



NEWS RELEASE

RECORDATI: POSITIVE FIRST NINE MONTHS 2009 RESULTS, SALES AND INCOME INCREASE

- Consolidated revenue € 556.2 million, + 9.4%.
- Pharmaceutical revenue € 535.6 million, + 10.4%.
- International sales € 398.2 million, + 13.0%.
- Operating income € 121.8 million, + 9.5%.
- Net income € 85.3 million, + 11.3%.
- Net financial position*: net debt of € 66.4 million.
- Acquisition of Herbacos-Bofarma in the Czech Republic.
- Zanextra[®] (lercanidipine+enalapril) launched in France.
- Almirall and Nycomed to co-market silodosin in Spain and Italy respectively. Pharmaplan to market silodosin in South Africa.
- Agreement with Pharmathen for a new low dose formulation of lercanidipine.
- Agreement with Amdipharm for the marketing and sales of TransAct[®] LAT in Italy and Portugal.
- Full year 2009 targets: Revenues of around € 750 million, operating income to exceed € 160 million and net income to exceed € 110 million.

Milan, 27 October 2009 – The Board of Directors of Recordati S.p.A. approved the Group's consolidated results for the first nine months 2009 prepared in accordance with International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) and in particular as per IAS 34 requirements for interim reporting. These financial statements are available on the company's website www.recordati.com.

First nine months financial highlights

- **Consolidated revenue** is € 556.2 million, an increase of 9.4% over the same period of the preceding year. Pharmaceutical sales are € 535.6 million, an increase of 10.4%, 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 (+13.9%). Pharmaceutical sales in Italy are up by 2.5%. Pharmaceutical chemicals sales are € 20.6 million, down by 11.2%. Over the period the group's international business is up by 13.0% and accounts for 71.6% of total revenue.
- **Operating income**, at 21.9% of sales, is € 121.8 million, an increase of 9.5% over the same period of the preceding year. R&D expenses grow by 17.2% reaching 8.9% of sales.
- **Net income** is € 85.3 million, an increase of 11.3%, higher than that recorded by operating income thanks to lower financial expenses.
- **Net financial position*** at 30 September 2009 records net debt of € 66.4 million, a reduction of € 14.6 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** increased to € 484.3 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).

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.

Three important license agreements were signed for the marketing and sales of silodosin, a new compound indicated for the treatment of the signs and symptoms of benign prostatic hyperplasia (BPH). In April a co-marketing agreement for the Spanish market was signed with Almirall, the international pharmaceutical company based in Spain. Almirall will co-market silodosin together with Recordati España, the Spanish subsidiary of the Recordati group. At the end of July a further two agreements were signed, one with Nycomed S.p.A., the Italian subsidiary of the international pharmaceutical group, for the co-marketing of the product in Italy together with Recordati, and the other with Pharmaplan PTY Ltd, a South African pharmaceutical company, for the exclusive marketing and sales in South Africa of the product. Pharmaplan will be responsible for filing the NDA requesting marketing approval in this country. Pharmaplan is already Recordati's licensee for the sale of its original products Zanidip[®] (lercanidipine), Zaneril[®] (lercanidipine+enalapril) and Lomexin[®] (fenticonazole) in South Africa. In Europe 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.

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, the Netherlands, Belgium, Norway and Portugal.

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.

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. TransAct LAT[®] is an original system for the administration of flurbiprofen, a well known and widely prescribed non steroidal

anti-inflammatory drug (NSAID), which improves its tolerability profile. Recordati has an established franchise in pain and inflammation management and the addition of this product provides a valid further therapeutic option for the medical practitioner.

Subsequent events and business outlook

The group's business performance was in line with expectations during October. Performance during the last quarter of the year is also expected to be positive. For the full year 2009 we confirm our revenue target of around €750 million and expect to achieve operating income in excess of €160 million and net income of over €110 million, an improvement over our previous targets of €155 million and €105 million respectively.

