



NEWS RELEASE

RECORDATI: POSITIVE FIRST NINE MONTHS 2007 RESULTS, SALES AND MARGINS GROW

- Consolidated revenue € 466.4 million, + 6.1%.
- Pharmaceutical revenue € 440.4 million, + 7.4%.
- International sales € 313.3 million, + 11.9%.
- Operating income € 100.9 million, + 9.7%.
- Net income € 64.0 million, + 14.5%.
- Net financial position* cash positive by € 22.3 million.
- Agreement signed for the acquisition of Orphan Europe.

Milan, 25 October 2007 – The Board of Directors of Recordati S.p.A. approved the Group's consolidated results for the first nine months 2007 prepared in accordance with the IAS/IFRS requirements for interim reporting (IAS 34).

First nine months financial highlights

- In the first nine months **consolidated revenue** is € 466.4 million, an increase of 6.1% over the same period of the preceding year. Pharmaceutical sales are € 440.4 million, an increase of 7.4% and include the Portuguese business acquired at the end of 2006. Pharmaceutical chemicals sales are € 26.0 million, down by 12.0%. International sales are € 313.3 million, an increase of 11.9%, and now represent 67.2% of total revenue. Sales in Italy are down by 4.0% mainly due to the price cuts imposed in the second half 2006.
- **Operating income**, at 21.6% of sales, is € 100.9 million, an increase of 9.7% over the first nine months of the preceding year. The operating margin improvement is mainly due to a higher gross margin and to the reduction in selling expenses, while R&D expenditure increased by 8.0%.
- **Net income** is € 64.0 million, an increase of 14.5% more than the increase in operating income due to an improved tax rate.
- The **net financial position*** at 30 September 2007 is cash positive by € 22.3 million, substantially unchanged from that at 31 December 2006. During the period dividends for an amount of € 37.0 million were paid out and own shares repurchased for a total cash outlay of € 29.9 million. **Shareholders' equity** increased and is € 367.8 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).

Business development news

- At the end of September an agreement was signed for 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. Orphan Europe employs about 120 personnel, and has subsidiaries in nine European countries and in the United Arab Emirates as well as representative offices in seven countries. Sales for the full year 2006 were € 40 million with EBIT of € 7.6 million. The company's net financial position is positive. The price to be paid at the closing, which is expected to take place before the end of 2007, is € 135 million. Orphan Europe currently markets ten products which target mostly chronic and life-threatening diseases and has other high potential drugs in development. The orphan drug market is a niche market with significant growth potential. Only a few of the total estimated 6,000 to 8,000 rare diseases are currently treated pharmacologically. The identification and awareness of rare diseases is constantly increasing and the continuous scientific advances are enabling earlier diagnosis of these diseases and the development of adequate therapies.
- Zanipress[®], our new antihypertensive product which associates lercanidipine and enalapril in a fixed combination, was launched in Germany in April by our subsidiary Merckle Recordati. This product was also launched by Meda, an international pharmaceutical company with which a non-exclusive co-marketing agreement was signed in February, as Zaneril[®]. In July the agreement with Meda was extended to the Spanish market as well. Furthermore, at the end of September the license agreement with Berlin Chemie (Menarini group) for the marketing of Carmen[®] (lercanidipine) in Germany was extended to the new combination product which will be launched in October as Carment ACE[®].
- 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 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 trial was conducted in 11 European countries with 1128 patients (977 randomized) enrolled in 70 clinical centres. The study was designed to show superiority of silodosin over placebo and non-inferiority to tamsulosin. Silodosin 8mg dosed once daily 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 on the market in Japan and has completed phase III studies in the US. 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.
- At the end of May Jaba Recordati transferred its industrial lease agreement for the production site in Loures, Portugal, and the associated pharmaceutical manufacturing business to Clintex Produtos Farmacêuticos for an amount of € 1.8 million which includes the value of existing inventories.

Management comments

“During the third quarter we announced positive outcomes from the phase III study of silodosin and signed an agreement for the acquisition of Orphan Europe, two important steps for the future development of our group” declared Giovanni Recordati, Chairman and CEO. “Our international business continues to drive growth which supports our expansion strategy. During the first nine months of the year profitability has improved both on an operating as well as net income level, and this allows us to confirm our full year operating income and net income targets of € 132 million and € 83 million respectively, with net sales of around € 630 million.”

Conference call

Recordati will be hosting a *conference call tomorrow 26 October 2007* at 4.00 pm Italian time (3.00 pm London time, 10.00 am New York time). Dial-in numbers are:

Italy	+39 02 802 09 11
UK	+44 208 7929 750
USA	+1 866 2396 425
France	+33 170 700 532
Germany	+49 69 2222 2225

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

Callers are invited to dial-in 10 minutes before conference time and ask for the Recordati conference call. If conference operator assistance is required during the connection please digit * followed by 0. A recording (Real Audio file) of the conference call will be placed on the website 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), 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 2006 was € 576.2 million, operating income was € 120.3 million and net income was € 74.0 million.

