



PRESS RELEASE

ROTTAPHARM: BOUGHT 100% OF MADAUS PHARMA, GERMAN GLOBAL PHARMACEUTICAL COMPANY

The acquisition is the largest European M&A transaction completed by an Italian pharmaceutical company.

The ROTTAPHARM Group, more and more a protagonist of the international pharmaceutical scene.

Monza, 13 June 2007 - Rottapharm, a multinational pharmaceutical group headquartered in Monza, announced today that it has purchased the German company Madaus Pharma, the pharmaceutical division of Madaus Holding, from the financial holding company Droege International Group AG.

The acquisition is the most important M&A transaction completed by an Italian company in the pharmaceutical sector. The deal, expected to close by the end of July 2007, is currently awaiting authorization from the Antitrust authorities. JP Morgan and Mediobanca acted as Rottapharm financial advisors while Carlo Pavesi, of the firm Pavesi-Gitti-Verzoni, acted as legal advisor. Goldman Sachs acted as advisor for the German company Droege International Group AG.

With the acquisition of Madaus Pharma, the new Group, headquartered in Monza, will be active in over 65 countries worldwide with more than 2000 employees, becoming one of the largest pharmaceutical companies focused on the development and distribution of natural pharmaceutical products.

"The transaction is the result of a long and careful evaluation" – commented Luca Rovati, CEO and Vice Chairman of Rottapharm. "This acquisition represents an important turning point for Rottapharm, a further evidence of its vitality and commitment to continuous growth. This is one of the most important acquisitions completed by an Italian pharmaceutical company and we are obviously proud of it."

The new group forecasts to close FY 2007 with consolidated sales of around €610 million (mn), 80% of which from European markets, and an EBITDA of €151 mn (with an EBITDA margin equal to 25%). The industrial plan for the next five years forecasts a revenue of more than 1 billion euro and an EBITDA of ca. 300 million euro.

In terms of product range, the acquisition of Madaus Pharma will enable Rottapharm to combine well-known brands such as Dona, Ananase, Epinitril, Estromineral and Saugella, with 12 new leading brands that include Agiolax, Reparil, Legalon and Ben-U-Ron, thus entering new pharmaceutical segments.

Lastly, in terms of international expansion, the Rottapharm Group will strengthen its presence in Germany, Spain and Portugal (where it will become the largest pharmaceutical company) and enter new countries among which Belgium, Austria, South Africa and India.

Prof. Luigi Rovati, Chairman of the Group concluded: "The intense work, the constant commitment, the bent to international development are all elements that have been distinguishing Rottapharm since its founding and have made it possible to successfully conclude this transaction, beating out significant competition. We have dedicated ourselves to this goal with great courage and determination. We knew that Madaus was an ideal partner for Rottapharm as the companies share the same goal, i.e. the perfect integration of scientific research with international expansion".

Rottapharm is an Italian multinational pharmaceutical group, headquartered in Monza. The Group has a strong foothold in Germany, Spain, Portugal, France, Ireland, Russia, Poland, The Czech Republic and Slovakia, with branches in over 60 countries worldwide. Rottapharm has a leading standing in the **rheumatology** field thanks to **Dona** (Glucosamine Sulfate), the first pharmaceutical product proved to be effective in slowing down the progression of osteoarthritis.

Since its inception, Rottapharm has been primarily focusing on research. Over the past few years, the Rottapharm Research Center has synthesized more than 5,000 molecules and registered patents for innovative drugs. In 2000, following the acquisition of the **Saugella** and **Babygella** brands, the Group entered the consumer health sector and became market leader in personal care products sold in pharmacies, ranking second in Italy and sixth in Europe.

In terms of economic results, in 2006 Rottapharm reported sales of €286 mn and an EBITDA of €89 mn (EBITDA margin equal to 31%), with profitability levels among the highest in the sector. Thanks to the growth strategies that are focused on both organic and external growth, over the last few years Rottapharm has reported a CAGR slightly above 11%.

Madaus Pharma, with headquarters in Troisdorf, near Cologne, is one of the primary German pharmaceutical companies devoted to the development and distribution of natural pharmaceutical products. Founded in 1919, the company boasts a long-lasting experience in the pharmaceutical sector and has developed an impressive portfolio of proprietary and licensed brands that include Agiolax, Reparil, Legalon and Ben-U-Ron.

Following a thorough reorganization, Madaus Pharma has recently reported a positive growth trend closing 2006 with sales of €265 mn and an EBITDA of €44 mn (EBITDA margin equal to 16.6%).

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