RECORDATI

A Specialty Pharmaceutical Group

JEFFERIES 2013 GLOBAL HEALTHCARE CONFERENCE, NEW YORK, 5 JUNE 2013

A strategy of growth and geographical expansion

Profile

- A specialty pharmaceutical group (€ 828.3 m sales in 2012 and over 3,300 employees of which more than 1,700 field force)
- R&D in the cardiovascular and urology fields and in treatments for rare diseases
- Marketing operations in the main European markets, in Russia, Poland and other Central and Eastern European countries, in Turkey and in the U.S.A.
- Drugs for the treatment of rare diseases marketed worldwide
- Proprietary drugs sold worldwide through licensees

Strategy

- Expand through organic development and through acquisitions
- Develop product portfolio by enhancing product pipeline and new product acquisitions. Prioritize special care.
- Increase presence in new markets characterized by high growth
- Treatments for rare diseases: develop a global presence

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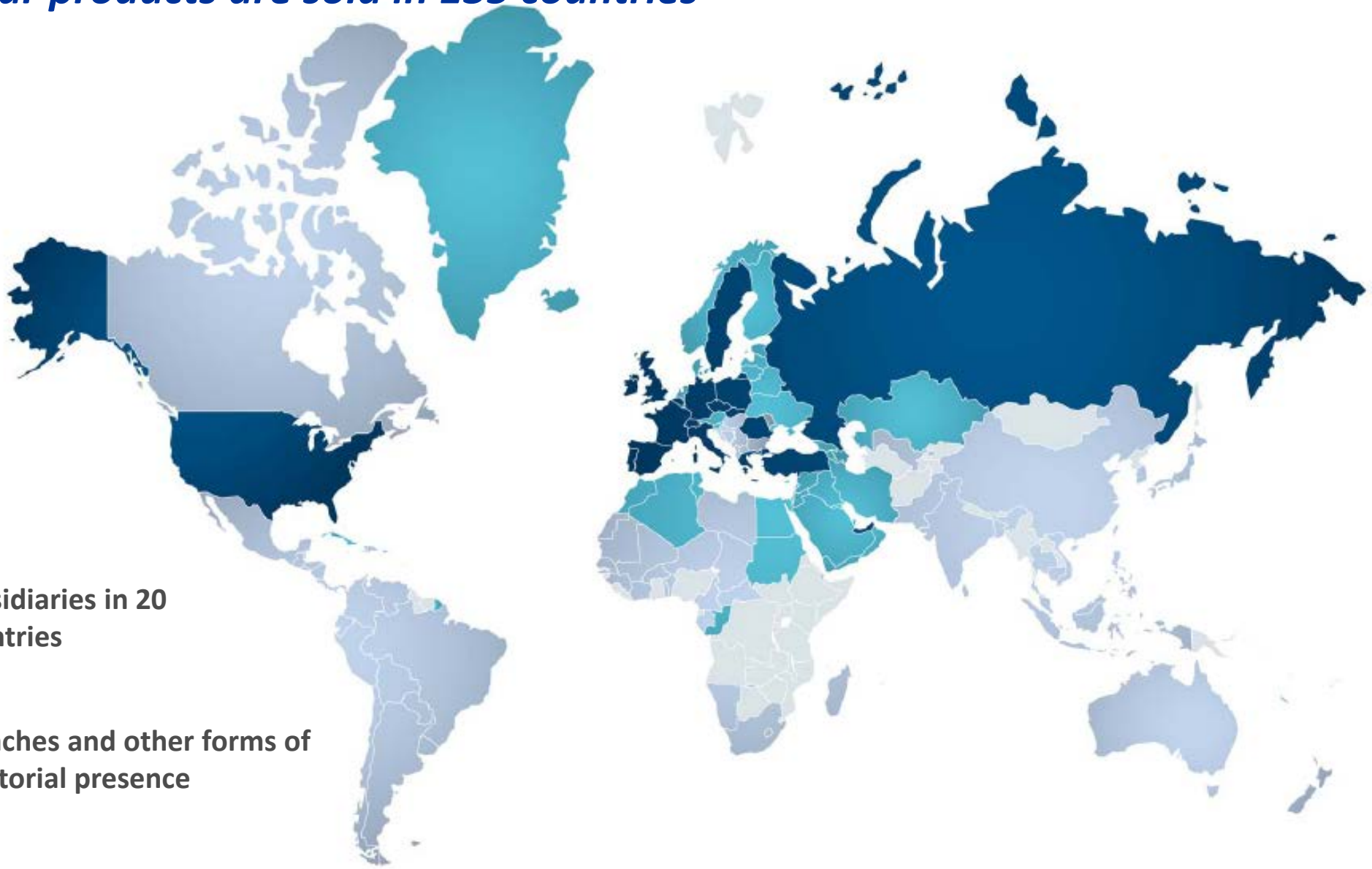
Our products are sold in 135 countries