For further information:

Recordati website: www.recordati.com

Investor Relations

Marianne Tatschke

(39)0248787393

e-mail: inver@recordati.it

Media Relations

Claudio Rossetti (Echo Comunicazione d'Impresa)

(39)02 62694736

RECORDATI

e-mail: crossetti@echocom.it

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	Jan – Sept 2007	Jan – Sept 2006	Change %
REVENUE	466,407	439,566	6.1
Cost of sales	(150,452)	(144,823)	3.9
GROSS PROFIT	315,955	294,743	7.2
Selling expenses	(150,955)	(147,463)	2.4
Research and development expenses	(36,867)	(34,140)	8.0
General & administrative expenses	(24,667)	(20,256)	21.8
Other income (expenses), net	(2,569)	(899)	185.8
OPERATING INCOME	100,897	91,985	9.7
Financial income (expenses), net	(3,127)	(1,805)	73.2
PRETAX INCOME	97,770	90,180	8.4
Provision for income taxes	(33,733)	(34,258)	(1.5)
NET INCOME	64,037	55,922	14.5

EARNINGS PER SHARE	Jan – Sept 2007	Jan – Sept 2006	Change %
Basic	€ 0.321	€ 0.279	15.1
Diluted	€ 0.313	€ 0.271	15.5

Earnings per share (EPS) are based on average shares outstanding during each year, 199,428,481 in 2007 and 200,195,116 in 2006, net of average treasury stock which amounted to 7,452,602 in 2007 and 5,405,059 in 2006. Diluted earnings per share is calculated taking into account new shares authorized but not yet issued.

COMPOSITION OF REVENUE	Jan – Sept 2007	Jan – Sept 2006	Change %
Pharmaceuticals	440,378	409,991	7.4
Pharmaceutical chemicals	26,029	29,575	(12.0)
TOTAL	466,407	439,566	6.1
- of which International	313,262	280,034	11.9

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	Third Quarter 2007	Third Quarter 2006	Change %
REVENUE	145,909	128,485	13.6
Cost of sales	(47,094)	(42,623)	10.5
GROSS PROFIT	98,815	85,862	15.1
Selling expenses	(47,089)	(40,225)	17.1
Research and development expenses	(11,856)	(10,772)	10.1
General & administrative expenses	(7,422)	(6,260)	18.6
Other income (expenses), net	(1,179)	(208)	466.8
OPERATING INCOME	31,269	28,397	10.1
Financial income (expenses), net	(2,229)	(472)	372.2
PRETAX INCOME	29,040	27,925	4.0
Provision for income taxes	(9,938)	(9,427)	5.4
NET INCOME	19,102	18,498	3.3

COMPOSITION OF REVENUE	Third Quarter 2007	Third Quarter 2006	Change %
Pharmaceuticals	139,063	120,652	15.3
Pharmaceutical chemicals	6,846	7,833	(12.6)
TOTAL	145,909	128,485	13.6
- of which International	100,073	87,653	14.2

RECORDATI GROUP

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

ASSETS	30.09.2007	31.12.2006
Property, plant and equipment	66,436	71,916
Intangible assets	85,272	92,490
Goodwill	130,228	129,771
Equity investments	511	696
Non-current receivables	1,110	1,268
Deferred tax assets	20,504	18,798
TOTAL NON-CURRENT ASSETS	304,061	314,939
Inventories	78,227	74,670
Trade receivables	115,721	123,418
Other receivables	8,665	11,002
Other current assets	4,089	1,789
Short-term financial investments, cash and cash equivalents	114,903	145,029
TOTAL CURRENT ASSETS	321,605	355,908
TOTAL ASSETS	625,666	670,847

EQUITY AND LIABILITIES	30.09.2007	31.12.2006
Share capital	25,926	25,802
Capital in excess of par value	77,092	73,165
Treasury stock	(60,200)	(30,653)
Hedging reserve	(267)	(1,081)
Translation reserve	(1,756)	336
Other reserves	25,274	24,926
Retained earnings	237,740	200,276
Net income for the year	64,037	74,031
SHAREHOLDERS' EQUITY	367,846	366,802
Loans due after one year	77,787	83,697
Employees' termination pay	22,093	22,587
Deferred tax liabilities	9,982	9,402
Other non-current liabilities	0	5,645
TOTAL NON-CURRENT LIABILITIES	109,862	121,331
Trade payables	64,106	71,537
Other payables	33,496	32,159
Tax liabilities	22,607	22,076
Other current liabilities	385	413
Provisions	12,322	16,479
Change in fair value of hedging derivatives (cash flow hedge)	267	1,081
Change in fair value of hedging derivatives (fair value hedge)	7,363	3,949
Loans due within one year	3,354	20,446
Bank overdrafts	4,058	14,574
TOTAL CURRENT LIABILITIES	147,958	182,714
TOTAL EQUITY AND LIABILITIES	625,666	670,847

**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.