Stock options granted

Furthermore, the Board of Directors resolved to grant 4,065,000 stock options under the 2006-2009 Stock Option Plan approved by the Shareholders' Meeting of 6 April 2006, to 101 group managers (see table attached). The options may be exercised only if certain consolidated net income objectives are reached. The strike price is the average market price of the share over the period between the date of grant and the same day of the preceding month. The characteristics of the plan are described in the information document issued on 17 September 2007 and available on the company's website http://www.recordati.com/rec_en/investors/releases/2007/2007-09-17/2007-09-17.pdf.

Conference call

Recordati will be hosting a *conference call* **today 27 October 2009** at 4.00 pm Italian time (3.00 pm London time, 10.00 am New York time). The **conference ID is 37452387** 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 under Investors/Company Presentations.

Callers are invited to dial-in 10 minutes before conference time and state the **ID number 37452387**. 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.

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.

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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	First nine months 2009	First nine months 2008	Change %
REVENUE	556,187	508,242	9.4
Cost of sales	(177,026)	(161,629)	9.5
GROSS PROFIT	379,161	346,613	9.4
Selling expenses	(168,620)	(160,871)	4.8
Research and development expenses	(49,522)	(42,272)	17.2
General & administrative expenses	(32,222)	(29,484)	9.3
Other income (expenses), net	(6,950)	(2,716)	155.9
OPERATING INCOME	121,847	111,270	9.5
Financial income (expenses), net	(4,459)	(5,842)	(23.7)
PRE-TAX INCOME	117,388	105,428	11.3
Provision for income taxes	(32,111)	(28,843)	11.3
NET INCOME	85,277	76,585	11.3
Attributable to:			
Equity holders of the parent	85,272	76,582	11.3
Minority interests	5	3	66.7

EARNINGS PER SHARE	First nine months 2009	First nine months 2008	Change %
Basic	€0,433	€0,390	11.0
Diluted	€0,419	€0,383	9.4

Earnings per share (EPS) are based on average shares outstanding during each year, 197,155,264 in 2009 and 196,588,403 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 nine months 2009	First nine months 2008	Change %
Pharmaceuticals	535,573	485,020	10.4
Pharmaceutical chemicals	20,614	23,222	(11.2)
TOTAL	556,187	508,242	9.4
- of which International	398,206	352,479	13.0

RECORDATI GROUP

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(thousands of €)

INCOME STATEMENT	Third quarter 2009	Third quarter 2008	Change %
REVENUE	176,886	160,055	10.5
Cost of sales	(55,769)	(50,403)	10.6
GROSS PROFIT	121,117	109,652	10.5
Selling expenses	(53,293)	(48,816)	9.2
Research and development expenses	(15,840)	(14,292)	10.8
General & administrative expenses	(9,783)	(9,192)	6.4
Other income (expenses), net	(2,854)	(1,888)	51.2
OPERATING INCOME	39,347	35,464	10.9
Financial income (expenses), net	(1,699)	(1,454)	16.9
PRE-TAX INCOME	37,648	34,010	10.7
Provision for income taxes	(10,112)	(9,852)	2.6
NET INCOME	27,536	24,158	14.0
Attributable to:			
Equity holders of the parent	27,533	24,157	14.0
Minority interests	3	1	200.0

COMPOSITION OF REVENUE	Third quarter 2009	Third quarter 2008	Change %
Pharmaceuticals	170,447	153,471	11.1
Pharmaceutical chemicals	6,439	6,584	(2.2)
TOTAL	176,886	160,055	10.5
- of which International	129,080	113,203	14.0

