



NEWS RELEASE

RECORDATI: 2007 ACCOUNTS APPROVED BY THE BOARD. DIVIDEND PER SHARE INCREASES BY 16.2%

- *2007 results: Consolidated revenue € 628.4 million (+9.1%), operating income (EBIT) € 131.5 million (+ 9.3%), net income € 84.9 million (+ 14.6%).*
- *Dividend proposed: € 0.215 per share, an increase of 16.2% over dividend paid last year. Overall dividend € 42.2 million.*
- *Targets for 2008: Revenue +10%, EBIT +10%, Net Income +14% .*

Milan, 5 March 2008 - Recordati's Board of Directors approved the consolidated financial statements for the year 2007 as well as Recordati SpA's accounts.

Consolidated financial highlights

- **Consolidated revenue** is € 628.4 million, an increase of 9.1% over the same period of the preceding year. Pharmaceutical sales are € 594.4 million, an increase of 10.5% and include the Portuguese business acquired at the end of 2006. The international pharmaceutical business grows by 16.5%, while sales in Italy are substantially in line with the preceding year despite the price cuts imposed during the second half of 2006. Sales of lercanidipine, Recordati's original antihypertensive drug, are up by 8.9%. Pharmaceutical chemical sales are € 34.0 million, down by 11.3% as compared to the preceding year.
- **Operating income**, at 20.9% of sales, is € 131.5 million, an increase of 9.3% over the preceding year. Gross margin improves further due to a favourable product mix and now stands at 67.2% of sales. S,G&A expenses increase by 8.1%, less than revenue growth. R&D expenditure is € 49.1 million, an increase of 8.2%. Other expense, net of other income, is € 5.5 million and includes € 2.9 million of non-recurring impairment costs.
- **Net income**, at 13.5% of sales, is € 84.9 million, an increase of 14.6%, a higher growth than that of operating income due to an improved tax rate.
- The **net financial position*** at 31 December 2007 is a net debt of € 97.2 million (net cash position of € 22.4 million at 31 December 2006) as a result of the acquisition of Orphan Europe which required a cash outlay of € 135 million. **Shareholders' equity** further increased and is € 390.6 million.

* Cash and short-term financial investments net of bank overdrafts and medium/long-term loans which include the measurement at fair value of hedging derivatives (fair value hedge).

2007 operations and company development highlights

During 2007 important initiatives for the development of the group were carried out.

- To begin with, the launch of our new antihypertensive product which associates lercanidipine and enalapril in a fixed combination initiated. In April it was launched in Germany under the brand Zanipress[®] by our subsidiary Merckle Recordati and by Meda, an international pharmaceutical company, as Zaneril[®]. In October the product, under the brand Carmen ACE[®], was launched on the German market also by Berlin Chemie (Menarini group) who already markets lercanidipine there successfully. Licensing agreements for the sale of the new product in other markets were finalized and the agreement with Meda for the Spanish market is one of these.
- In January Recordati Ireland Ltd. initiated commercial operations in the Irish pharmaceutical market where Zanidip[®] (lercanidipine) is now promoted directly by this subsidiary following the termination of the agreement with the previous licensee. Furthermore, in April our subsidiary Recordati Hellas initiated sales of Lercadip[®] (lercanidipine) in Greece in both its 10 and 20mg dosage forms.
- In December the acquisition of Orphan Europe, a European pharmaceutical group with headquarters in Paris dedicated to the development, registration, marketing and distribution of unique drugs for the treatment of rare and orphan diseases, was finalized. Orphan Europe, that has subsidiaries in nine European countries and in the United Arab Emirates as well as representative offices in seven countries, currently markets ten products which target mostly chronic and life-threatening diseases and has other innovative drugs in development. The orphan drug market has significant growth potential as the continuous scientific advances are enabling the development of adequate therapies for diseases which are currently not or under-treated. Public healthcare authorities in many countries are sensitive to the needs of patients suffering from these diseases and the social issue they represent. The acquisition of Orphan Europe fits well with Recordati's growth strategy based on the strengthening of its product portfolio and pipeline. The development of Stanate[®] and Infasurf[®], two new neonatology products obtained under license, will surely benefit from the expertise which Orphan Europe is able to provide. Furthermore, Orphan Europe represents a unique opportunity to strengthen our R&D capabilities and to establish even closer relationships with academic researchers and eminent scientists.
- As regards our R&D activities, in September the double-blind portion of the phase III study of silodosin, licensed from Kissei, was successfully completed. Silodosin is a new selective alpha blocker for the treatment of symptoms associated with benign hypertrophy of the prostate, a condition affecting millions of male patients across the world. The study was designed to show superiority of silodosin over placebo and non-inferiority to tamsulosin in all parameters. Silodosin was found to be significantly superior to placebo in all parameters, with scores that were always equal to or better than those of tamsulosin. There were no safety issues. The drug is already successfully marketed in Japan by Kissei and Daiichi Sankyo. In the US the licensee Watson Pharmaceuticals filed for approval with the FDA in February 2008. Recordati is completing the long-term portion of the phase III study and plans to file for approval in Europe, and in other countries of the licensed territory, during the last quarter of 2008.

