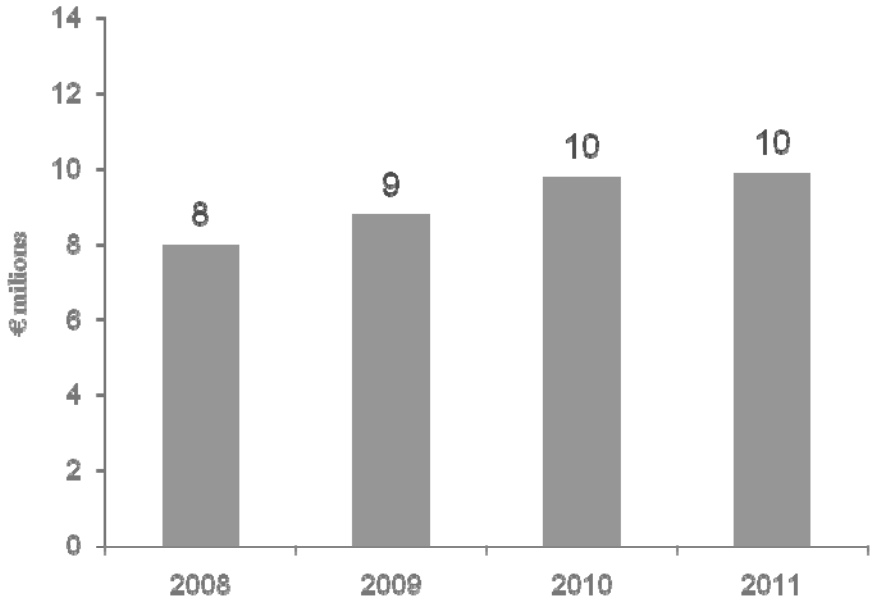
URISPAS® (flavoxate)

- Antispasmodic for the treatment of urinary incontinence
- Original Recordati product now off-patent but represents new sales opportunity in growing markets
- Currently sold directly to the market in Italy, Spain, Portugal, UK and Ireland and in a number of other countries through licensing agreements
- Will be sold directly in Turkey as from 2009

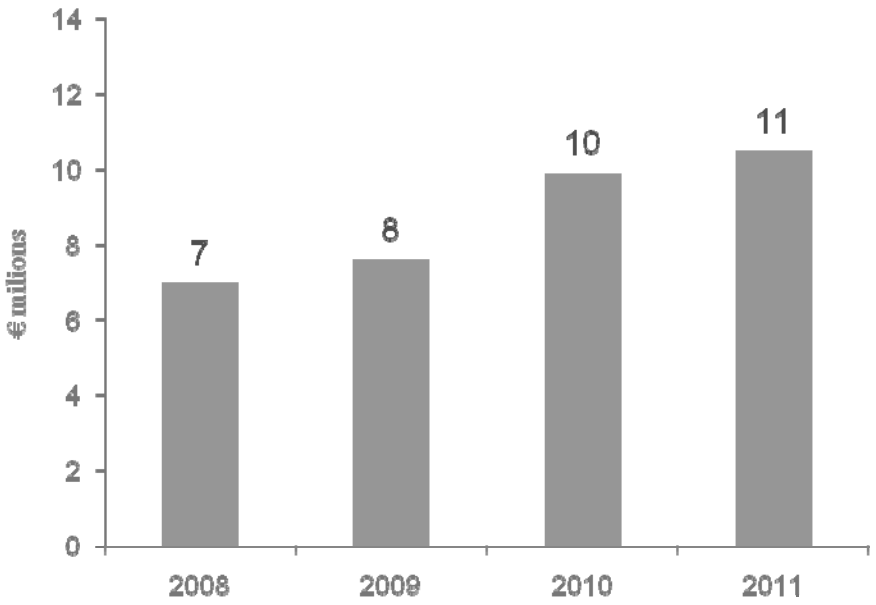
RECORDATI

EXISTING CORPORATE PRODUCTS

LOMEXIN® (fenticonazole)



URISPAS® (flavoxate)



Includes direct sales and sales to licensees

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2. SALES DEVELOPMENT

- New corporate products
- Existing corporate products
- **Local product portfolios**
- New growing markets
- Orphan Europe

