

RECORDATI: POSITIVE FIRST HALF 2009 RESULTS, SALES AND INCOME INCREASE

- Consolidated revenue € 379.3 million, + 8.9%.
- Pharmaceutical revenue € 365.1 million, + 10.1%.
- International sales € 269.1 million, + 12.5%.
- Operating income € 82.5 million, + 8.8%.
- Net income € 57.7 million, + 10.1%.
- Net financial position*: net debt of € 101.1 million.
- Acquisition of Herbacos-Bofarma in the Czech Republic.
- Zanextra[®] (lercanidipine+enalapril) launched in France. Almirall to co-market silodosin in Spain. Agreement with Pharmathen for a new low dose formulation of lercanidipine.
- Subsequent events: Agreement with Amdipharm for the marketing and sales of TransAct[®] LAT in Italy and Portugal.

Milan, 28 July 2009 – The Board of Directors of Recordati S.p.A. approved the half-yearly financial report which was prepared pursuant to Article 154-ter of Legislative Decree 58/1998 and is consistent with applicable international financial accounting standards adopted by the European Union in EC Regulation 1606/2002 issued by the European Parliament and the Council of the European Union on 19 July 2002 – in particular, the requirements of IAS 34: *Interim Reporting*. The half-year financial statements are available on the company's website www.recordati.com.

First half financial highlights

- **Consolidated revenue** is € 379.3 million, an increase of 8.9% over the same period of the preceding year. Pharmaceutical sales are € 365.1 million, an increase of 10.1%, 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 (+13.4%). Pharmaceutical sales in Italy are up by 2.5%. Pharmaceutical chemicals sales are € 14.2 million, down by 14.8%. Over the period the group's international business is up by 12.5% and accounts for 71.0% of total revenue.
- **Operating income**, at 21.8% of sales, is € 82.5 million, an increase of 8.8% over the same period of the preceding year. R&D expenses grow by 20.4% reaching 8.9% of sales.
- **Net income** is € 57.7 million, an increase of 10.1%, higher than that recorded by operating income thanks to lower financial expenses.
- **Net financial position*** at 30 June 2009 records net debt of € 101.1 million, an increase of € 20.1 million as compared to 31 December 2008, mainly due to 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** increased to € 457.4 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

In January Herbacos-Bofarma, a Czech pharmaceutical company with headquarters in Pardubice, was acquired. The price paid was of around € 19 million. Herbacos-Bofarma is a well known pharmaceutical company operating in the Czech and Slovak markets with a significant portfolio of medicines in various therapeutic classes comprised mainly of analgesic, anti-inflammatory and dermatological products. Individual brands have a strong position in particular market segments. Herbacos-Bofarma employs 100 personnel, of which a sales and marketing network of 35 employees which has developed very good credentials with both pharmacists and physicians. The company is very solid financially. Sales have increased consistently over recent years and in 2008 are around € 12 million. The company's EBITDA margin is in line with that of the group. Herbacos-Bofarma, with a market share of around 2% in volumes, is well positioned to act as a platform for launching the new products in our pipeline on the Czech and Slovak markets.

In April a license agreement was signed with Almirall, the international pharmaceutical company based in Spain, for the marketing and sales in Spain of silodosin, a new compound indicated for the treatment of the signs and symptoms of benign prostatic hyperplasia (BPH). Almirall will co-market the product together with Recordati España, the Spanish subsidiary of the Recordati group. The marketing approval authorization (MAA) request for silodosin was submitted to the EMEA (European Medicines Agency), using the centralized approval procedure, during November 2008 and approval is expected in the first half 2010.

Also during April Recordati's subsidiary Bouchara Recordati launched Zanextra[®] (lercanidipine + enalapril), its new antihypertensive treatment, in France, the largest market for lercanidipine worldwide. This new specialty is also available in Germany, Australia, Ireland, Finland, Denmark, Greece, Spain, South Africa and in the Netherlands.

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. Recordati filed for marketing approval of this new lercanidipine formulation in a few European countries using the decentralized procedure and intends to eventually obtain approval in all countries where lercanidipine is currently marketed.

Subsequent events and business outlook

During July an agreement was signed 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. The product is already on the market in Italy and in Portugal with overall annual sales of approximately € 13 million.

The group's business performance was in line with expectations during July. Performance during the second half of the year is also expected to be positive allowing us to confirm our full year targets previously announced: revenues of around €750 million, operating income of around € 155 million and net income of around € 105 million.