20

Subsidiaries in 20 countries

39

Branches and other forms of territorial presence

76

Countries where Recordati products are sold
(under license or exported)

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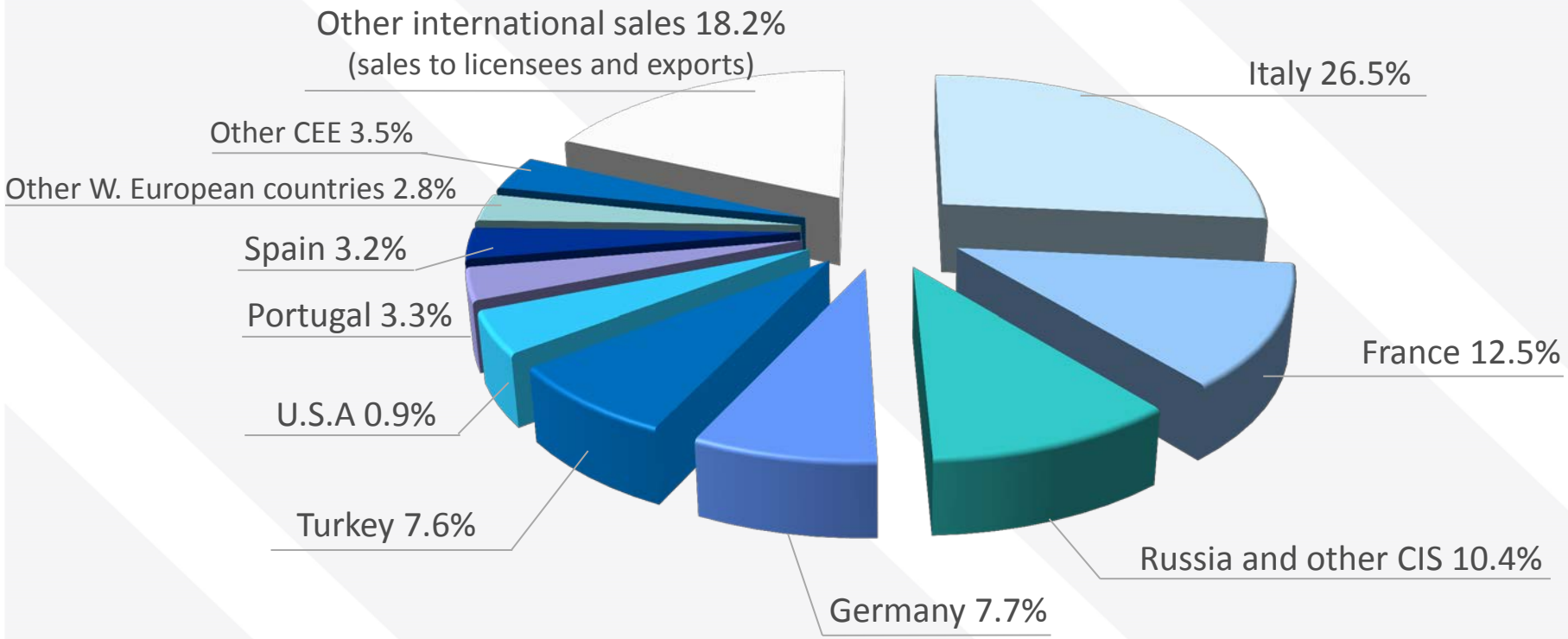
A growing presence in Russia & CIS and in Poland. New sub in the US.