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LOCAL PRODUCT PORTFOLIOS

- Continue to promote profitable products currently present in local product portfolios
- Ongoing search of local new product opportunities that fit local promotional activities (an example is the recent acquisition of Ortoton® in Germany to expand the offering of orthopedic treatments)
- Support and create strong brands in the local OTC product portfolios (an example is the Hexa line of products in France)
- Local product portfolios to grow at least in line with local pharmaceutical market growth

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2. SALES DEVELOPMENT

- New corporate products
- Existing corporate products
- Local product portfolios
- **New growing markets**
- Orphan Europe

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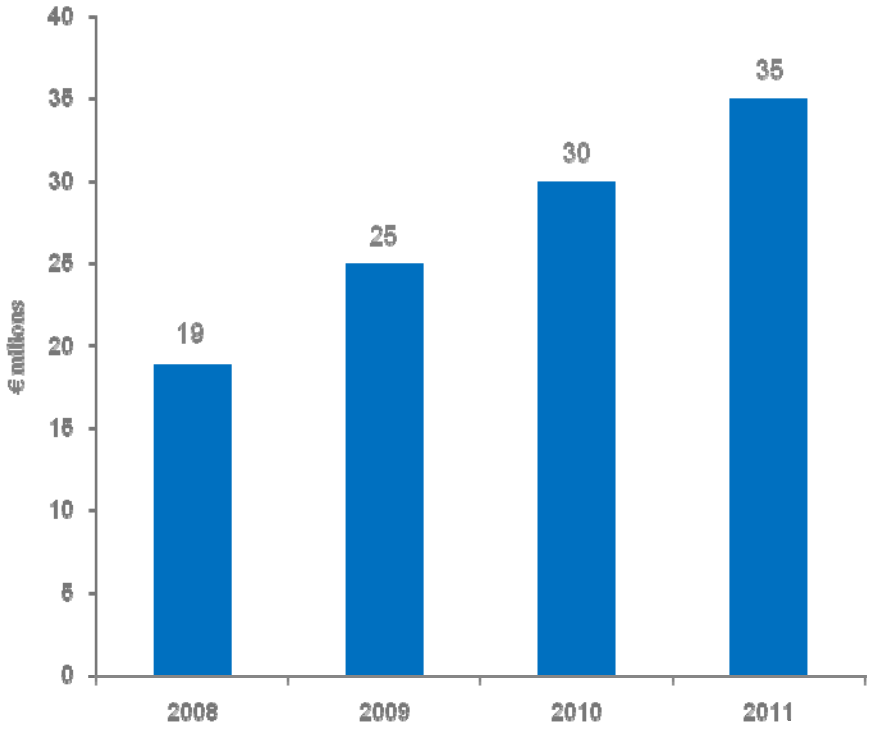
COMMONWEALTH OF INDEPENDENT STATES (CIS)

- In March Recordati acquired the French companies FIC and FIC Médical which are dedicated to the registration and the promotion of pharmaceutical products on behalf of third party companies in Russia and other C.I.S. countries.
- In 2007 Recordati's sales in the C.I.S. countries through the services of FIC Médical were € 13.7 million
- New and existing corporate products to be added to the current portfolio of promoted products.
- Launches of corporate products expected as from 2010

