



VALUE REPORT 100+3 2009

To all of you who in reading this wish to accompany us along the “path of values” we have undertaken, we dedicate this Value Report 100+3.

“Diversity” is the key word to reading our Value Report which picks up the 6 year path that we began together last year starting with the letters in ZAMBON. After our exploration of the letter Z as in Zambon history, this year we shall dwell on the letter A as in Authors and persons, in the Zambon “gens”. Authors as people who can express thoughts, experience, sensitivity and different cultures. Where else other than in an enterprise is it actually possible to give life to the value of productive diversity and to the constructive contribution of the many authors to one same, sole project? We believe an enterprise is founded on a fabric of values that we all have in common without distinction, neither territorial nor geographical, neither gender nor colour, let alone professional status.

“All of us - top management, managers, officers, clerks and the work force – the life centres of this great corporate organisation, who still today do not feel that we have yet achieved our final accomplishments – must continue to feel equally committed to continuing industrial progress because the wellbeing of each one of you depends on it.”

*Gaetano Zambon, Lavarone,
June 17th 1956*

The message of Martin Luther King adopted as its own by a “company community” like Zambon is an invitation to overcome friction and divergences in the light of higher goals – the protection of “common well-being”. An ambitious goal, but one which can be pursued, we believe, in complying with the set of rules and regulations which, in setting some necessary boundaries, guarantees freedom for an exchange of views and dialogue that allows us to embrace and enhance the differences. We must

be aware that not accepting and integrating diversity means not recognising dignity and that same respect for any human being who deserves it merely by his very nature. The teachings of Martin Luther King then become clearer: anyone “different” should be loved just for those differences which we perceive as “diversity”. This enables us to gain experience along that virtual path which leads from effort to acceptance, from this to suspension of judgement and then to an openness to change which welcomes without rejecting and which finally arrives at curiosity and the enrichment of the encounter.

This year we wish to reflect with you upon the possibility of interpreting each person and each relation in a different way – of acknowledging the value of the cultural differences present in the company so that each one is able to offer a “unique” and valuable contribution to the success of the enterprise.

Diversity then is understood in its interpersonal and cultural dimensions, that is, where different sensitivities and intelligences, handicaps and talents, including ceremonies, customs and traditions characterising the various contexts of belonging enter into communication and may become sources of valorisation and enrichment in giving continuity to a “company community”.

These may seem to be abstract themes but they are actually very concrete realities and concern us very closely. We are thinking, for example, about the research field. In our sector specifically. Creativity – like curiosity, courage, an openness to the new, to the diverse and the different – is the ideal “active ingredient” for innovation in our field. It is the catalyst in processes and projects that become concrete and develop because they were able to embrace the novelty that each individual is and possesses. Sometimes this openness to difference might make us feel weaker in the face of our certainties to which we are jeal-

ously attached but, conversely, it could well create new ones which we may draw upon for new vitality and nourishment.

Diversity, although it may appear not to concern us, in reality belongs to our daily life and lies within us. We are all diverse. This ought to make us reflect on the fact that in diversity – in our diversity and in the diversity of others – lies the only opportunity that we have for originality and uniqueness. Let us try then to have faith in ourselves and in others, in the differences that we are and represent. Let us go deeper in this exploration. Let us try to valorise the different ways of having and expressing talent, the different potentials that each one of us possesses and that may take different forms depending on the history, personal and professional training, character and the life experiences that have made us what we are.

Let us all try to do it together, for all of us. Because:

“We are all caught in an inescapable network of mutuality, tied into a single garment of destiny. Whatever affects one directly, affects all indirectly.”

Martin Luther King

We are more than ever convinced that for an **integrated company like Zambon**, the same vision of culture and values must not mean a flattening of our ways of thinking and acting. That is why for us appreciating and embracing the richness of diversity means giving value to difference in a spirit of mutual respect.

*Un grazie a voi tutti
per continuare questo percorso
di crescita*
Elisa Zambon

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THE SIGNIFICANCE OF DIVERSITY IN OUR COMPANY

Diversity, the differences: **a strength**

In a context where the increasing diversification of clients and markets is the rule, where new working procedures are being introduced into companies and new interactive procedures are developing between the various organisations, it becomes ever more strategic to identify and enhance the cultural, personal and professional differences expressed and brought into play by each individual.

Enhancing the value of each person and each relationship in the light of his or her specific *difference* for us means making it possible for each one to offer his or her “unique” and “original” valuable contribution to the success of the company in its entirety. **Taking *differences* as our basic premise enables us to serve diversified customers and markets and to guarantee a continuous, innovative and distinctive flow.**

The ample differentiation of talents, approaches and skills within a team translates into a greater capacity for understanding new needs and developing innovative solutions.

What differences then?

Those differences, interpersonal (sensitivity, intelligence and character) and sociocultural (ceremonies, customs and traditions) that characterise people and that, instead of dividing, can come together to begin and provide continuity and a future to a “company community”. Each one for his or her own part. Each one according to his or her own talent.


Being authors, then.

People able to express thoughts, experiences, histories and different cultures. But able people with ideas, actions, projects and common goals. This is the challenge facing a “company community” today – to take a fabric of common values as its basis where the co-existence of differences allows growth, freedom, knowledge and enrichment for all the people who bring it to life.

One story, different authors. This is our way of embodying a “company community”. This is the key to interpreting and entering into the spirit of this year’s Value Report.

