



# NEWS RELEASE

## RECORDATI ACQUIRES YENI İLAÇ IN TURKEY

*Milan, 29 October 2008* – Recordati announced the signature of an agreement for the acquisition of Yeni İlaç, a Turkish pharmaceutical company with headquarters near Istanbul. The price to be paid of € 48 million will be funded from existing liquidity. The closing of the transaction, expected to take place before the end of 2008, is subject to certain conditions, including clearance by the relevant competition authorities.

Founded in 1927, Yeni İlaç is a well known Turkish pharmaceutical company dedicated to the production, marketing and sales of both proprietary and licensed drugs. Its products are well known and the company has a leading market position in the area of urology. The company is also engaged in contract manufacturing for other pharmaceutical companies. Yeni İlaç employs 300 personnel, of which around 100 are medical representatives. The company is very solid financially and has a positive net financial position. Sales have increased consistently over recent years and in 2008 are expected to be around € 17 million. Operating profit margins are positive and in line with group margins.

The Turkish pharmaceutical market is thirteenth worldwide and is in continuous expansion, with a growth rate of over 15% in recent years, due to its population growth and increasing average age within a national economic context which shows growing GDP and where healthcare expenditure is still relatively low.

Recordati has been present in Turkey for some time through licensing agreements with local companies which have allowed it to assert its original products in this market, in particular lercanidipine. Sales of these products are currently of around € 7 million and have important market shares in their respective classes. In particular, combination products are well accepted for the treatment of hypertension in the cardiovascular area of the Turkish market. This is a strategic area for Recordati which will be launching in 2009, on a worldwide basis, its own product combining lercanidipine with enalapril.

“The acquisition of Yeni İlaç allows us to be present directly in a market with high growth rates, where, in addition, our products have already been present successfully for some time” declared Giovanni Recordati, Chairman and CEO. “We will therefore be able to realize significant synergies in this market from the start. We also intend to double the current field force of our new subsidiary in order to both increase the sales of the existing portfolio and to adequately prepare ourselves for the launch of the new products in our pipeline, in particular in the cardiovascular area (lercanidipine+enalapril combination, pitavastatin) and in the area of urology (Kentera®, silodosin). The acquisition of Yeni İlaç represents a further step ahead in our strategy, which we confirm and intend to strengthen, to develop a direct presence of our group in the emerging markets of Central and Eastern Europe.”

*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 2,400. A European field force of over 1,300 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*

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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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