First two months 2008

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- In January an exclusive license agreement was entered into with a subsidiary of Watson Pharmaceuticals, Inc., a U.S. pharmaceutical company, for the marketing and sale in 29 European countries of Kentera[®], a 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.
- In February a semi-exclusive licensing agreement was entered into with Menarini, the leading Italian pharmaceutical group, for the marketing and sales of frovatriptan, a medicine belonging to the triptan group of drugs indicated for the acute treatment of migraine attacks with or without aura, in France and Greece.
- Also in February the approval of Zan-Extra[®], a fixed combination of lercanidipine and enalapril indicated for the treatment of hypertension, was obtained by licensee Solvay Biosciences in Australia. The launch of this new product originated by Recordati is planned to take place in April.
- Group sales in the first two months of 2008 are in line with our expectations for the full year which are to grow sales and operating income by 10% and increase net income by 14%.

Dividend

Based on the year's results the Board will propose a dividend of € 0.215 per existing share (€ 0.185 per share last year) to be paid to the shares outstanding as from 24 April 2008 (trading ex-dividend as of 21 April 2008), excluding those shares in treasury stock. The overall amount of the 2007 proposed dividend is € 42.2 million compared to the 2006 dividend of € 37.0 million.

Other Board resolutions

The Board also resolved to submit to the Annual and Extraordinary Shareholders' Meetings the following proposals:

- to appoint the members of the Board of Directors;
- to appoint the Statutory Auditors and elect their President;
- to renew the authorization to buy back and dispose of Recordati shares until the Annual Shareholders' meeting convened to approve the 2008 accounts;
- to modify the company bylaws to comply with changes in the Issuers' Regulations.

The proposal to renew the authorization to buy back and dispose of Recordati shares would continue granting the Board the possibility of using shares for equity acquisitions or as consideration for strategic agreements; of allowing the company to invest in its own shares; and of servicing current and future stock option plans with existing rather than new shares. The company would be allowed to purchase up to 20,000,000 Recordati existing ordinary (common) shares, which includes those shares held in Treasury stock at any given time, for a maximum cash outlay of € 120 million. The purchase price must be at least equal to the shares' nominal value (€ 0.125) and must not exceed the average official Stock Exchange price recorded over the 5 trading days prior to the transaction, plus 5%. Possible purchases must comply with the Issuers' Regulations. The company currently has 11,472,355 shares in Treasury stock which amounts to 5.5197% of the current share capital.

Annual Meeting of Shareholders

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The Board of Directors convened the Annual Shareholders' Meeting to be held on first call on Friday, 11 April 2008, at 10.00 a.m., and on second call on Monday, 14 April 2008, at 10.00 a.m., at the company's registered offices. Shareholders will be called upon to:

- approve the 2007 accounts and the dividend to be distributed;
- appoint the members of the Board of Directors;
- appoint the Statutory Auditors and elect their President;
- renew the authorization to buy back and dispose of Recordati shares until the Annual Shareholders' meeting convened to approve the 2008 accounts;
- modify articles 12, 16 and 27 of the company bylaws.

Recordati, established in 1926, is a European pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECLMI, 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 2,200. A European field force of over 1,100 medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas. 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.