Expected sales

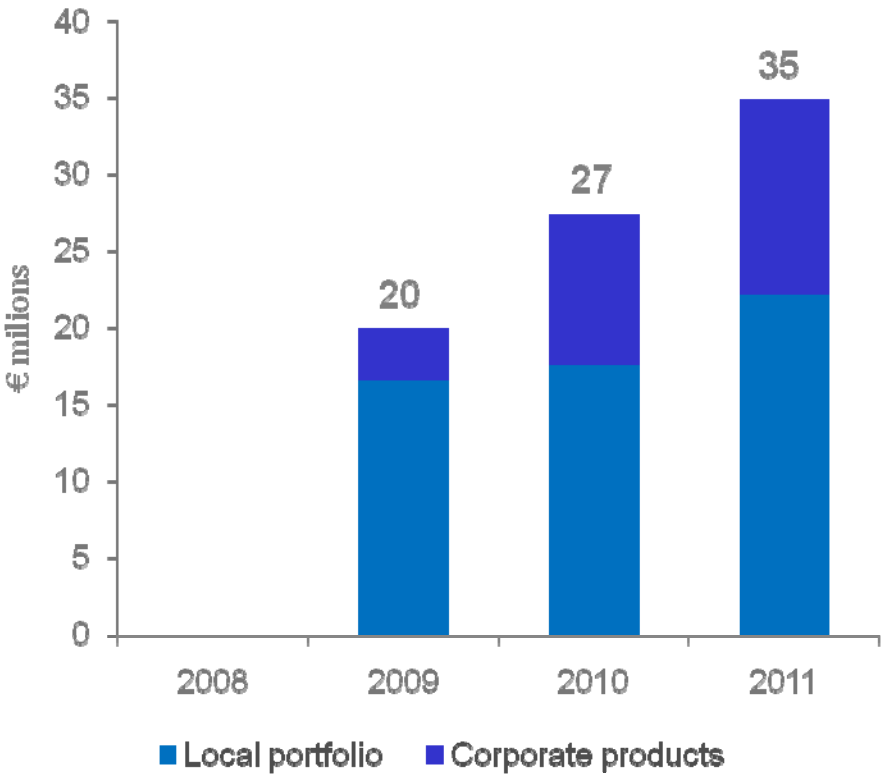


Excludes other income

TURKEY

- Agreement to acquire Yeni Ilaç in Turkey, closing expected by year-end
- Current product portfolio expected to generate sales of over € 17 million in 2008
- Sales of lercanidipine, fenticonazole and flavoxate (total of € 7 million p.a.) currently licensed out will be sold directly by the new Turkish subsidiary as from mid 2009
- Launch of new corporate products as from 2010

Expected sales



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2. SALES DEVELOPMENT

- New corporate products
- Existing corporate products
- Local product portfolios
- New growing markets
- Orphan Europe

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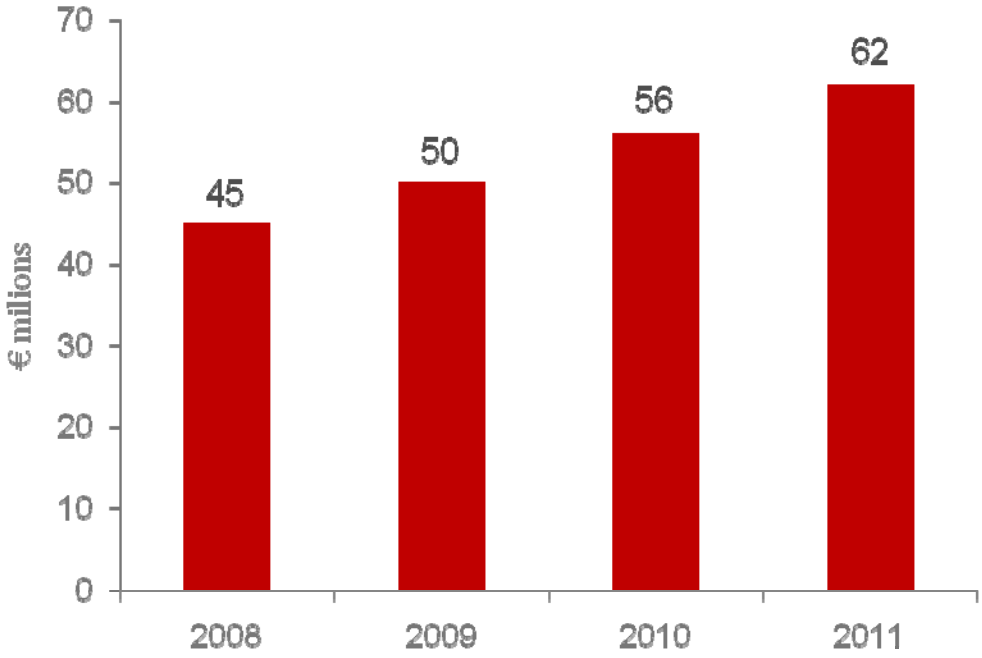
ORPHAN EUROPE

- Current product portfolio CAGR of 10% over the period
- Stanate® (stannsoporfin), under development for the treatment of neonatal hyperbilirubinemia caused by G6PD deficiency and AB0 incompatibility, to be approved by end 2011
- Upside: Approval of Carbaglu® (carglumic acid) in the United States for the treatment of NAGS deficiency could be received within the period and would represent an opportunity for a direct presence of Recordati in the U.S. for the sale of orphan drugs