A new path: **a “different” witness**

From Gandhi to Martin Luther King. From the strength of humility to the strength of difference. Passing from one witness to the next along our ZAMBON “path of value” which, in this second year, has taken us from the **Z** where we looked at our history and our identity to the **A** of our authors and our people. Following what has now become our tradition, we



shall have another “great man”, Martin Luther King, to accompany us in a continuity of thought – a man who has surprised us with his words:

“Like most people, I had heard of Gandhi... As I read I became deeply fascinated by his campaigns of non-violent resistance... I came to see for the first time its potency in the area of social reform.”

Martin Luther King

Mahatma Gandhi and Martin Luther King are two very different persons; they belong to different realities and times, to corners of the earth so far away from each other and yet they were clearly *authors* writing the same story – that of a world founded on dialogue, on coexistence, on pluralism and on non-violence.

The strength of these *different* ideas is still disturbing today, even for us. Gandhi was able to raise the ethic of love above individual relationships and to transform it into a large scale social force.

Each and every action of his, every word was focused on the creation of harmony between cultures and individuals.

“I don't want my house to be walled in on all sides and my windows to be stuffed. I want the culture of all the lands to be blown about my house as freely as possible.”

Mahatma Gandhi

Martin Luther King, hero and champion of the disinherited always put his life on the line in the attempt to overcome any sort of ethnic prejudice. There is something different about their testimonies, in their thoughts that we should make our own and reaffirm today in the context in which we live, with renewed vigour. **Martin Luther King taught us, testifying in his own his life, how to live in diversity and how to give value to the differences.** To explain his vision of society and the world, beyond races, nations, classes, religions and cultures, he often used the metaphor of the world as his “own home”, of the world as his “own neighbourhood” and the “beloved community” and alluded to a totally integrated “family”, respectful of differences, founded on love, on mutual acceptance, justice, coexistence and shared power:

“We have inherited a big house, a great world house in which we have to live together, black men and white men, easterners and westerners, gentiles and Jews, Catholics and Protestants, Muslims and Hindus. A family unduly separated in ideas, culture, and interest, which, because we can never again live without each other, must learn somehow, in this one big world house, to live with each other.”

Martin Luther King

Enhancing diversity: how to make the difference

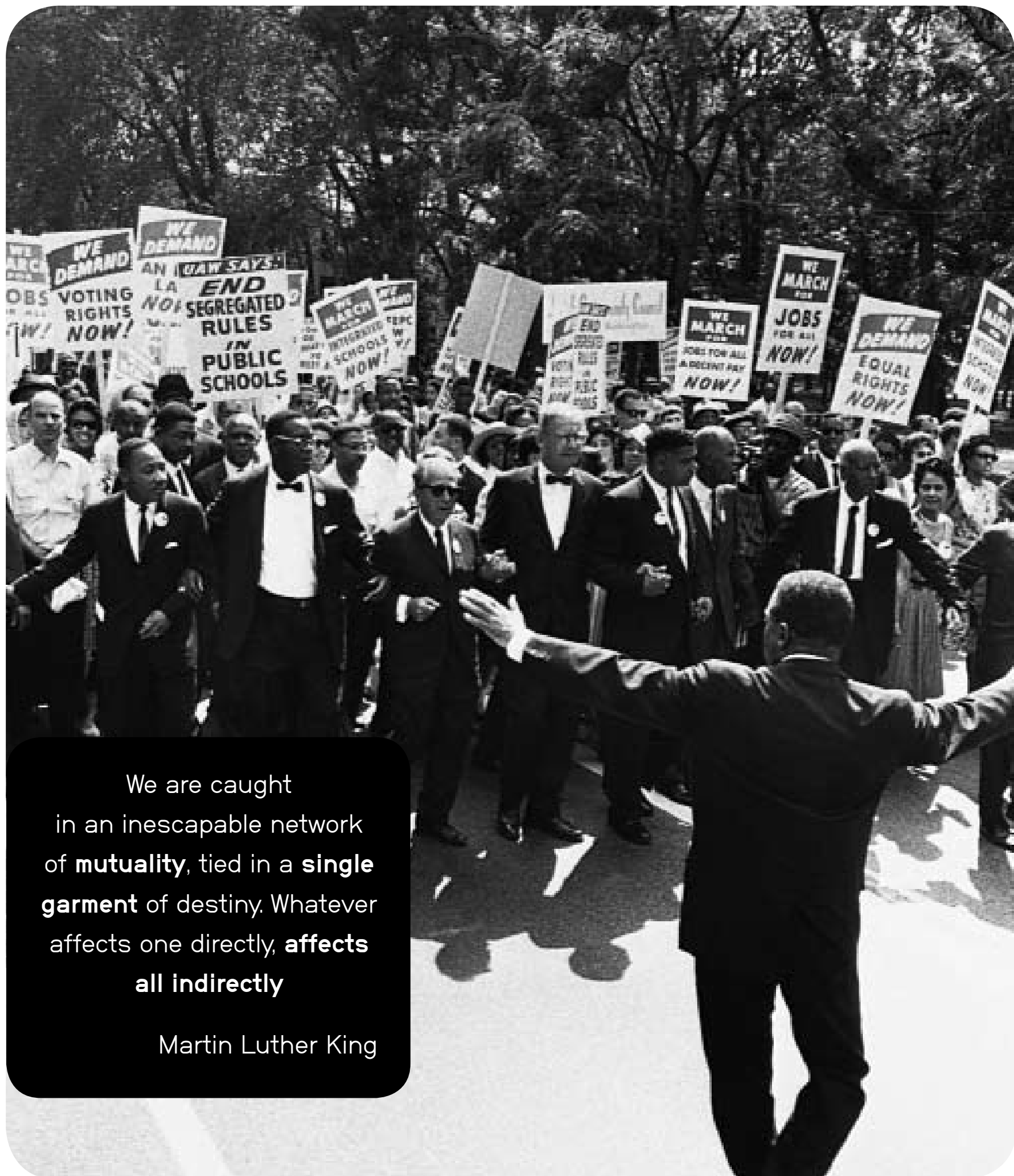
The essential point for we who wish to and must allow ourselves be inspired by his vision is that differences are a strength – **a vital richness that changes you continuously** – and not a weakness or an obstacle. The key-note for all of us then is to create and consolidate the conditions which will enhance and harmonise these differences and to channel and distribute the positive energy they release to the benefit of the whole community.

