



NEWS RELEASE

RECORDATI: 2009 ACCOUNTS APPROVED BY THE BOARD. NET INCOME €110.6 MILLION. DIVIDEND PER SHARE €0.275 (+ 10%).

- *2009 results: Consolidated revenue € 747.5 million (+8.4%), operating income (EBIT) € 162.2 million (+ 12.1%), net income € 110.6 million (+ 10.1%).*
- *Dividend proposed: € 0.275 per share, an increase of 10.0% over the 2008 dividend. Overall dividend € 54.4 million.*
- *Targets for 2010: Revenue around € 700 million, EBIT around € 140 million, Net Income around € 95 million .*

Milan, 5 March 2010 – Recordati's Board of Directors approved the consolidated financial statements for the year 2009 as well as Recordati S.p.A.'s accounts and the corporate governance and ownership report as required by art. 123 bis of the Consolidated Law on Financial Intermediation. The aforesaid documents are available at the company's head office and at Borsa Italiana S.p.A. and are published on the company's website www.recordati.com.

Consolidated financial highlights

- **Consolidated revenue** is € 747.5 million, an increase of 8.4% over the preceding year. Pharmaceutical sales are €720.6 million, an increase of 9.4%, and include the consolidation of Yeni Ilaç, acquired at the end of 2008, and of Herbacos-Bofarma acquired in January 2009. The growth in sales comes mainly from the international pharmaceutical business (+11.5%). Pharmaceutical sales in Italy are up by 4.5%. Pharmaceutical chemicals sales are € 26.9 million, down by 13.8%. In 2009 the group's international business is up by 10.6% and accounts for 71.5% of total revenue.
- **Operating income**, at 21.7% of sales, is € 162.2 million, an increase of 12.1% over the preceding year. R&D expenses grow by 18.0% reaching 9.3% of sales.
- **Net income** is € 110.6 million, an increase of 10.1%, lower than that recorded by operating income due to the write-down of the equity investment in the U.S. company PureTech Ventures LLC - an investment company specialized in start-up companies dedicated to new therapies, medical devices and new research technologies - to account for the relative loss of value, estimated prudentially on the basis of the most recent available financial information and taking into consideration the particularly uncertain context within which the company operates.
- **Net financial position*** at 31 December 2009 records net debt of €19.7 million, a reduction of € 61.3 million as compared to 31 December 2008 despite the cash outlay required for the acquisition of the Czech pharmaceutical company Herbacos-Bofarma at the end of January and to the distribution of dividends in April for an amount of €49.3 million. **Shareholders' equity** further increased and is €509.0 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).

Company development highlights

- Our new antihypertensive treatment based on a fixed association of lercanidipine with enalapril, was launched in a number of countries. During April Recordati's subsidiary Bouchara Recordati launched the product as Zanextra® in France, the largest market for lercanidipine worldwide. During 2009 it became available also in Portugal, Spain, Greece, Denmark, South Africa, the Netherlands, Norway and Belgium. This new specialty was already on the market in Germany, Australia, Ireland and Finland.
- At the end of January 2010 Recordati was granted Marketing Authorization by the European Commission for the medicinal products Urorec® and Silodyx™ (silodosin) 4 mg, 8 mg, hard capsules, intended for treatment of the signs and symptoms of benign prostatic hyperplasia (BPH). The prevalence of this condition is increasing due to the progressive ageing of the male population. BPH is frequently observed in men over fifty, and its symptoms significantly reduce quality of life. The compound was originally developed by Kissei Pharmaceutical Co. Ltd. in Japan and has been obtained under license by Recordati for the whole of Europe (45 countries) and for a further 18 countries in the Middle East and Africa. Following national post-authorization procedures, as relevant, product launch could start by end 2010 in Europe.
- In preparation for the silodosin launch our network of partnerships was extended through the signature of three important license agreements for the marketing and sales of the drug. The first of these was signed in April with Almirall which will co-market silodosin on the Spanish market together with Recordati España, our Spanish subsidiary. The other two agreements were concluded at the end of July, one with Nycomed S.p.A. for the co-marketing of the product in Italy together with Recordati, and the other with Pharmaplan PTY Ltd for the exclusive marketing and sales in South Africa of the product. Pharmaplan is already Recordati's licensee for the sale of its original products Zanidip® (lercanidipine), Zaneril® (lercanidipine+enalapril) and Lomexin® (fenticonazole) in that country.
- During June a new agreement was concluded with Pharmathen S.A., a Greek pharmaceutical company, covering the exclusive, global and permanent license for Pharmathen's patent and technology as applied to lercanidipine IR (Immediate Release). The new lercanidipine formulation developed by Pharmathen will be available in two dosages: 8 mg and 16 mg. The increased bioavailability as compared to the formulation currently on the market allows for dosage reduction. During February of this year the decentralized marketing approval procedure for this new lercanidipine formulation in a number of European countries was concluded favourably. Recordati intends to eventually obtain approval in all countries where lercanidipine is currently marketed.
- In July an agreement with Amdipharm, an international pharmaceutical group, for the marketing and sales in Italy and Portugal of TransAct® LAT (local action transcutaneous), a transdermal patch containing 40 mg of flurbiprofen indicated for the symptomatic relief of localized pain involving the musculoskeletal system, was signed. The product is already on the market in Italy and in Portugal with overall annual sales of approximately €13 million.
- The acquisition of Herbacos-Bofarma, a Czech pharmaceutical company with headquarters in Pardubice, marked Recordati's entry into the markets of Central Europe. Herbacos-Bofarma is a well known pharmaceutical company operating in the Czech and Slovak markets with a portfolio of medicines in various therapeutic classes (mainly analgesic, anti-inflammatory and dermatological products). Individual brands have a strong position in particular market