Data: First quarter 2013
Pharmaceutical revenue € 235.7 m

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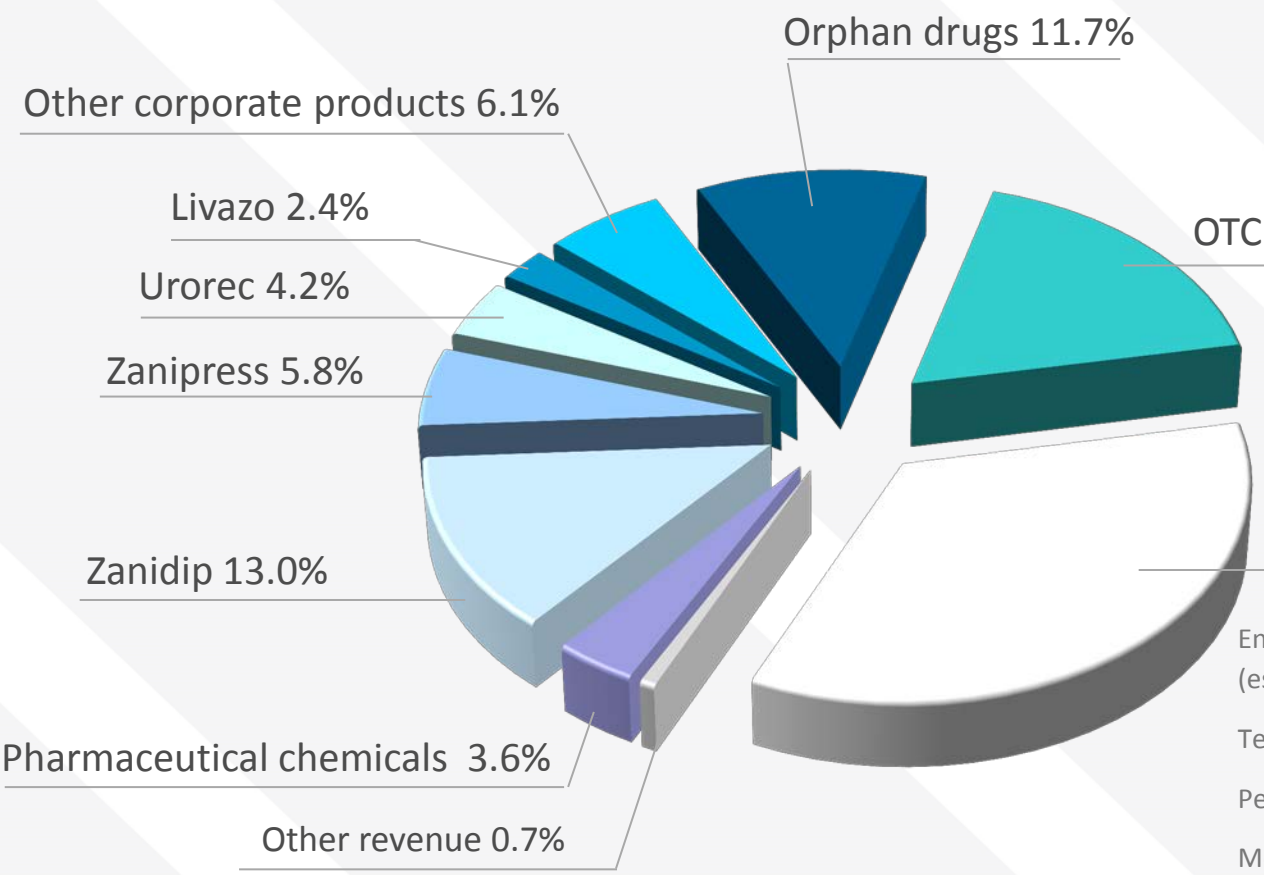
A diversified product portfolio



Entact®/Elopram® (escitalopram/citalopram) - Italy	5%
Tergynan® - Russia & CIS, France exp.	3%
Peptazol® (pantoprazole) - Italy	3%
Methadone - France	2%
Hexa line - France	2%
Tora-Dol® (ketorolac) - Italy	2%

Data: First quarter 2013
Total revenue € 244.6 m

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Urorec® (silodosin)

- Highly selective α_{1A} receptor antagonist indicated for the treatment of symptoms associated with benign prostatic hyperplasia (BPH).
- Fast onset of action. High efficacy. Very good cardiovascular safety.
- Launched in 20 markets: Belgium, Bulgaria, Cyprus, Czech Rep., France, Georgia, Germany, Greece, Ireland, Italy, Lebanon, the Netherlands, Poland, Portugal, Romania, Russia & CIS, Slovakia, Spain, Turkey and Ukraine. Further launches to take place.
- License and co-marketing agreements in place with important players
- BPH market in 16 main countries approx. € 0.8 billion

Livazo® (pitavastatin)