Being different: in the first person

“Different”, as we well know, can mean something new, unknown, something never experienced. The idea of “different” because of culture, religion, race or mentality always arouses contrasting feelings – of curiosity, rejection, fear, puzzlement, opacity, and of attraction. But who is the “different” one? To understand this, we need only **start with ourselves** and our difficulties in recognising our most “authentic” resources, with our modesty in hiding those abilities of ours which to us seem so unique but unappreciated.

“Be the best of whatever you are. Try to discover the design you are called to be; then, with passion, try to realize it”

Martin Luther King



We are caught
in an inescapable network
of **mutuality**, tied in a **single
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Martin Luther King

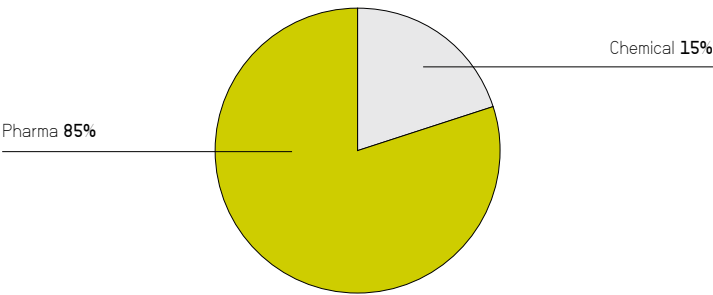
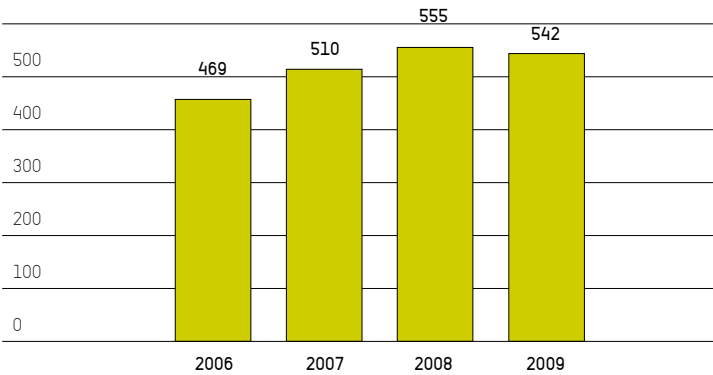
FACTS AND MAIN RESULTS

2009 was a challenging year which taught us some useful lessons. The overall turnover for the year reached € 542 million. The gross operating margin was € 105 million. Operating income was € 76 million with a net working capital of € 31 million and the financial situation was positive at € 72 million. **Zambon SpA**, the pharmaceutical arm with its € 464 million, was a source of great satisfaction while the fine chemicals sector felt the effects of a difficult year. The turnover in the pharmaceutical sector grew by 4%, mostly due to the respiratory area which benefited from the widespread effects of the flu pathology where our products played a prominent role in caring for people, assisted as well by the launch of new combinations of drugs which were well received by physicians and patients in treatment. On our innovation front, an important research project on pain was begun and **Zcube**, the Group Research Venture, also achieved some very good results in signing major agreements for innovative programs which are already under way in the field of drug delivery with the Hebrew University in Jerusalem and with QB3's Mission Bay Capital fund. At the same time better cost allocation has allowed us to maintain profitability at the levels of preceding years while we continue to make important production investments.

Our chemical company, **Zach SpA**, absorbed the strongest effects in 2009 from the acquisition in 2007. Sales amounted to € 112 million partly as a result of a restrictive measure affecting some of the production lines at the Avri  . The measure taken by the American FDA because of some operational procedures in place until the end of 2007 resulted in a stoppage on some production lines during the second half of the year while technical adjustments were being made to comply with regulatory norms; this had a consequent downward effect on the turnover. At the same time, however, the high quality standards of our main plant in Lonigo were once again recognized during the visits of our most important clients. At the beginning of 2010 the Lonigo plant was inspected by the American Federal Drug Administration for the eighth time and satisfactorily concluded with no warning note. The negative effects involving the French chemical company were due to having underestimated the complex difficulties of integrating two companies with different business cultures and approaches to values. Experience once again confirms the need to maintain uniformity and consistency in behaviour and to comply strictly with the most stringent rules in making our choices. Integrating different

people, mentalities and cultures and initiating transformation processes may mean taking a path together guided by a new vision of the future, following a road that may sometimes be long and wearying. It may, however, over time, lead to the most generous discoveries and results from the business and human point of view. In reading over the main events of this year, you will therefore find many satisfactions as well which are the fruit of the commitment which we all renew in our daily work.