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Conference call

Recordati will be hosting a *conference call* **today 28 July 2009** at 4.00 pm Italian time (3.00 pm London time, 10.00 am New York time). Dial-in numbers are:

Italy	+39 071 2861848
UK	+44 (0) 2071086320
USA	18663534838
France	+33 (0) 170718437
Germany	+49 (0) 6922222253

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:
http://www.recordati.com/rec_en/investors/presentations/

Callers are invited to dial-in 10 minutes before conference time and request the **Recordati conference call**. If conference operator assistance is required during the connection please call +39 071 2189800 or 800.238.472 (only within Italy). A recording 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), 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 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:

Recordati website: www.recordati.com

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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	First half 2009	First half 2008	Change %
REVENUE	379,301	348,187	8.9
Cost of sales	(121,257)	(111,226)	9.0
GROSS PROFIT	258,044	236,961	8.9
Selling expenses	(115,327)	(112,055)	2.9
Research and development expenses	(33,682)	(27,980)	20.4
General & administrative expenses	(22,439)	(20,292)	10.6
Other income (expenses), net	(4,096)	(828)	n.s.
OPERATING INCOME	82,500	75,806	8.8
Financial income (expenses), net	(2,760)	(4,388)	(37.1)
PRE-TAX INCOME	79,740	71,418	11.7
Provision for income taxes	(21,999)	(18,991)	15.8
NET INCOME	57,741	52,427	10.1
Attributable to:			
Equity holders of the parent	57,739	52,425	10.1
Minority interests	2	2	0.0

EARNINGS PER SHARE	First half 2009	First half 2008	Change %
Basic	€ 0.293	€ 0.267	9.7
Diluted	€ 0.283	€ 0.262	8.0

Earnings per share (EPS) are based on average shares outstanding during each year, 197,089,168 in 2009 and 196,469,158 in 2008, net of average treasury stock which amounted to 11,472,355 in both years. Diluted earnings per share is calculated taking into account new shares authorized but not yet issued.

COMPOSITION OF REVENUE	First half 2009	First half 2008	Change %
Pharmaceuticals	365.126	331,549	10.1
Pharmaceutical chemicals	14.175	16,638	(14.8)
TOTAL	379.301	348,187	8.9
- of which International	269.126	239,276	12.5

Pending the completion of independent and statutory audits.

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INCOME STATEMENT	Second quarter 2009	Second quarter 2008	Change %
REVENUE	195,614	176,321	10.9
Cost of sales	(61,099)	(55,489)	10.1
GROSS PROFIT	134,515	120,832	11.3
Selling expenses	(60,470)	(58,837)	2.8
Research and development expenses	(18,382)	(14,601)	25.9
General & administrative expenses	(11,521)	(10,144)	13.6
Other income (expenses), net	(2,277)	409	n.s.
OPERATING INCOME	41,865	37,659	11.2
Financial income (expenses), net	(1,309)	(2,132)	(38,6)
PRE-TAX INCOME	40,556	35,527	14.2
Provision for income taxes	(10,434)	(8,363)	24.8
NET INCOME	30,122	27,164	10.9
Attributable to:			
Equity holders of the parent	30,121	27,163	10.9
Minority interests	1	1	n.s.

COMPOSITION OF REVENUE	Second quarter 2009	Second quarter 2008	Change %
Pharmaceuticals	188,322	168,170	12.0
Pharmaceutical chemicals	7,292	8,151	(10.5)
TOTAL	195,614	176,321	10.9
- of which International	140,961	124,552	13.2

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(thousands of €)

ASSETS	30.6.2009	31.12.2008
Property, plant and equipment	55,865	57,969
Intangible assets	91,888	92,635
Goodwill	303,570	289,822
Equity investments	7,529	7,532
Non-current receivables	5,238	5,199
Deferred tax assets	21,276	22,650
TOTAL NON-CURRENT ASSETS	485,366	475,807
Inventories	91,989	83,087
Trade receivables	148,567	137,015
Other receivables	17,947	22,741
Other current assets	6,827	2,346
Short-term financial investments, cash and cash equivalents	65,577	94,951
TOTAL CURRENT ASSETS	330,907	340,140
TOTAL ASSETS	816,273	815,947

EQUITY AND LIABILITIES	30.6.2009	31.12.2008
Share capital	26,095	26,063
Capital in excess of par value	82,274	81,320
Treasury stock	(59,103)	(59,103)
Hedging reserve	(3,811)	(2,532)
Translation reserve	(4,061)	(7,096)
Other reserves	25,856	25,733
Retained earnings	332,380	280,920
Net income for the year	57,739	100,424
GROUP SHAREHOLDERS' EQUITY	457,369	445,729
Minority interest	15	13
SHAREHOLDERS' EQUITY	457,384	445,742
Loans due after one year	81,882	81,409
Employees' termination pay	19,245	19,624
Deferred tax liabilities	7,472	7,399
Other non-current liabilities	2,257	3,189
TOTAL NON-CURRENT LIABILITIES	110,856	111,621
Trade payables	86,480	88,598
Other payables	41,315	47,147
Tax liabilities	16,234	10,278
Other current liabilities	428	385
Provisions	14,958	15,094
Fair value of hedging derivatives (cash flow hedge)	3,811	2,532
Fair value of hedging derivatives (fair value hedge)	1,661	1,505
Loans due within one year	2,746	2,201
Bank overdrafts	80,399	90,844
TOTAL CURRENT LIABILITIES	248,033	258,584
TOTAL EQUITY AND LIABILITIES	816,273	815,947

Pending the completion of independent and statutory audits.

RECORDATI

**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.