- Highly effective HMG-CoA reductase inhibitor indicated for the treatment of hypercholesterolaemia.
- Thanks to its unique chemical structure Livazo® is a potent LDL-lowering drug with a consistent and progressive HDL-raising effect. *(Atherosclerosis Supplements 2010; 11:15-22)*
- Livazo®, unlike most statins, is only minimally metabolized through a CYP pathway thereby reducing the risk of drug-drug interactions and providing a clear benefit in patients receiving polypharmacy. *(Atherosclerosis Supplements 2010; 11:15-22)*
- Launched in Spain, Portugal and Switzerland, further launches to take place
- Statins market in the key countries covered by the agreement is € 2.4 billion in 2012

Zanipress® (lercanidipine+enalapril)
Zanidip® (lercanidipine)

- Lercanidipine is a proprietary latest generation calcium channel blocker indicated for the treatment of hypertension. Enalapril is an ACE inhibitor indicated for the treatment of hypertension.
- Sales of Zanidip® (lercanidipine) have eroded (CAGR -12.2%) following its patent expiry at the beginning of 2010. Stabilizing in 2013.
- Sales of Zanipress® (lercanidipine+enalapril) growing as promotional effort switched from Zanidip®
- Zanipress® to be rolled-out progressively in new markets
- Zanipress® prices will come under pressure
- Sales of the Zanidip®/ Zanipress® franchise expected to stabilize at around € 160 million

Drugs for rare diseases

A worldwide business

Huge market potential: > 6,000 rare diseases identified for which treatments exist for only around 300.

Progressive country introduction of rare disease plans and access to diagnostic tests will stimulate the market for orphan drugs.

- Sales CAGR 15% since 2008 (acquisition of Orphan Europe)
- Carbaglu® (carglumic acid) approved and launched in the U.S. in 2010 to treat NAGS deficiency
- New indication (organic acidemias) for Carbaglu® approved in Europe and in development in the U.S.
- Graspa®, a new treatment for rare cancers in development, licensed from Erytech in Europe
- Present throughout Europe, Middle East and the U.S.. Sales coverage of new territories, either directly or through partnerships, planned.
- Sales of drugs for rare diseases in 2012 total € 75,9 million, an increase of 9,5%
- Recordati Rare Diseases Inc. operational in the U.S.. Acquisition of a portfolio of products for the treatment of rare diseases from Lundbeck in 2012 (transaction closed in 2013)
- Sales to reach around € 140 million in 2015

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Drugs for rare diseases

ADAGEN® (pegademase bovine), indicated in the treatment of SCID-ADA deficiency

CARBAGLU® (carglumic acid), indicated in the treatment of hyperammonaemia due to NAGS deficiency and to the main organic acidemias

COSMEGEN® (dactinomycin), used mainly in the treatment of three rare cancers, Wilms' tumor, childhood rhabdomyosarcoma and choriocarcinoma.

CYSTADANE® (betaine anhydrous), indicated in the treatment of homocystinuria

CYSTAGON® (cysteamine bitartrate), indicated in the treatment of nephropathic cystinosis

NORMOSANG® (EU-RoW) **/PANHEMATIN®** (US) (human haemin), used to treat acute attacks of hepatic porphyria

PEDEA® (EU-RoW)**/NEOPROFEN®** (US) (ibuprofen I.V.), indicated in the treatment of patent *ductus arteriosus*

VEDROP® (water soluble vitamin E), indicated in the treatment of vitamin E deficiency in pediatric patients suffering from congenital chronic cholestasis

WILZIN® (zinc acetate), indicated in the treatment of Wilson's disease

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A well balanced R&D pipeline

NAME	ORIGINATOR	INDICATION	DEVELOPMENT STATUS
CARBAGLU®	Recordati	Organic acidemias	Approved in EU Phase III in U.S.
ZANIPRESS*	Recordati	Essential hypertension	Filed in EU
REC 0482	Nymox (NX-1207)	Benign prostatic hyperplasia (BPH)	Phase III in US (Nymox) and EU (Recordati)
methadone		Opiate dependence	In registration in EU
		Treatment of cancer-related pain in cases of resistance or intolerance to opioids	Phase III-b in EU
CYSTADROPS®	Recordati	Ocular cystinosis	Phase III in EU
GRASPA®	Erytech	Acute lymphoblastic leukemia (ALL) in patients with first recurrence of Philadelphia chromosome negative ALL	Phase II/III
		Acute myeloid leukemia (AML) in patients >65 unfit for chemotherapy	Phase II-b
REC 1819	Recordati	Overactive bladder (OAB) and Incontinence	Phase I in EU
REC 0438	Recordati/UFPeptides	Overactive bladder (OAB) in patients with spinal lesions	Phase I in EU