CHARACTERISTIC CONSOLIDATED TURNOVER 2009
million Euros



TURNOVER BY COMPANY 2009

Pharma: Zambon SpA (consolidated)	
Revenues 2009:	� 464 million
EBITDA 2009:	� 116 million
EBIT 2009:	� 102 million
Net working capital 2009:	� 32 million
Employees at 31.12.2009:	1901
CHIMICA: Zach System SpA (consolidated)	
Revenues 2009:	� 112 million
EBITDA 2009:	� - 9 million
EBIT 2009:	� - 21 million
Net working capital 2009:	� 28 million
Employees at 31.12.2009:	483



THE PHARMACEUTICAL BUSINESS: ZAMBON SPA

Zambon's values
for offering
products, services
and solutions for
breathing well and
living well

The uncertainty of a static **scenario**

The second half of 2009 saw some gathering signs of economic recovery in the world but many doubts and uncertainties on its actual sustainability persist: large unknowns continue to cast doubt on the state of the economy in the major industrialised countries (the job market being one of the foremost). The improvement in the recession encouraged by measures to stimulate the economy taken by political and monetary authorities often proves to be fragile and uneven, penalised in various countries by a deterioration in the job market which impacts directly on consumer spending. Based on the prime indicators in 2010 the prospects for the current year point to an **uneven scenario in various areas in the world**; the growth rate of the emerging markets which was interrupted for a few quarters is now recovering well and in the U.S.A. the flexibility of the industrial and financial structures is bringing growth rate estimates up to around 3%. In Europe, unfortunately, the more rigid system and the lack of coordination of industrial policies among the various countries once again illustrates the difficulties in achieving a growth rate comparable to that of the Americans. The crisis in the financial system which in 2008 had cast doubt on the solvency of various companies in the sector seems to have passed due to massive public funding by governments although problems relating to irrecoverable credits included on bank financial statements have not been solved. Now government debt seems to have become emblematic of the crisis, and the Greek crisis at the beginning of the year sounded an alarm bell for all countries that are unable to achieve prudent management of public accounts.

Despite the challenging economic situation, in 2009 the world pharmaceutical market, **a sector traditionally described as anti-cyclical par excellence**, managed to maintain its growth rate in terms of both volumes and value at 7%, much above the forecasts at the beginning of the year with an absolute value of € 513 billion.

In the **United States**, where market value reached € 204 billion, strong health demand and lack of price regulation were factors with the greatest impact on turning around the negative forecasts made at the beginning of the year with a noticeable influence on the global closure of the market. The mature **European markets** closed 2009 with a growth in value of 3% achieving an overall value of € 137 billion despite the usual actions on the part of governments to contain pharmaceutical spending. The countries where Zambon is present in this geographic area enjoyed the same growth rate.

The behaviour of the group of emerging countries that contributed conspicuously to global growth with a 15% increase and recorded a value of

€ 95 billion was very uneven: some countries maintained their usual double digit growth rate (China, Brazil and India), some countries suffered a large decline in consumption further aggravated by the foreign exchange effect (Russia) and countries with large-scale cost containment measures like Turkey.

The therapeutic segments confirmed their usual vitality both in the high consumption segments involving pathologies relating to the aging population (cholesterol, respiratory illnesses, hypertension, diabetes and osteoporosis) and the high value specialistic segments where innovation plays a fundamental role (oncology, immune-complex diseases, vaccines and ophthalmology).

In this market context, the great pharmaceutical multinationals distressed by the significant imbalance between the loss of their blockbuster patents and the introduction of new products are setting in place diversification strategies such as geographic expansion and a broadening of their portfolio. The large generic companies are instead riding the crest of the wave of this favourable moment.

Middle-sized companies gaining strength in all the macro regions of the world (the United States, Western Europe and the rest of the world) confirm that they are growing faster than their market of reference.

How the pharmaceutical business grows

In 2009 Zambon recorded a total net product revenue of € 464 million with an increase of 4%, plus 16 million over the previous year, in spite of the entry of the generic product in the last quarter of 2009 competing with one of the main products in the women's health area, Monuril,

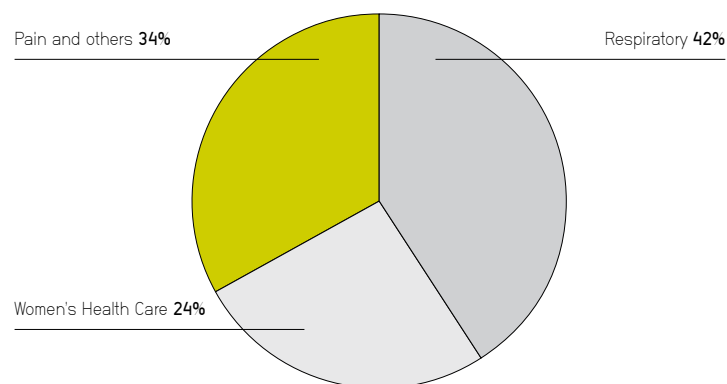
That growth was driven by the substantial development and consolidation of the mature countries such as Italy +4%, Spain +8%, France +8% and Portugal +18%, partially balanced by a weak performance in the emerging countries where the economic crisis has had greater impact.

Specifically, the emerging countries that suffered most heavily from the economic slump were Brazil with a drop in revenues of 6% compared to the previous year where the impact was due to a reduction in stock in the distribution channel and by an unfavourable Real/Euro exchange rate and Russia with a 20% drop in revenues which can be basically attributed to the devaluation of the Rouble against the Euro.