For further information:

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Statements contained in this release, 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 GROUP

Summary of consolidated results prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS)
(thousands of €)

INCOME STATEMENT	2007	2006	Change %
REVENUE	628,435	576,186	9.1
Cost of sales	(206,350)	(192,011)	7.5
GROSS PROFIT	422,085	384,175	9.9
Selling expenses	(202,043)	(191,126)	5.7
Research and development expenses	(49,122)	(45,395)	8.2
General & administrative expenses	(33,927)	(27,167)	24.9
Other income (expenses), net	(5,497)	(146)	n.s.
OPERATING INCOME	131,496	120,341	9.3
Financial income (expenses), net	(4,071)	(2,159)	88.6
PRE-TAX INCOME	127,425	118,182	7.8
Provision for income taxes	(42,560)	(44,151)	(3.6)
NET INCOME	84,865	74,031	14.6

EARNINGS PER SHARE	2007	2006	Change %
Basic	€ 0.427	€ 0.370	15.4
Diluted	€ 0.417	€ 0.359	16.2

Earnings per share (EPS) are based on average shares outstanding during each year, 198,557,743 in 2007 and 200,053,683 in 2006, net of average treasury stock which amounted to 8,495,866 in 2007 and 5,720,085 in 2006. Diluted earnings per share is calculated taking into account new shares authorized but not yet issued.

Pending completion of independent and statutory audits.

RECORDATI GROUP

Summary of consolidated results prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS)

(thousands of €)

ASSETS	31.12.2007	31.12.2006
Property, plant and equipment	68,006	71,916
Intangible assets	90,521	92,490
Goodwill	243,942	129,771
Equity investments	3,115	696
Non-current receivables	1,460	1,268
Deferred tax assets	21,044	18,798
TOTAL NON-CURRENT ASSETS	428,088	314,939
Inventories	74,737	74,670
Trade receivables	134,454	123,418
Other receivables	24,784	11,002
Other current assets	3,247	1,789
Short-term financial investments, cash and cash equivalents	89,382	145,029
TOTAL CURRENT ASSETS	326,604	355,908
TOTAL ASSETS	754,692	670,847

EQUITY AND LIABILITIES	31.12.2007	31.12.2006
Share capital	25,981	25,802
Capital in excess of par value	78,952	73,165
Treasury stock	(59,103)	(30,653)
Hedging reserve	(113)	(1,081)
Translation reserve	(3,384)	336
Other reserves	25,529	24,926
Retained earnings	237,876	200,276
Net income for the year	84,865	74,031
GROUP SHAREHOLDERS' EQUITY	390,603	366,802
Minority interest	8	0
SHAREHOLDERS' EQUITY	390,611	366,802
Loans due after one year	77,250	83,697
Employees' termination pay	20,431	22,587
Deferred tax liabilities	9,601	9,402
Other non-current liabilities	0	5,645
TOTAL NON-CURRENT LIABILITIES	107,282	121,331
Trade payables	80,343	71,537
Other payables	40,868	32,159
Tax liabilities	15,762	22,076
Other current liabilities	346	413
Provisions	10,076	16,479
Change in fair value of hedging derivatives (cash flow hedge)	113	1,081
Change in fair value of hedging derivatives (fair value hedge)	7,556	3,949
Loans due within one year	2,939	20,446
Bank overdrafts	98,796	14,574
TOTAL CURRENT LIABILITIES	256,799	182,714
TOTAL EQUITY AND LIABILITIES	754,692	670,847

Pending completion of independent and statutory audits.

RECORDATI S.P.A.

Summary of results prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS)
(thousands of €)

	2007	2006	Var. %
Net revenue	259,745	273,400	(5.0)
Operating income	60,473	64,888	(6.8)
Pre-tax income	68,050	80,958	(15.9)
Net income	50,376	50,631	(0.5)

	31.12.2007	31.12.2006
Non-current assets	301,032	180,849
Current assets	221,743	273,281
Total assets	522,775	454,130
Shareholders' equity	261,842	268,948
Non-current liabilities	92,116	100,958
Current liabilities	168,817	84,224
Total liabilities and Shareholders' equity	522,775	454,130

Pending completion of independent and statutory audits.

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 press release corresponds to the document results, books and accounting records.