* New dosage

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A well balanced R&D pipeline (cont'd)

- CARBAGLU® (carglumic acid), currently approved for the treatment of hyperammonaemia due to NAGS deficiency, approved in Europe and in phase III clinical development in the USA for additional indications in organic acidemias.
- ZANIPRESS® (lercanidipine+enalapril) new formulation containing 20 mg of lercanidipine and 20 mg of enalapril.
- REC 0482 (NX-1207) is a novel patented drug developed by Nymox, currently in Phase III trials in the U.S., which involves a new targeted approach to the treatment of benign prostatic hyperplasia (BPH). The drug is administered by a urologist in an office setting directly into the zone of the prostate where the enlargement occurs. No anesthesia or catheterization are required. A single dose of NX-1207 has been found to produce very promising symptomatic improvements and follow-up studies have shown evidence of long lasting benefit with a significant proportion of men who received a single dose reporting maintained improvement in BPH symptoms without other treatments for several years.
- Methadone, currently used in France, where it is distributed by Bouchara Recordati, as replacement therapy for major opioid drugs dependence. In registration in further six European countries for this indication. In 2012 Recordati started, in France, an open, multicenter, randomized, national Phase III-b clinical study on methadone for the treatment of cancer-related pain inadequately relieved by opioids.

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A well balanced R&D pipeline (cont'd)

- CYSTADROPS® (cysteamine chlorhydrate) are eye drops developed for "ocular manifestations of cystinosis" which cannot be controlled by orally administered cysteamine, specially formulated in a patient-friendly gel form.
- GRASPA® is L-asparaginase encapsulated in homologous human red blood cells. L-asparaginase has been shown to possess a powerful antitumor activity, but this enzyme is highly toxic and a large part of the patient population presents with a hypersensitivity and does not tolerate well the current treatment protocols. This population represents a large currently unmet medical need. Graspa® avoids toxicity and hypersensitivity issues associated with L-asparaginase treatments while maintaining its antitumor activity.
- REC 1819 has a completely new mechanism of action at the CNS level and is also being studied for the treatment of symptoms associated with overactive bladder.
- REC 0436 represents a structurally different class of compounds and is being studied for the treatment of OAB in patients with spinal lesions

First quarter 2013 highlights

- Revenue € 244.6 million, up 11.4%.
- EBITDA € 61.3 million or 25.1% of sales, up 13.5%
- Operating income (EBIT) € 52.6 million or 21.5% of sales, up 10.5%
- Net income € 37.8 million or 15.4% of sales, up 11.8%
- Successful conclusion of the acquisition of a portfolio of products for the treatment of rare and other diseases in the U.S.A.

Composition of revenue

New markets and new products drive growth

(million Euro)	1Q 2013	1Q 2012	Change %
Italy	**62.6**	62.6	0.0
France	**29.4**	32.2	(8.6)
Russia and other CIS countries	**24.6**	13.0	89.7
Germany	**18.2**	16.1	12.7
Turkey	**17.8**	15.6	14.2
U.S.A.	**10.1**	1.2	n.s.
Portugal	**7.8**	8.6	(9.6)
Spain	**7.5**	8.9	(15.7)
Other Western European countries	**6.5**	6.5	(0.1)
Other CEE countries	**8.3**	5.0	64.9
Other international sales	**42.9**	42.4	1.1
TOTAL PHARMACEUTICALS	**235.7**	212.1	11.1
PHARMACEUTICAL CHEMICALS	**8.9**	7.4	20.2

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Main product sales

Corporate products including orphan drugs now account for 44,6% of revenue

(million Euro)	1Q 2013	1Q 2012	Change %
Zanidip® (lercanidipine)	**31.8**	31.3	1.4
Zanipress® (lercanidipine+enalapril)	**14.1**	12.4	13.5
Urorec® (silodosin)	**10.4**	7.6	36.7
Livazo® (pitavastatin)	**5.9**	3.1	88.8
Other corporate products	**18.4**	18.5	(0.7)
Orphan drugs	**28.6**	20.2	41.3

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Significant sales and earnings growth