Good growth in the mature countries was also driven by the pathology with H1N1 flu symptoms (swine flu) which appeared in the late autumn (with a peak in the month of November 2009 compared to a peak between January and February in the previous years).

The continual price erosion, especially in the mature markets, led to a dip

SALES BY THERAPEUTIC AREA %



in Spain as well as in France, specifically due to the reduction in price of Monuril, while in Italy the effect of the price cut suffered by Monuril due to the entry of a generic drug was felt as early as October. This price erosion was partially mitigated by price increases in Brazil and Russia but it was more than offset by the substantial growth of volumes in those same mature countries – Spain +7 million, France +4 million and Italy +4 million.

The therapeutic area which was the greatest contributor to the growth of turnover in 2009 was the Respiratory area (+7% compared to 2008) followed by Pain (+8% compared to 2008) while the women's health area suffered a drop (-3% compared to 2008) due to the entry of the generic drug in Italy having repercussions on Monuril in the last quarter of 2009 as well as the Monuril price cut by the French Ministry of Health.

The performance of the **Respiratory** portfolio was sustained by a pathological effect arriving earlier than the previous year combined with the influenza A epidemic. In addition, the launches of sugar-free Biocalyptol (cough suppressant) in France at the beginning of 2009 and of Fluimucil Complex (a combination of NAC and paracetamol) in Spain in the last quarter contributed to growth in this segment.

The continuance of Fluimucil advertising campaigns aimed at consumers in Italy, Spain, France and Russia contributed to strengthening the brand's trend and defending market shares in the OTC segment. Italy holds first place in contributing to Fluimucil's good performance (+14% compared to 2008) where, due to production reasons, it had suffered a stock shortage for Fluimucil antibiotic, then Portugal with +16% and Belgium with +8%; in the emerging countries China registered a 33% increase due to the launch of the OTC project.

The growth of Rinofluimucil was mainly driven by France (+13% compared to 2008) whereas there was a significant drop in Russia (-17%

compared to 2008) following the strong recession and the devaluation of the Rouble. The first semester launch in France of Rhinomaxil (beclometasone, nasal decongestant for allergic rhinitis) significantly influenced overall growth. In the cough suppressant segment the 19% strong growth over 2008 was due to consolidation in the mature markets with the launch in France of sugar-free Biocalyptol and good growth of Seki/Flutox in Spain which registered increases of 16% and 15% in Italy. Development was more contained in the emerging markets with a growth of 2%, where Brazil showed a 3% increase.

In the **Pain** area, excellent performances marked Pontalsic launched in Spain in September 2008 and Spedifen (a 4% increase over the previous year), with growth reported in France and Belgium and a launch which took place in Russia. The good performance of Durolane (especially in hospital channels) is reported in Spain with a growth of 16% over 2008. Among the extensions of lines in the OTC sector, with the launch of Espididol 400 mg in Spain the subsidiary entered the market of self-administered analgesics.

In the **Women's Health Care** area, Monuril suffered a drop in turnover due to the entry of the generic drug in Italy and to the effect of the price cut in France with a decline in turnover of 6% although the product continues to perform well with increases of 9% in Spain, 9% in Belgium and 22% in Portugal. In the first half of the year this segment saw the launch in France of Monurelle-Cranberry + Vitamin C as a preventive of recurrent urinary tract infections followed by Spain and Italy at the year's end. In the Netherlands the Emselex in licence for the treatment of urinary incontinence was launched.

Among the products not strictly related to the above categories, CodexUltralevura turned in a good performance as a result of its launch in Spain. The local non-proprietary products were also noteworthy with the excellent performance of Forlax (Macrogol) in the Netherlands (in licence from the French company, Ipsen) with a growth of 9% and of Zanidip (in licence from Recordati) with a growth of 15% in Belgium where Zanicombo (Lercanidipine and Enalapril) was also launched.

The Toll Manufacturing business producing sophisticated specialty products for third party customers with a growth of 2.7% over the previous year posted an overall turnover of € 27.4 million.

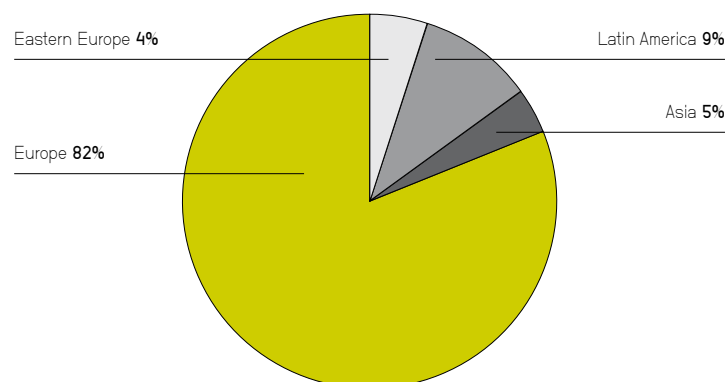
Zambon's main markets

Italy is the main market for Zambon Spa with an overall turnover of € 119 million representing a growth of 4% despite the entry of a generic drug competing with one of its main products in the women's health area, Monuril. The substantial increase in the sales volume was specifically

driven by the Fluimucil brand with a growth of the antibiotic, the consolidation of Giasion antibiotic launched in 2008 and the good performance of Ismigen.

Spain is the second market for the group with an overall turnover of € 101 million and a growth rate of 8%; the loss caused by the price cuts to Flumil in the respiratory segment and Espidifen in the pain segment, the latter impacted by the aggressive competition of generics was fully offset by the robust growth of the rest of the portfolio and especially with Flutox, Monuril and the successful launches recently of Pontalsic and Ultralevura (saccharomyces boulardii to rebalance intestinal flora).