Expected sales



Based on existing product portfolio

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3. FINANCIAL PROJECTIONS

- Profit & Loss
- Net financial position

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3. FINANCIAL PROJECTIONS

- Profit & Loss
- Net financial position

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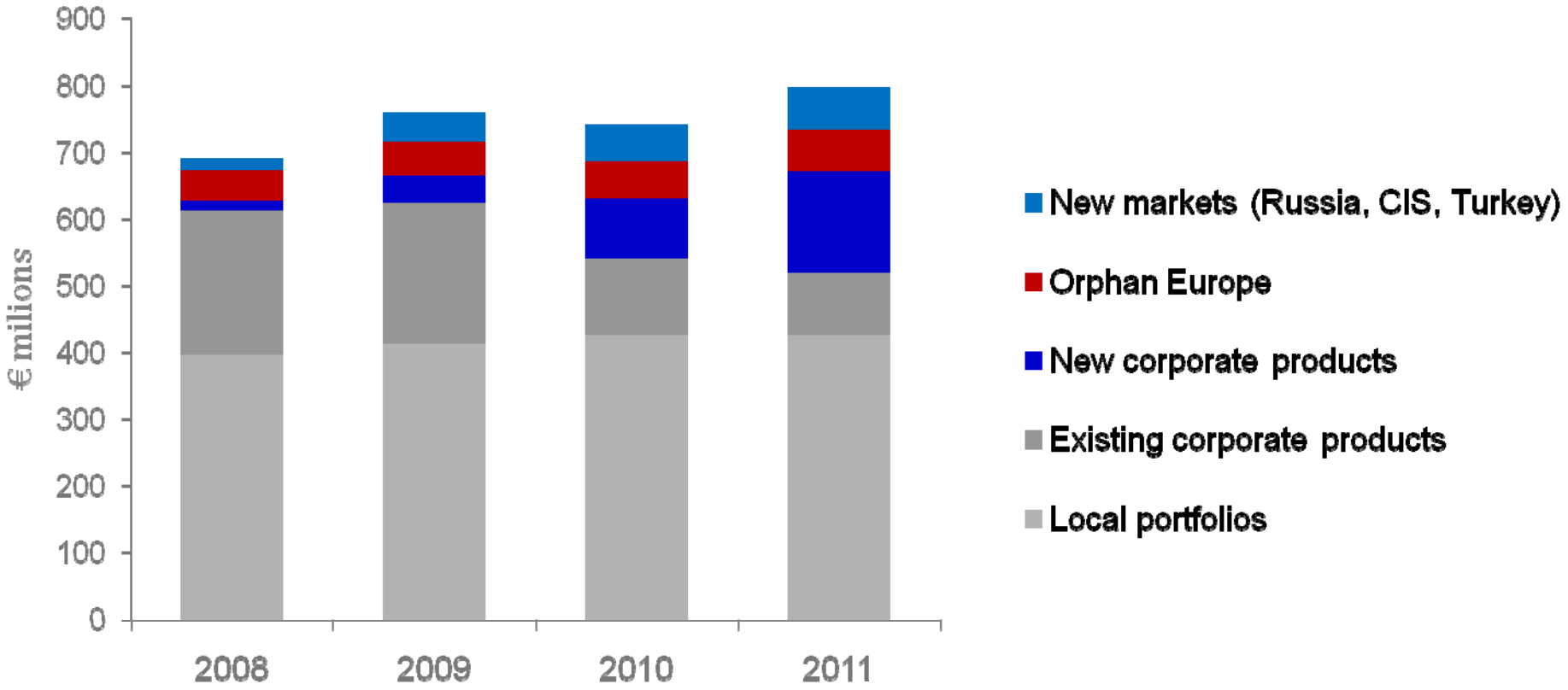
SALES DEVELOPMENT



