



# INFORMAZIONE

## **RECORDATI: PRELIMINARY FULL YEAR 2008 RESULTS IN LINE WITH TARGETS: REVENUES +9.7%, NET INCOME +18.3%**

- *Consolidated revenue € 689.6 million, + 9.7%.*
- *Pharmaceutical revenue € 658.4 million, + 10.8%.*
- *International sales € 483.8 million (70.2% of total sales), + 13.9%.*
- *Operating income € 144.7 million, + 10.1%.*
- *Net income € 100.4 million, + 18.3%.*

Milan, 11 February 2009 – The Board of Directors of Recordati S.p.A. examined the preliminary consolidated results for 2008. The company's annual financial reports will be submitted to the Board for approval on 3 March 2009.

### **Full year 2008 financial highlights**

- For the full year 2008 **consolidated revenue** is €689.6 million, an increase of 9.7% over the same period of the preceding year. Pharmaceutical sales are €658.4 million, an increase of 10.8% and include the Orphan Europe group of companies acquired at the end of 2007. The growth is to be attributed to international pharmaceutical sales which are up 17.7% while sales in Italy are down by 2.8% due to a negative price effect. Pharmaceutical chemicals sales are € 31.2 million, down by 8.2%.
- **Operating income**, at 21.0% of sales, is € 144.7 million, an increase of 10.1% over the preceding year. Gross margin reached 67.8% of sales due to a favourable product mix. R&D expenses grow by 19.8% and now stand at 8.5% of sales.
- **Net income** is € 100.4 million, an increase of 18.3% more than the increase in operating income thanks to a lower tax rate.

### **Management comments**

“2008 was characterized by growing revenues and profits and by important initiatives for the group's future development” stated Giovanni Recordati, Chairman and CEO. “In line with our strategy of establishing a direct presence in the new Central and Eastern European markets we acquired FIC and FIC Médical, French companies with a marketing organization in Russia and other C.I.S. countries, and Yeni Ilaç, a Turkish pharmaceutical company. Furthermore, in early 2009 we acquired Herbacos-Bofarma, a pharmaceutical company with operations in the Czech Republic and in Slovakia. During the year we also continued to enhance our product pipeline. The mutual recognition procedure for the approval of our new fixed combination of lercanidipine and enalapril throughout the European Union was completed; an exclusive license agreement was signed with a subsidiary of Watson Pharmaceuticals for the marketing and sale in 29 European countries of Kentera<sup>®</sup>, a bi-weekly oxybutynin transdermal patch; a semi-exclusive licensing agreement was entered into with Menarini for the marketing and sales of frovatriptan, a drug indicated for the acute treatment of migraine attacks, in France and Greece; a new agreement with Kowa Pharmaceutical Europe was signed for the marketing and sales of pitavastatin in 7 EU countries as well as in Turkey, Russia and C.I.S. countries; in November a marketing approval

authorization (MAA) request for silodosin, a new compound indicated for the treatment of the signs and symptoms of benign prostatic hyperplasia (BPH), was submitted to the EMEA (European Medicines Agency).”

### **Stock options granted**

Furthermore, the Board of Directors resolved to grant 220,000 stock options under the 2006-2009 Stock Option Plan approved by the Shareholders' Meeting of 6 April 2006, to 5 additional group managers. The options may be exercised only if certain consolidated net income objectives are reached. The strike price is the average market price of the share over the period between the date of grant and the same day of the preceding month. The characteristics of the plan are described in the information document issued on 17 September 2007 and available on the company's website [http://www.recordati.com/rec\\_en/investors/releases/2007/2007-09-17/2007-09-17.pdf](http://www.recordati.com/rec_en/investors/releases/2007/2007-09-17/2007-09-17.pdf).

### **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.

*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 2,900, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. It has 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 over 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 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 2008 was € 689.6 million, operating income was € 144.7 million and net income was € 100.4 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.*

TABLE NO.1 to outline 7 of Attachment 3A of Regulation no. 11971/1999

NAME OR CATEGORY	CAPACITY	CHART 2						
		OPTIONS (grant option)						
		SECTION 2						
		Options relating to plans currently valid approved on the basis of previous general meetings and Board of directors resolutions						
		Date of the General Meeting	Description of instrument	Number of financial instruments underlying the options granted for each named person or category.	Date of allocation by B.o.D.	Exercise price	Mkt. price of underlying fin. Instruments at the date of allocation	Expiry date of option
Managers		06/04/2006	Options on Recordati SpA shares	220.000	11/02/2009	3,894	4,0747	28/11/2013
Managers (*)		06/04/2006	Options on Recordati SpA shares	2.555.000	29/10/2008	4,073	3,705	28/11/2013

(\*)Beneficiaries of Stock Options granted on 29.10.2008 not indicated in the press release issued on the same date