2009: THE MAIN MARKETS IN %

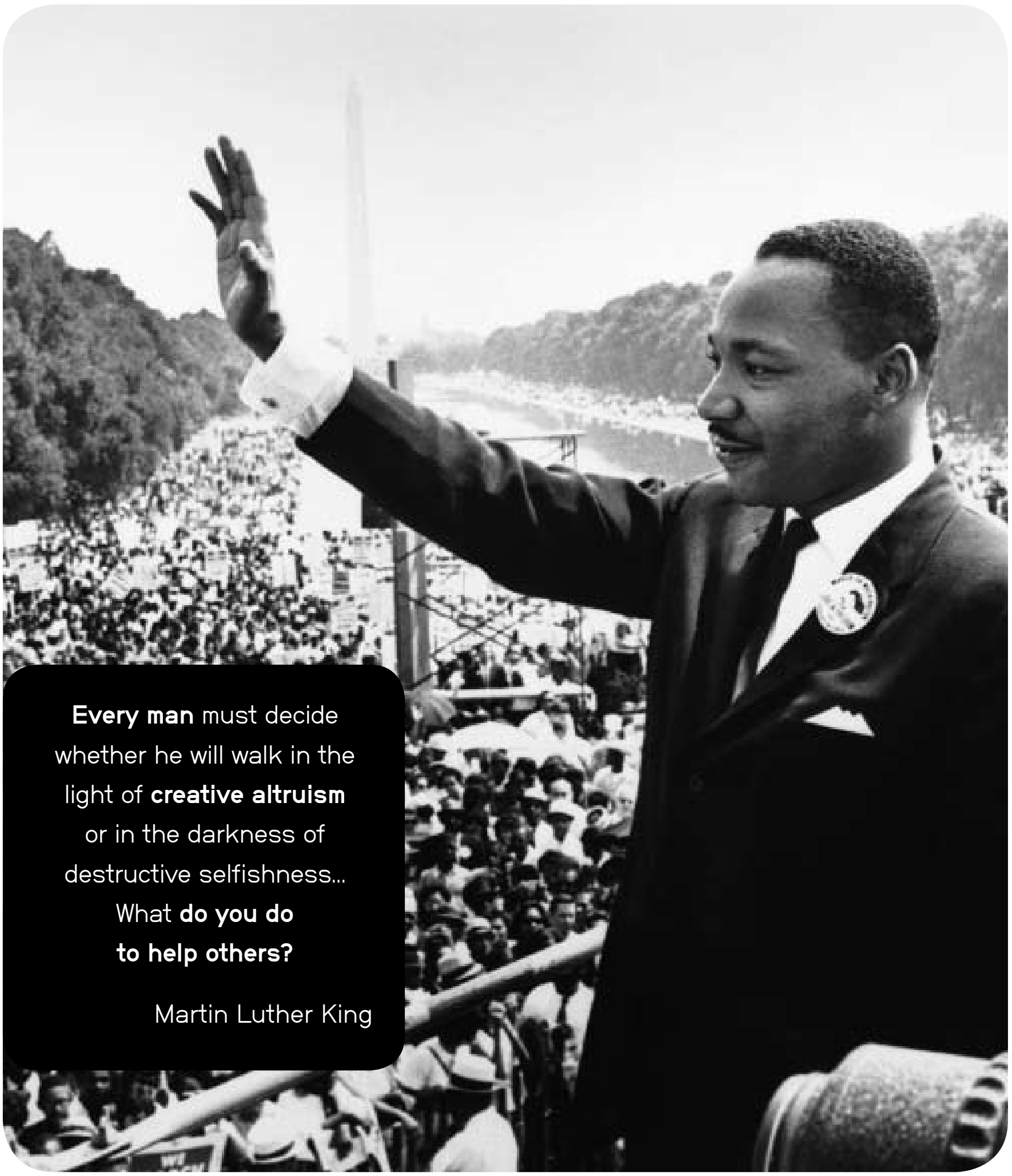


France posted total revenues of € 77 million marking an increase of 8% over the previous year.

The substantial growth in both the analgesics market due to the consolidation of Spifen and to the contribution of Spedifen which since 2008 has been the second brand in the OTC Ibuprofen market and in the respiratory market supported by two significant launches of sugar-free Biocalyptol and Rhinomaxil completely offset the effect of the price cuts to Monuril in the women's health area and to Spifen in the pain area.

Belgium posted a growth of about 7% with total revenues of € 24 million where the large growth of Zanidip (in licence), Spidifen and Monuril offset price reductions on Dolzam (in license) and all the other refundable drugs. In the **Netherlands** growth has risen by 7% through the contributions of Forlax, Lerdip, and Fluimucil and the launch of Emselex.

Growth was brilliant in **Portugal** as well where the increment of 18% generated revenues for a total of € 9.1 million, due mostly to the substantial growth of Fluimucil after dereimbursement when it became an OTC product.



Every man must decide
whether he will walk in the
light of **creative altruism**
or in the darkness of
destructive selfishness...

What **do you do**
to help others?

Martin Luther King

The subsidiaries in the emerging countries recorded a dip, however, with the exception of China which posted an increase of 20% and Indonesia of 14.5% over the previous year.

Brazil and **CIS**, the Confederation of Independent States, in particular, were the countries that suffered the most from the global economic slowdown. Brazil, in fact, experienced an approximate 6% contraction in revenues which were impacted by the unfavourable exchange rate of the \$Real against the Euro.