(million Euro)	1Q 2013	1Q 2012	Change %
Revenue	**244.6**	**219.6**	**11.4**
Gross Profit	159.2	141.6	12.5
as % of revenue	65.1	64.5	
SG&A Expenses	87.1	77.3	12.7
as % of revenue	35.6	35.2	
R&D Expenses	18.5	15.7	17.4
as % of revenue	7.6	7.2	
Other Income (Expense), net	(1.0)	(0.9)	11.3
as % of revenue	(0.4)	(0.4)	
Operating Income	**52.6**	**47.6**	**10.5**
as % of revenue	21.5	21.7	
Net Income	**37.8**	**33.8**	**11.8**
as % of revenue	15.4	15.4	
EBITDA	61.3	54.0	13.5
as % of revenue	25.1	24.6	

Financial position and Shareholders' equity

(million Euro)	**31 Mar 2013**	31 Dec 2012	Change
Cash and short-term financial investments	**50.7**	38.4	12.3
Bank overdrafts and short-term loans	**(107.1)**	(56.0)	(51.1)
Loans – due within one year	**(8.2)**	(8.1)	(0.1)
Loans – due after one year	**(127.8)**	(127.7)	(0.1)
NET FINANCIAL POSITION	**(192.3)**	(153.5)	(38.8)
SHAREHOLDERS' EQUITY	**703.2**	661.4	41.8

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Strategy going forward

Key actions and directions

- **Continue to grow organically and through acquisitions of companies and/or products.**

Primary care business:

The complexity of group structure requires different strategies area by area.

- **Western European markets:**
  - Primary care strongly impacted by generics
  - Development of specialty areas
  - Growth of the OTC business
  - Focus on profitability by optimizing cost structures
- **Central and Eastern European markets, Turkey included:**
  - Growing market environment
  - Opportunities for growth in both the existing business as well as from the acquired portfolios in Russia and in Poland
  - Launch and sales development of all our corporate products

Strategy going forward

Rare diseases business:

A worldwide business to generate sales of around € 140 million by 2015

- Geographical expansion of current portfolio with direct presence to be established in selected markets
- Consolidation of the newly acquired US business
- Continued search for new drugs to be developed is a priority

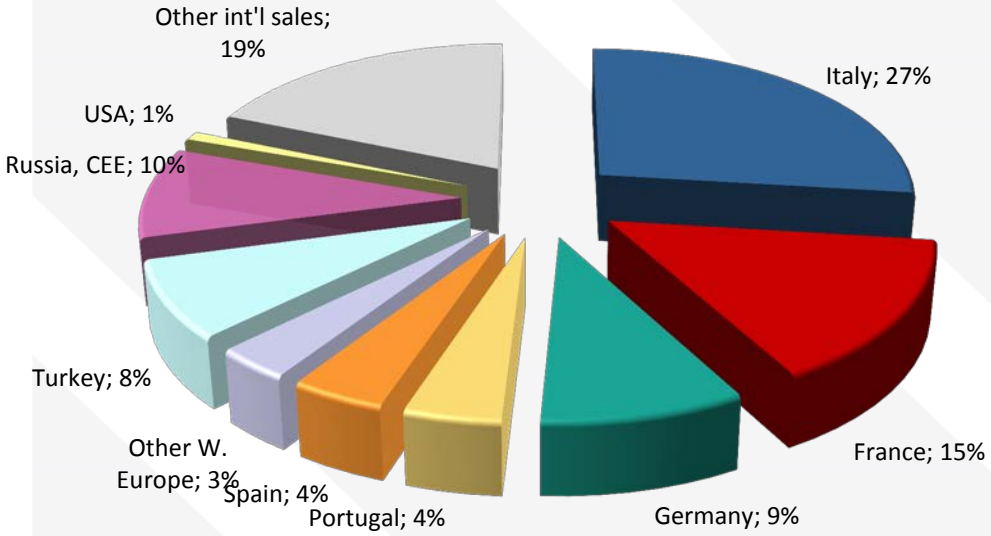
OTC business:

