



# NEWS RELEASE

## **RECORDATI: PRELIMINARY FULL YEAR 2009 RESULTS IN LINE WITH TARGETS: REVENUES +8.4%, NET INCOME +10.1%**

- Consolidated revenue € 747.5 million, + 8.4%.
- Pharmaceutical revenue € 720.6 million, + 9.4%.
- International sales € 534.8 million (71.5% of total revenue), + 10.6%.
- Operating income € 162.2 million, + 12.1%.
- Net income € 110.6 million, + 10.1%.
- Net financial position\*: net debt of € 19.7 million.
- 2010 targets: Revenues of around € 700 million, operating income of around € 140 million and net income of around € 95 million.

Milan, 11 February 2010 – The Board of Directors of Recordati S.p.A. examined the preliminary consolidated results for 2009. The company's annual financial reports will be submitted to the Board for approval on 5 March 2010.

### **Full year 2009 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 prudent 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 align its value with the company's corresponding book value.
- **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.

\* 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).

## Management comments

“2009 was characterized by growing revenues and profits and by important initiatives for the group’s future development” stated Giovanni Recordati, Chairman and CEO. “Firstly, important license agreements were signed for the marketing and sales of silodosin, a new compound indicated for the treatment of the symptoms of benign prostatic hyperplasia (BPH) recently approved by the European Commission for marketing in Europe. Furthermore, our new antihypertensive treatment, the fixed association of lercanidipine and enalapril, was launched in new markets which to-date total thirteen. Finally, the approval process in the United States for Carbaglu<sup>®</sup> is proceeding positively and we expect to receive final approval in 2010. Our excellent financial position,” continued Giovanni Recordati, “allows us to continue to execute our expansion strategy through the acquisition of both new products and direct presence in new markets. Regarding our expected results for the current year, 2010 will be affected by the competition from generics of lercanidipine whose patent expired in January. We are therefore targeting revenues of around € 700 million, operating income of around €140 million and net income of around €95 million.”

## 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.

## Conference call

Recordati will be hosting a *conference call* **today 11 February 2010** at 4.00 pm Italian time (3.00 pm London time, 10.00 am New York time). The **conference ID is 52840942** and dial-in numbers are:

Italy	+39 02 36005955
UK	+44 (0) 1452 587 427
USA	18665516755
France	+33 (0) 170751217
Germany	+49 (0) 6922227071

A set of slides which will be referred to during the call will be available on our website [www.recordati.com](http://www.recordati.com) under Investors/Company Presentations.

Callers are invited to dial-in 10 minutes before conference time and state the **ID number 52840942**. If conference operator assistance is required during the connection please digit \* followed by 0 or call +44 1452 569 034. A recording of the conference call will be placed on the website [www.recordati.com](http://www.recordati.com).

*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*

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*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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