Based on existing business, no new acquisitions included

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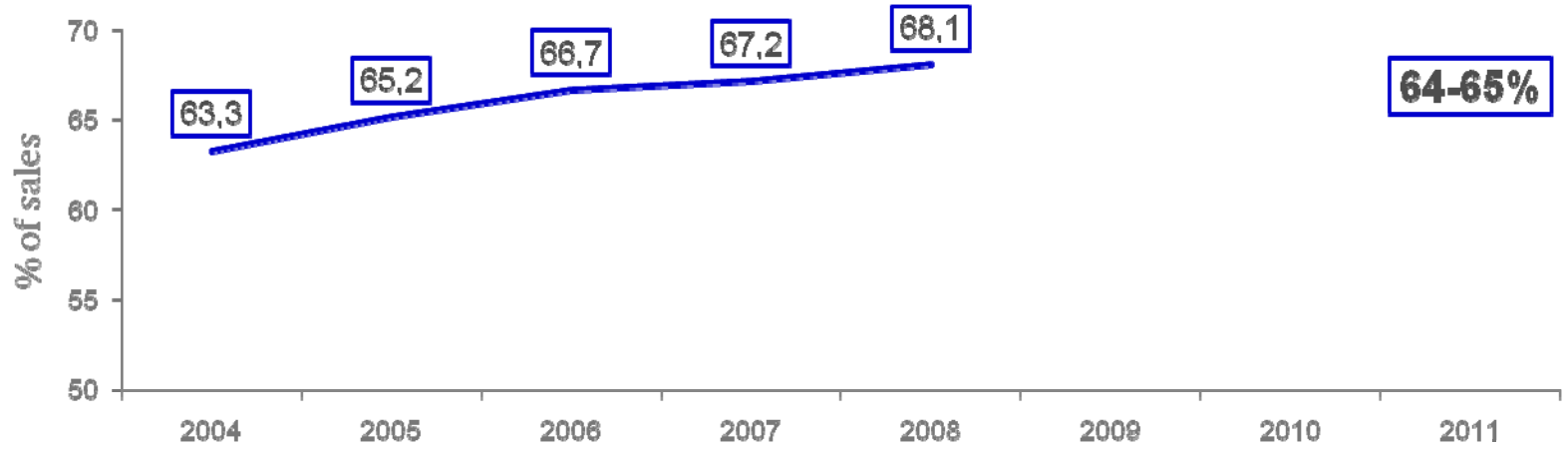
GROSS PROFIT MARGIN EVOLUTION



- Reduction of gross margin from 2009 peak level due to the price decrease of lercanidipine
- Objective in 2011 to keep gross profit, in absolute terms, similar to that in 2009 thanks to the development of new corporate products
- Going forward gross margin to stabilize at around 64 - 65% of sales and to grow in absolute terms due to the contribution of new products

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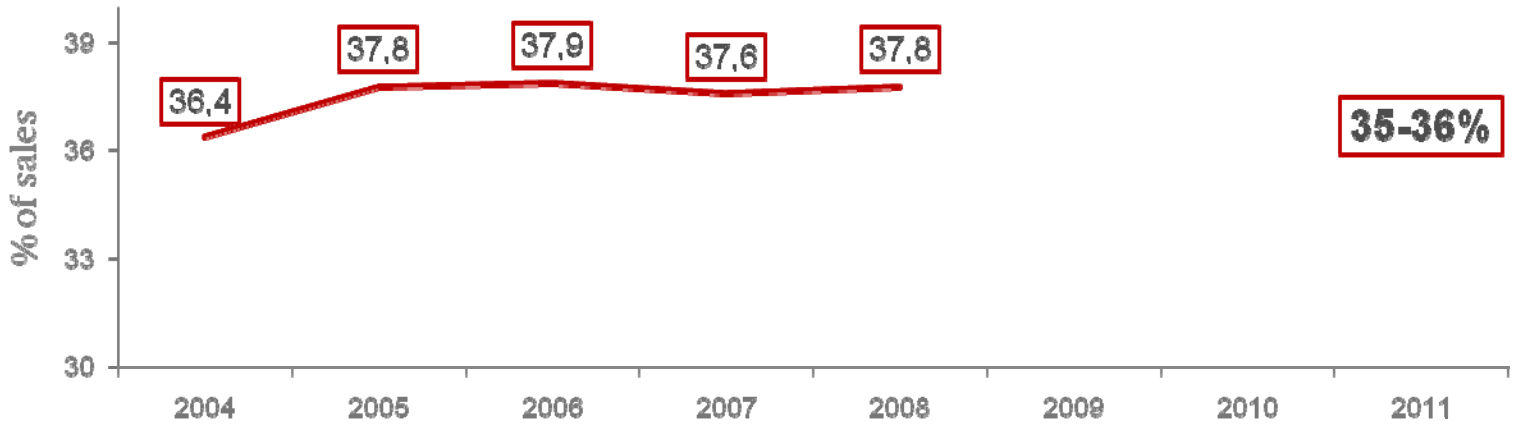
SG&A EXPENSES EVOLUTION