The contraction of revenues in Brazil in spite of the price increases was mostly due, on the one hand, to the reorganisation and concentration of the distribution channel combined with a high penetration of generics (specifically brand-name generics) and, on the other, to production problems related to the transfer of production to local producers with consequent stock shortages.

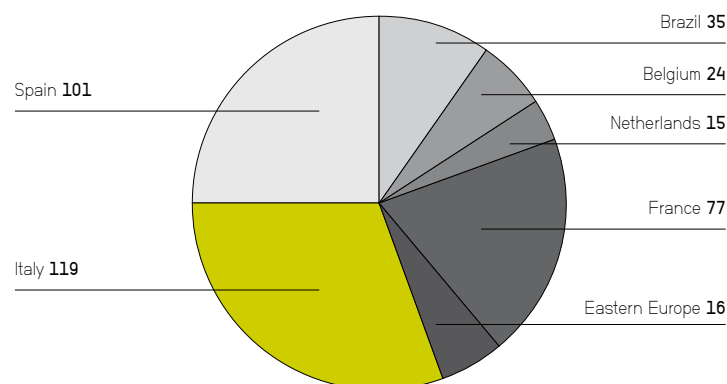
The turnover of **CIS**, the Confederation of Independent States, underwent considerable downsizing with a 20% drop; this contraction was driven prevalently by the Russian economic slowdown combined with the devaluation of the Rouble, the contraction of consumption and the purchase of brand name drugs.

In **Colombia** as well there was a slight revenue reduction of 1.5% due to difficult market situations where the price increase was not able to offset the contraction in the sales volumes of reimbursable drugs.

The **distributors** business consolidated its results for 2008 demonstrating good growth in markets both in the Far East with a 10% increase in turnover compared to the previous year and in the Middle East with an 8% increase: this trend was particularly enhanced by the contributions of Singapore, the Philippines, Malaysia and Turkey.

The slight 1% dip in Latin America nevertheless showed excellent growth in Ecuador and the Dominican Republic. European distributors demonstrated a growth of 20% over the previous year with good results especially in Germany. Eastern Europe's slight drop was determined by the change of some commercial partners, particularly in Romania. The markets of North Africa encountered difficulties, specifically with distribution and contractual problems in Algeria and the French export division also registered a less positive performance.

SALES BY GEOGRAPHIC AREA IN MILLIONS OF EUROS



Our way of innovation research

Innovation & Medical Sciences continued to further develop the line of pursuit begun last year.

The new organisation gave accelerated impetus to the development of the new product pipeline: Zambon concluded an agreement for the development of a semi-synthetic molecule patented by Indena (a world leader in research and production of pharmaceutical active ingredients of botanic origin) for pain treatment in rheumatic, orthopaedic and traumatological disorders which will be managed by Zambon. The results bear witness to Zambon's determination to invest in **Research and Development** activities in accordance with a model that allows it to identify and focus on important projects including pursuing targeted collaborations with other companies, minimising drug discovery risk while seeking the best return on its investments.

After finalisation of the agreement with the Indena company, three other agreements for product development in the respiratory and pain areas were finalised and formula development, pre-clinical and clinical work began.

A panel of senior scientific experts was established to encourage specific elaborations of particular technical aspects on such matters as toxicology, formulation, pharmacokinetics and metabolism.

Among the research and medical affairs activities supporting already existing products, two research projects were concluded, one in the area of pain therapy with specific focus on IBA (ibuprofen arginine) and one on Monurelle, both with positive results which are being published in English magazines. Another work was presented on the results of the IFI-GENIA study with NAC (N-acetylcysteine) in pulmonary fibrosis already published in the New England Journal of Medicine which further raised

the profile of the efficacy of high doses of NAC. With the coordination and support of Medical Affairs, three multicentric studies on high dosage NAC were begun, two in China, both on COPD, and one in the USA on idiopathic pulmonary fibrosis.

The work of revision and updating of our product dossiers continued and the completion of the Seki syrup updating allowed us to present applications for authorisation in Russia and China and for Spedifen 200 and 400 in China.

Programs were completed on the new NAC syrups, on new 600 mg oral odourless tablets to be swallowed and on IBA 400 mg tablets. Other IBA projects have begun on new presentations aimed at new market targets or at strengthening and improving current presentations. In the latter half of the year an important project on new formulations for Fluimucil anti-biotic got underway.

Quality Assurance activities were particularly intense in both the revision and update of the corporate SOP (non-prescription) and in the audits of subsidiaries, experimental centres and CROs, in the medical and regulatory activities for renewals and new registration of distributors and in Pharma Technology activities. Quality Assurance also ensured the maintenance and revision of dossiers, contributed to improvements in the dosage technologies of our drugs and of local products as well and supported development and life cycle management projects.

The programs encouraging the scouting process proceeded satisfactorily and through participation in two international partnering conferences and in BioEurope and BioEurope Spring as well we were able to assess a significant number of opportunities which are now at the stage of more thorough examination and analysis.

Business Development & Licensing activities saw the department engaged in seeking new opportunities in synergy with its therapeutic areas and to support local portfolios for the purpose of expanding the short and medium term product list.

This led to the signing of 8 new product agreements in Spain, France, Brazil, Indonesia and the Netherlands. Particularly important was the agreement with Chiesi for Rinomaxil (Beclometasone) for France. Our organisation conducted numerous due diligence operations and held discussions on product in-licensing and we expect that negotiations may see a positive outcome in 2010.