segments. Herbacos-Bofarma, acquired for a price of around € 19 million, employs 100 personnel, of which a sales and marketing network of 35 employees. The company is very solid financially and its EBITDA margin is in line with that of the group. Herbacos-Bofarma, today Herbacos Recordati, is well positioned to act as a platform for launching the new products in our pipeline in the Czech and Slovak markets.

Subsequent events and business outlook

- On 21 January 2010 the composition of matter patent covering lercanidipine expired in the main European countries. Therefore, competing generic versions manufactured by other producers can be marketed alongside the original Zanidip® and the other brands under which Recordati's lercanidipine based products are sold.
- We therefore expect our sales and income for this year to be slightly lower than those recorded in 2009. Our targets for 2010 are to achieve sales of around €700 million, operating income of around € 140 million and net income of around € 95 million. We believe that the strict implementation of our strategy will enable us to be optimistic regarding the future and to start growing again in 2011.
- Group consolidated sales during the first two months of 2010 are in line with the company's expectations for the whole year.

Dividend

Based on the results obtained, the Board of Directors of the parent company will propose to the shareholders a dividend of €0.275 per share (€0.25 per share last year) to be paid to all shares outstanding, excluding those in treasury stock, as from 29 April 2010 (trading ex-dividend as of 26 April 2010). This per share dividend includes the accretion deriving from the dividend which would have been due to the shares in treasury stock. The total dividend proposed amounts to €54.4 million, as compared with the total dividend for the preceding year which was of €49.3 million.

Other Board resolutions

The Board also resolved to submit to the Annual Shareholders' Meeting the following proposals:

- to renew the authorization to buy back and dispose of Recordati shares until the Annual Shareholders' meeting convened to approve the 2010 accounts.

The proposal to renew the authorization to buy back and dispose of Recordati shares grants 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 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 € 120,000,000 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 5.486% of the current share capital and no further own share purchases were made during 2009.

- to adopt a new stock option plan covering the four year 2010-2013 period, (2010-2013 Stock Option Plan) pursuant to art. 114 bis of Legislative Decree 58/98.

Furthermore, pursuant to art. 84 bis of the CONSOB Issuers Regulation 11971/1999, the following information is provided in anticipation of the full informative document which will be published in accordance with the requirements of the abovementioned article. The reason for the proposal to adopt the 2010-2013 Stock Option Plan is the intention to continue using an instrument to provide incentives and enhance loyalty among managers by granting them a chance to participate directly in the company's results. The Plan is believed to be a valid instrument in that it ensures that the interests of the beneficiaries of the plan are in line with the creation of shareholder value as the stock options assigned can be exercised only if the company's performance objectives are achieved. The beneficiaries of the 2010-2013 Stock Option Plan are employees of Recordati S.p.A., or of companies directly or indirectly controlled by Recordati S.p.A., belonging to top management or middle management or who have been assigned a particularly relevant role. Beneficiaries of the Plan are also the executive Board members of Recordati S.p.A., as well as the Board members of companies controlled by Recordati S.p.A., not because they are Board members but because they are employees of strategic importance to the company. The beneficiaries of the Plan therefore include "relevant persons" as defined in art. 152 sexies of the CONSOB Issuers Regulation 11971/1999.

Under the Plan the Board of Directors assigns to the beneficiaries options, which cannot be transferred to third parties, to acquire Recordati S.p.A. common shares which the company will have purchased on the market and/or which are held in Treasury stock, at the rate of one share per option exercised. The exercise price of each option is equivalent to the arithmetic average of the prices of the Recordati S.p.A. share recorded on the stock market in the period falling between the date the options were assigned and the same day of the previous calendar month. The stock options which may be assigned are vested over a period of four years and can be exercised only if the consolidated net income objectives fixed by the Board of Directors, in line with the expected results included in the group business plans, are achieved. Options assigned under the Plan which are not exercised within the eighth year of the date of grant expire.