- Review organization structure increasing detailing to specialists
- Primary care field force strictly to the extent necessary
- Selective reduction of the total sales force by around 10-15% in traditional markets
- Development of sales organization in growing markets (i.e. Russia, CIS and Turkey)
- SG&A expenses to reduce progressively to 35 - 36% of sales

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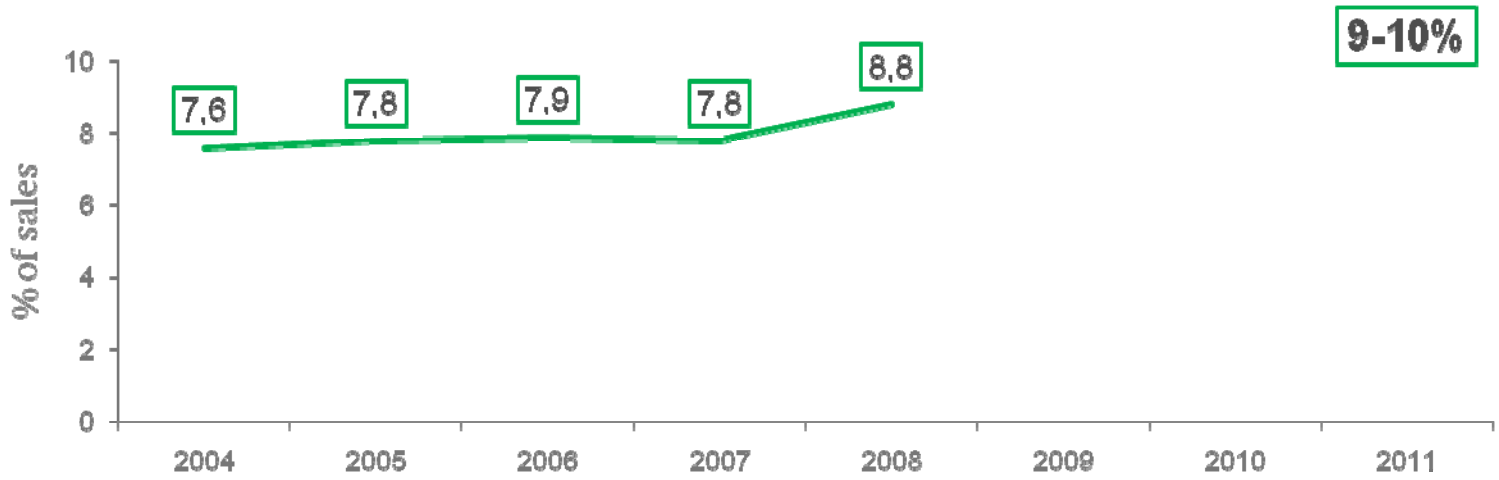
R&D EXPENSES EVOLUTION



- R&D to increase to around 10% of sales in 2009 due to the clinical development of products in the current pipeline which include new lercanidipine based combinations
- Objective is for R&D to remain stable in 2010 and 2011 at 9 -10% of sales due to the completion of clinical trials relating to the current pipeline and the addition of new projects, mainly in the specialty care area

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PROFIT & LOSS

2008 TARGETS, 2009 - 2011 PLAN

(million Euro)	2008 Targets	2009 Plan	2010 Plan	2011 Plan
Revenue	~ 690	~750	700-720	780-800
R&D expenses	~ 60	~75	~70	~75
Operating income (EBIT)	~ 144	~155	135-140	145-150
Net Income	~ 100	~105	95-98	102-105

Based on existing business, no new acquisitions included

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3. FINANCIAL PROJECTIONS

- Profit & Loss
- Net financial position

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NET FINANCIAL POSITION

Expected cash flow generation

(million Euro)	2009 Plan	2010 Plan	2011 Plan
Cash flow	~135	~125	~130
CAPEX (tangible assets)	~10	~10	~10
Investment in intangible assets	~20	~20	~20
Expected free cash flow generation	~105	~90	~100
Dividend pay-out ratio maintained as % of net income	50%	50%	50%