An opportunity to be pursued in all European markets

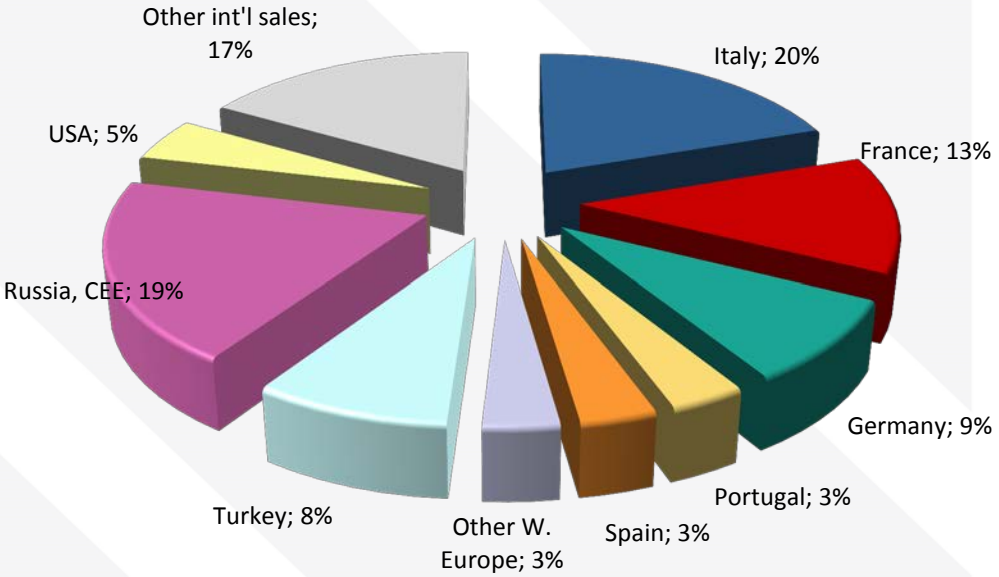
- Existing business reinforced in Italy, Germany, Poland and Russia during 2012
- Continued search for the acquisition of well-known brands on a market by market basis
- Objective is for the OTC business to increase by 50% reaching 15% of sales in 2015

Evolution of geographies

Direct sales in European emerging and new markets to increase to one third of total sales



2012



2015

Pharmaceutical sales

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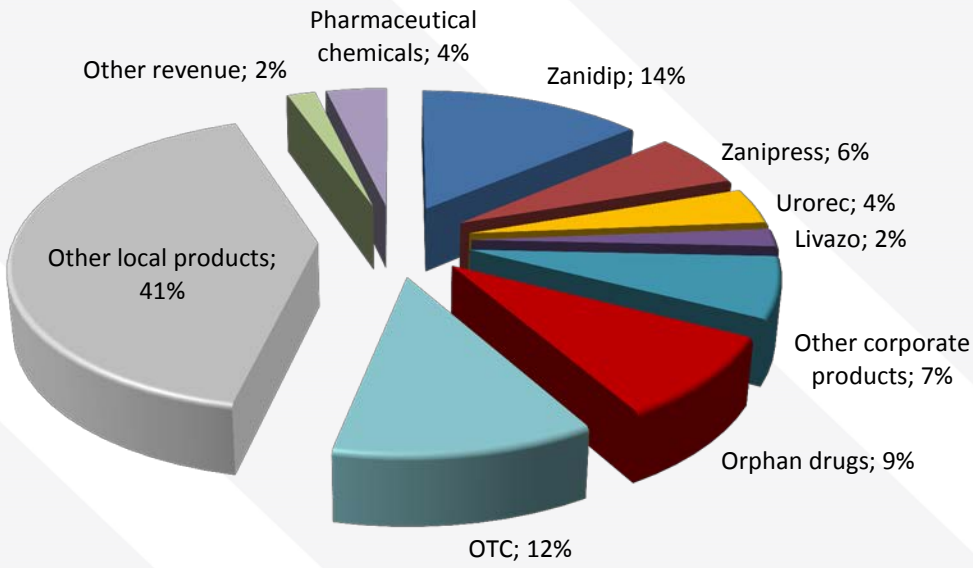
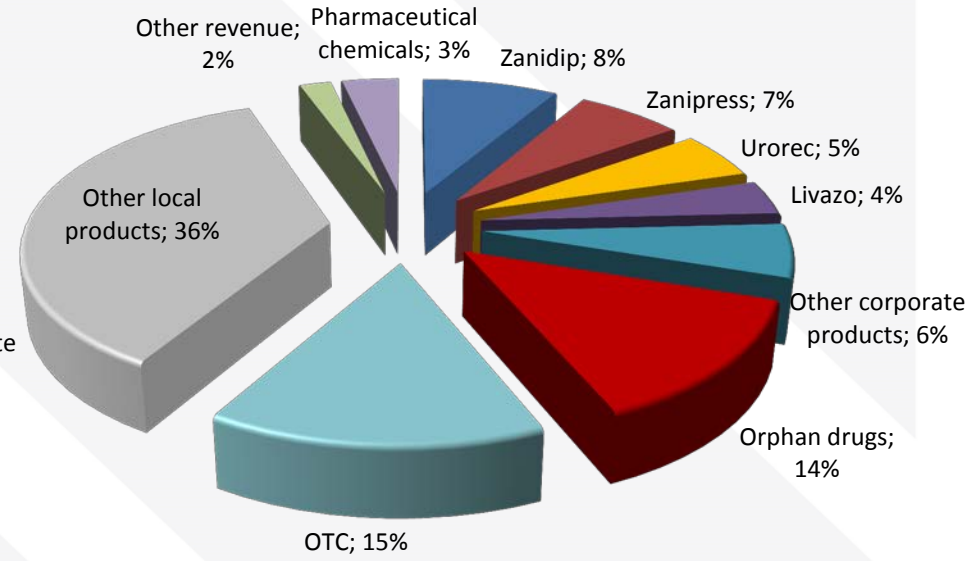
Evolution of product portfolio