RECORDATI GROUP

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

ASSETS	30.9.2009	31.12.2008
Property, plant and equipment	55,690	57,969
Intangible assets	103,777	92,635
Goodwill	303,750	289,822
Equity investments	7,478	7,532
Non-current receivables	3,871	5,199
Deferred tax assets	21,014	22,650
TOTAL NON-CURRENT ASSETS	495,580	475,807
Inventories	86,751	83,087
Trade receivables	140,432	137,015
Other receivables	15,035	22,741
Other current assets	4,913	2,346
Short-term financial investments, cash and cash equivalents	75,783	94,951
TOTAL CURRENT ASSETS	322,914	340,140
TOTAL ASSETS	818,494	815,947

EQUITY AND LIABILITIES	30.9.2009	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	(4,597)	(2,532)
Translation reserve	(4,107)	(7,096)
Other reserves	26,031	25,733
Retained earnings	332,380	280,920
Net income for the period	85,272	100,424
GROUP SHAREHOLDERS' EQUITY	484,245	445,729
Minority interest	18	13
SHAREHOLDERS' EQUITY	484,263	445,742
Loans due after one year	80,684	81,409
Employees' termination pay	19,058	19,624
Deferred tax liabilities	7,020	7,399
Other non-current liabilities	6,165	3,189
TOTAL NON-CURRENT LIABILITIES	112,927	111,621
Trade payables	75,981	88,598
Other payables	44,166	47,147
Tax liabilities	18,364	10,278
Other current liabilities	319	385
Provisions	16,374	15,094
Fair value of hedging derivatives (cash flow hedge)	4,597	2,532
Fair value of hedging derivatives (fair value hedge)	2,115	1,505
Loans due within one year	2,543	2,201
Bank overdrafts	56,845	90,844
TOTAL CURRENT LIABILITIES	221,304	258,584
TOTAL EQUITY AND LIABILITIES	818,494	815,947

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.

TABLE NO.1 to outline 7 of Attachment 3A of Regulation no. 11971/1999

NAME OR CATEGORY	CAPACITY	CHART 2						
		OPTIONS (grant option)						
		SECTION 2						
		Options relating to plans currently valid approved on the basis of previous general meetings and Board of directors resolutions						
		Date of the General Meeting or Board of Directors resolution	Description of instrument	Number of financial instruments underlying the options granted for each named person or category.	Date of allocation by B.o.D.	Exercise price	Mkt. price of underlying fin. Instruments at the date of allocation (Official p.)	Expiry date of option
Giovanni Recordati	Chairman Chief Executive Officer General Manager*	06/04/2006	Options on Recordati SpA shares	300.000	27/10/2009 (Bod) 26/10/2009 (Remco)	4.87	4.875	28/11/2014
Alberto Recordati	Vice Chairman *	06/04/2006	Options on Recordati SpA shares	150.000	27/10/2009 (Bod) 26/10/2009 (Remco)	4.87	4.875	28/11/2014
Andrea Recordati	Director *	06/04/2006	Options on Recordati SpA shares	100.000	27/10/2009 (Bod) 26/10/2009 (Remco)	4.87	4.875	28/11/2014
n.1 Manager with regular access to privileged information who has the power to take management decisions which could affect the growth and future prospects of the share issuer, as at art. 152- sexies, paragraph 1 c) –c.2 of the Regulation approved by Consob resolution number 11971/1999		06/04/2006	Options on Recordati SpA shares	150.000	27/10/2009 (Bod) 26/10/2009 (Remco)	4.87	4.875	28/11/2014
Managers		06/04/2006	Options on Recordati SpA shares	3.365.000	27/10/2009 (Bod) 26/10/2009 (Remco)	4.87	4.875	28/11/2014

* It is stressed that these parties are not Beneficiaries of the Stock Option Plans because they are Board members of Recordati S.p.A , but because they are employees of strategic importance to Recordati.

** The Board of Directors of the Company, by resolution dated 17.12.2008, as part of a redefinition of those subjects falling within the scope of relevant persons in the meaning of Art. 152-sexies, paragraph 1, letter c)-C3, identified solely Mr. Fritz Squindo in his capacity of Chief Financial Officer General Manager for the Coordination of Group Operations as relevant person in accordance with the rule cited above.