Based on existing business, no new acquisitions included

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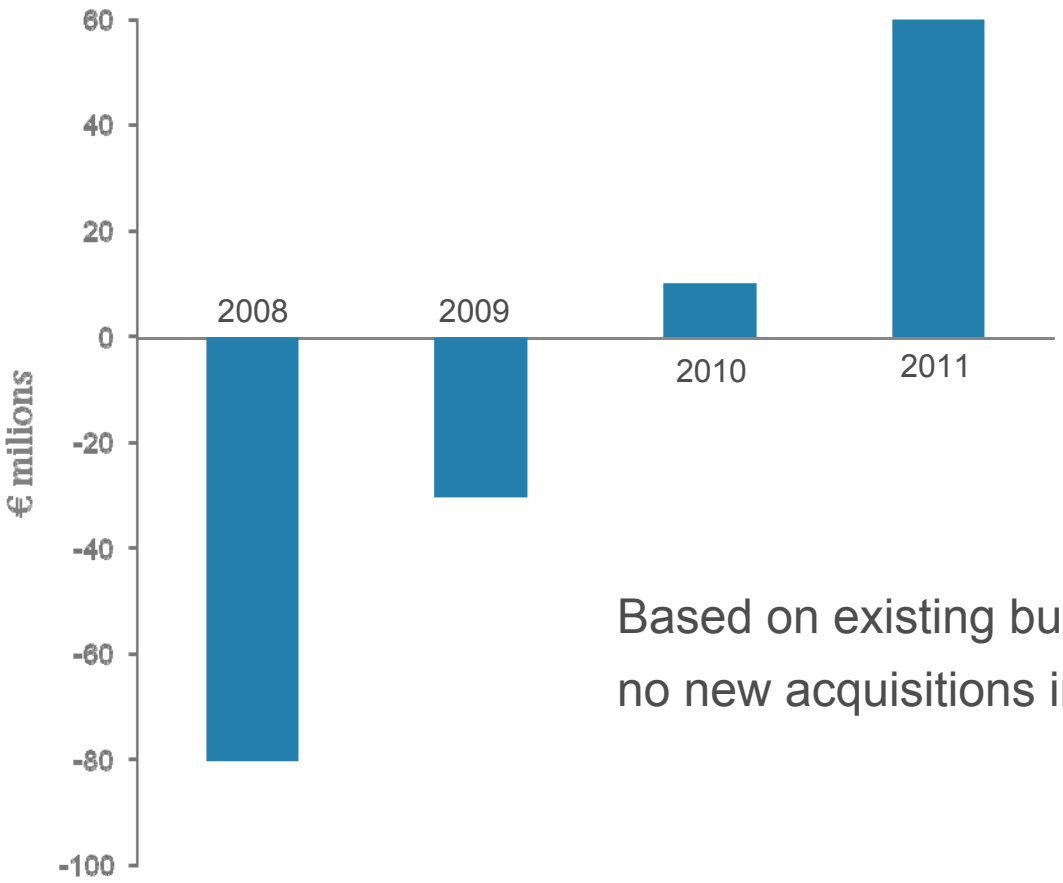
NET FINANCIAL POSITION

Expected net financial position



Based on existing business,
no new acquisitions included

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4. FURTHER GROWTH OPPORTUNITIES

- Leveraging existing geographies
- Acquisitions in new geographies

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LEVERAGING EXISTING GEOGRAPHIES

- Seek new corporate products to develop on a European basis
- Acquire rights to products already on the market on a country by country basis
- Orphan Europe organization to enable access to new specialty care products
- Increase emphasis on OTC market opportunities