Growth of core products and drugs for rare diseases



2012



2015

Total sales

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Financial and investment strategy

- Cash flow, after payment of dividends, to be entirely re-invested for the group's growth
- Dividend pay-out ratio of 50% of consolidated net income to be maintained
- Net debt of around one time EBITDA included in the plan
- Bolt-on acquisitions included in the plan
- Main targets for investments involve the consolidation and leveraging of our current organization

2013 targets and plan for 2015

(million Euro)	2012 Actual	2013 Targets	2015 Plan
Revenue	828.3	~ 930	1,025 -1,075
Operating income (EBIT)	167.0	~ 190	210 - 220
Net Income	118.5	~132	140 - 150

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The Recordati share

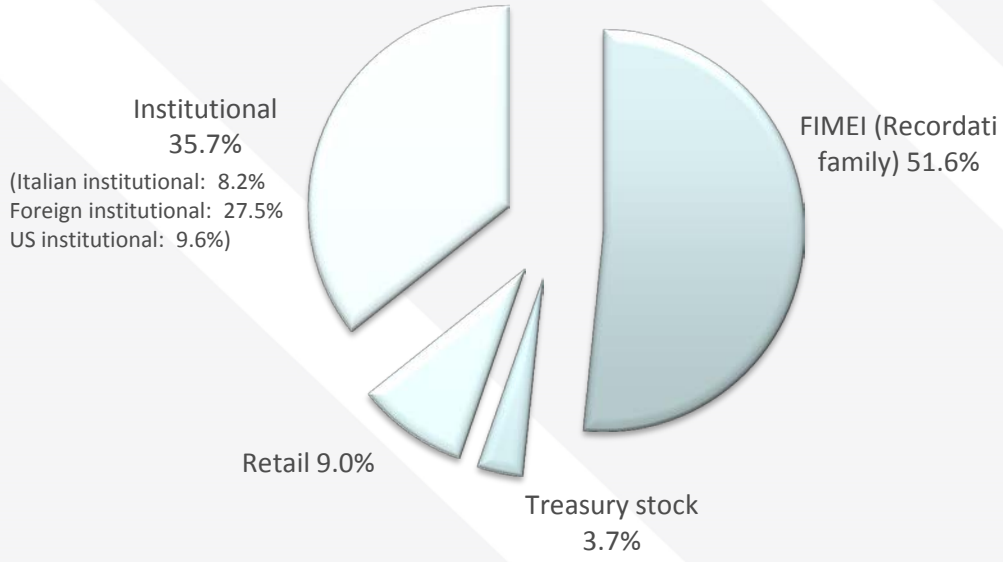
The Recordati share (ticker REC, Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271) has been listed on the Italian Stock Exchange since 1984. It belongs to the FTSE IT Mid Cap and FTSE IT Health Care indexes.

Share capital consists of 209,125,156 ordinary (common) shares with a par value of € 0.125 each.

2012 EPS (diluted): € 0.56

2012 dividend per share: € 0.30

Ownership:



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Company declarations, disclaimers and profile

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 presentation corresponds to the document results, books and accounting records.

Statements contained in this presentation, 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, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271) with a total staff of over 3,300, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Russia, in other Central and Eastern European countries, in Turkey and in the United States of America. A field force of more than 1,700 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 is a partner of choice for new product licenses for its territories. Recordati is committed to the research of new drug entities within the cardiovascular and urogenital therapeutic areas and of treatments for rare diseases. Consolidated revenue for 2012 is € 828.3 million, operating income is € 167.0 million and net income is € 118.5 million.

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