Annual Meeting of Shareholders

The Board of Directors convened the Annual Shareholders' Meeting to be held on first call on 13 April 2010, at 10.00 a.m., and on second call on 16 April 2010, at 10.00 a.m., at the company's registered offices. Shareholders will be called upon to:

- approve the 2009 accounts and the dividend to be distributed;
- renew the authorization to buy back and dispose of Recordati shares until the Annual Shareholders' meeting convened to approve the 2010 accounts;
- approve the new 2010-2013 Stock Option Plan

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 2,950, 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 1,450 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 and development of new drug entities within the cardiovascular and urogenital therapeutic areas and of treatments for rare diseases. 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.

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	2009	2008	Change %
REVENUE	747,524	689,634	8.4
Cost of sales	(235,623)	(222,196)	6.0
GROSS PROFIT	511,901	467,438	9.5
Selling expenses	(223,724)	(214,245)	4.4
Research and development expenses	(69,445)	(58,860)	18.0
General & administrative expenses	(43,718)	(39,372)	11.0
Other income (expenses), net	(12,810)	(10,231)	25.2
OPERATING INCOME	162,204	144,730	12.1
Financial income (expenses), net	(5,800)	(6,584)	(11.9)
Other investments gain (loss), net	(3,752)	0	n.s.
PRE-TAX INCOME	152,652	138,146	10.5
Provision for income taxes	(42,086)	(37,717)	11.6
NET INCOME	110,566	100,429	10.1
Attributable to:			
Equity holders of the parent	110,560	100,424	10.1
Minority interests	6	5	20.0

EARNINGS PER SHARE	2009	2008	Change %
Basic	€0.561	€0.511	9,8
Diluted	€0.541	€0.501	8,0

Earnings per share (EPS) are based on average shares outstanding during each year, 197,222,274 in 2009 and 196,667,301 in 2008, net of average treasury stock which amounted to 11,472,355 shares in both 2009 and 2008. Diluted earnings per share is calculated taking into account new shares authorized but not yet issued.

COMPOSITION OF REVENUE	2009	2008	Change %
Pharmaceuticals	720,636	658,436	9.4
Pharmaceutical chemicals	26,888	31,198	(13.8)
TOTAL	747,524	689,634	8.4
- of which International	534,836	483,786	10.6

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	31.12.2009	31.12.2008
Property, plant and equipment	55,381	57,969
Intangible assets	96,512	92,635
Goodwill	303,653	289,822
Equity investments	3,716	7,532
Non-current receivables	3,804	5,199
Deferred tax assets	21,793	22,650
TOTAL NON-CURRENT ASSETS	484,859	475,807
Inventories	86,627	83,087
Trade receivables	132,621	137,015
Other receivables	22,990	22,741
Other current assets	2,607	2,346
Short-term financial investments, cash and cash equivalents	93,775	94,951
TOTAL CURRENT ASSETS	338,620	340,140
TOTAL ASSETS	823,479	815,947

EQUITY AND LIABILITIES	31.12.2009	31.12.2008
Share capital	26,141	26,063
Capital in excess of par value	83,719	81,320
Treasury stock	(59,103)	(59,103)
Hedging reserve	(4,040)	(2,532)
Translation reserve	(6,178)	(7,096)
Other reserves	25,025	25,733
Retained earnings	332,836	280,920
Net income for the period	110,560	100,424
GROUP SHAREHOLDERS' EQUITY	508,960	445,729
Minority interest	19	13
SHAREHOLDERS' EQUITY	508,979	445,742
Loans due after one year	79,990	81,409
Employees' termination pay	19,895	19,624
Deferred tax liabilities	5,661	7,399
Other non-current liabilities	6,179	3,189
TOTAL NON-CURRENT LIABILITIES	111,725	111,621
Trade payables	81,751	88,598
Other payables	48,406	47,147
Tax liabilities	12,555	10,278
Other current liabilities	517	385
Provisions	21,978	15,094
Fair value of hedging derivatives (cash flow hedge)	4,040	2,532
Fair value of hedging derivatives (fair value hedge)	2,257	1,505
Loans due within one year	2,419	2,201
Bank overdrafts	28,852	90,844
TOTAL CURRENT LIABILITIES	202,775	258,584
TOTAL EQUITY AND LIABILITIES	823,479	815,947

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 €)

	2009	2008	Var. %
Net revenue	256,076	248,872	2.9
Operating income	48,144	44,701	7.7
Pre-tax income	91,329	67,097	36.1
Net income	76,068	52,945	43.7

	31.12.2009	31.12.2008
Non-current assets	383,069	356,054
Current assets	149,399	201,809
Total assets	532,468	557,863
Shareholders' equity	300,830	273,161
Non-current liabilities	94,539	95,372
Current liabilities	137,099	189,330
Total liabilities and Shareholders' equity	532,468	557,863

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.