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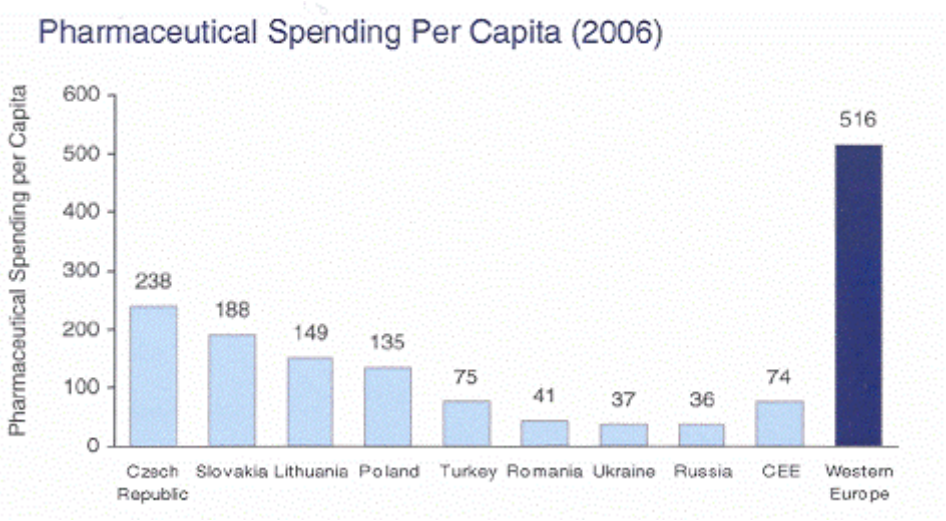
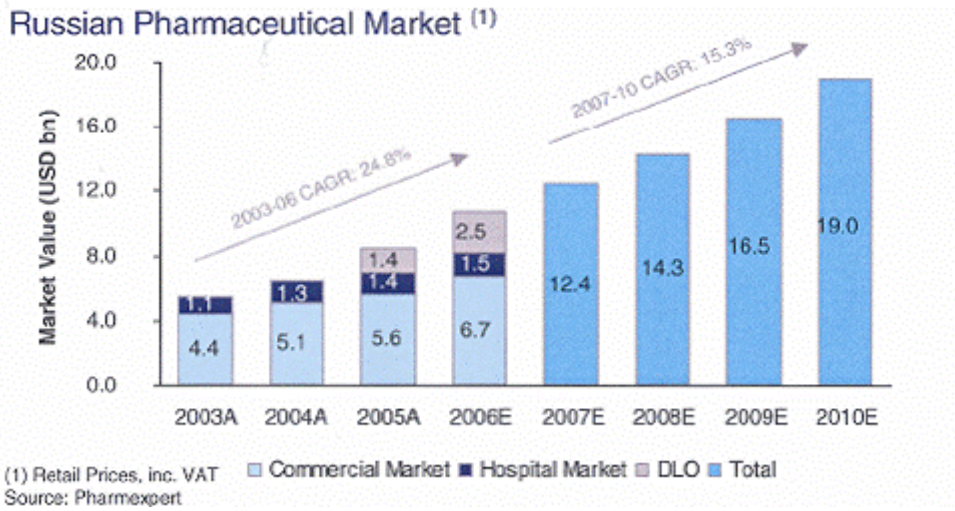
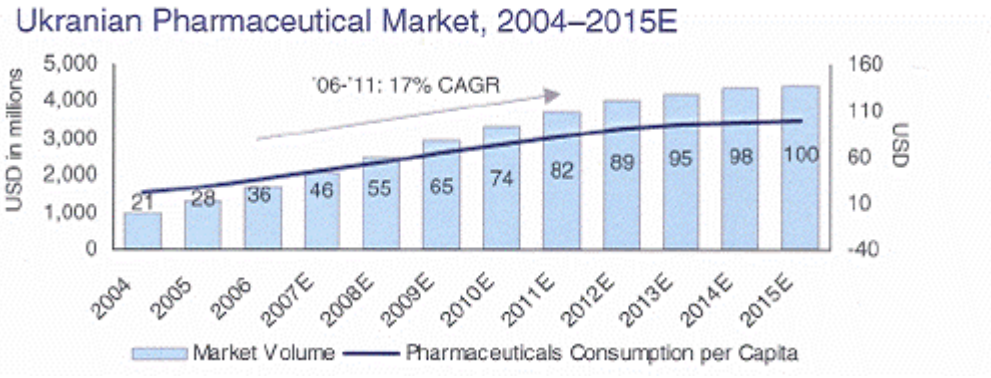
ACQUISITIONS IN NEW GEOGRAPHIES







Demand for medicines is increasing in the emerging markets of Eastern Europe as the population grows, ages and becomes more prosperous.

"As GDP grows, healthcare spending grows at an even faster rate and spending on medicines grows even faster" The Economist

In spite of current difficulties, real GDP growth over next several years expected to significantly exceed that in Western Europe

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STRATEGIC OBJECTIVE

- Strategic objective for the 2009-2011 period is to grow sales and profits every year by adding to organic development new business acquisitions in growing markets
- Solid acquisition track record
- Since 1999 approx. € 375 million invested in acquisitions to expand geographical presence
- Operating return generated in 2008 approx. 15%

RECORDATI

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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