Assessment of opportunities for the acquisition of companies in European markets intensified while attention also focused on opportunities in territories outside Europe.

In 2009 in-depth assessments were begun on multi-country or global products and companies in line with the development of the portfolio on which our efforts are concentrated.

Lastly during the year an out-licence agreement was finalised for the fruit

of our research, the ACENEP product, and an exclusive worldwide licence for veterinary use was granted.

How we live the **organisation** in Zambon

During the course of 2009 the company re-organisation of our subsidiaries abroad and the distributor market begun in the last quarter of the previous year came to its conclusion. The core countries were re-defined as Italy, Switzerland, Spain and Portugal and France with Belgium and the Netherlands and included the entry of CIS, Brazil and China which are increasingly important markets for our business. At the same time, in order to maximise the efficiency of commercial distribution policies, the distribution networks in Europe, Colombia and Indonesia were grouped under one management and they in turn are responsible for the distributor network for Central and South America and the Far East and for the progressive coordination of the activities of business development and operations in the countries of francophone Africa.

During 2009 the **Manufacturing and Supply Chain** completed its program of analysis and assessment for the optimisation of production assets and of the procurement and distribution model (Manufacturing Master Plan) for the production sites in Vicenza, Cadempino (Switzerland) and Haikou (China) and the valorisation of third party manufacturers.

In order to make the production chain more effective, the existing freeze-drying department at the Vicenza site was boosted and construction on a new liquids department was completed in anticipation of the increase and absorption of volumes which are now assigned to third parties, specifically Biocalyptol syrup from France. At the Cadempino site investments focused mainly in the solids area where a new packaging line was purchased and started up dedicated specifically to handling Spedifen volumes for the Spanish market. In addition, the Cadempino site satisfactorily met all production requests from foreign customers and, in anticipation of expected production volumes for foreign customers over the next few years combined with the need to adjust to American GMP regulations, new investments were approved.

At the Haikou production site in China, the investment policy dedicated to improving production environments linked to GMP regulations remained in force.

Furthermore, in 2009 the entire organisation was involved in the new project to integrate the SAP system and the consequent implementation of the new information management system ZAME (acronym for Zambon Manufacturing ERP) which involved all corporate functions (production,

sales, distribution, customer service, quality, administration and finance) for all the Italian and Swiss companies with the consequent reorganisation and optimisation of all corporate processes. The first phase of the project concluded successfully in 2009 and implementation in the remaining subsidiaries abroad is going ahead.

In view of how characterised the pharmaceutical market is by fierce competition that demands great attention be focused on the search for effectiveness and efficiency and that there be a strong convergence of goals on the part of all the functions in the company, Zambon has consequently followed a course aspiring to further develop and strengthen the culture of processes, productivity and quality in order to ensure that we promptly react, seize opportunities and translate them into concrete projects in all areas of the group.

Prospects for the Future

The pharmaceutical industry is now restructuring its development models, and in a context of constant price reduction by government authorities and margins eroded under the progressive and incremental pressure of generics, Zambon proposes to articulate its growth through three policies:

- Continual **reinforcement of the RX product portfolio** through the growth of investments in developing products discovered through focused and assiduous scouting, also in collaboration with Zcube, and through partnerships with other companies for projects for which the initial assessment phases have begun.

Special emphasis is placed on the search for licensing products which are sufficiently complementary to the therapeutic areas, target physicians and Zambon geographic business areas.

- **Brand Support** and support for the ranges in pharmacy channels of products qualified for home consumption. Thus markets where there is a strong and growing tendency not to reimburse spending are protected through the strengthening, the broadening and further professionalisation of the Sales networks.
- **Support of communications activities** directed to the consumer for some products selected for their effectiveness and ease of use. Advertising campaigns specifically cover the various brand ranges of Fluimucil and Spedifen.

Meanwhile investments continue in the updating and **innovation of plants and production structures** to keep European and extra-European sites up-to-date and in compliance with national and international legislation and regulations which are becoming ever more demanding.

Thus it is a constant goal and a shared commitment to sustain and to **continually improve product quality** in the production process, in

distribution and in presentation to the consumer.

There is accordingly a project at the advanced stage for a pack design that is in keeping with the image and the values of the Group, clear and distinctive in the therapeutic areas and easily recognised by healthcare workers.

The Group continues on its course to internationalisation as is amply apparent in its sales composition where Italian business currently represents 26%.

In this regard, developments appear to be well-advanced and of definite interest in markets in South America, China, Asia and Russia although not such as to draw focus, attention and resources away from the European countries where Zambon is currently doing business on a large scale and where its credibility and professionalism are recognised.

An even idealist vision: “create value for patients and value for the others so will follow”.

Therapeutic innovation through **new technologies**

How can such value, however, be created for patients in a context where productivity in research focused on finding new active ingredients is continually declining? Starting at the beginning of 2008 Zcube decided to take specific care of new technologies dedicated to developing innovative procedures for Drug Delivery Systems (DDS) to patients and new diagnostic approaches able to generate systems which can also be used in the home to monitor the state of the disease and to improve the doctor-patient relationship.

Traditionally the development of innovative drug delivery technologies followed the business model based on generating a platform to be offered as a service to pharmaceutical and biotechnology companies (a technology service provider model).

The experience that Zcube has gained since 2003 in pinpointing areas of therapeutic innovation in the international scientific and academic world which can be duly valorised made it possible to tackle this **new challenge through a business model combining a financial profile balanced by a direct industrial role.**

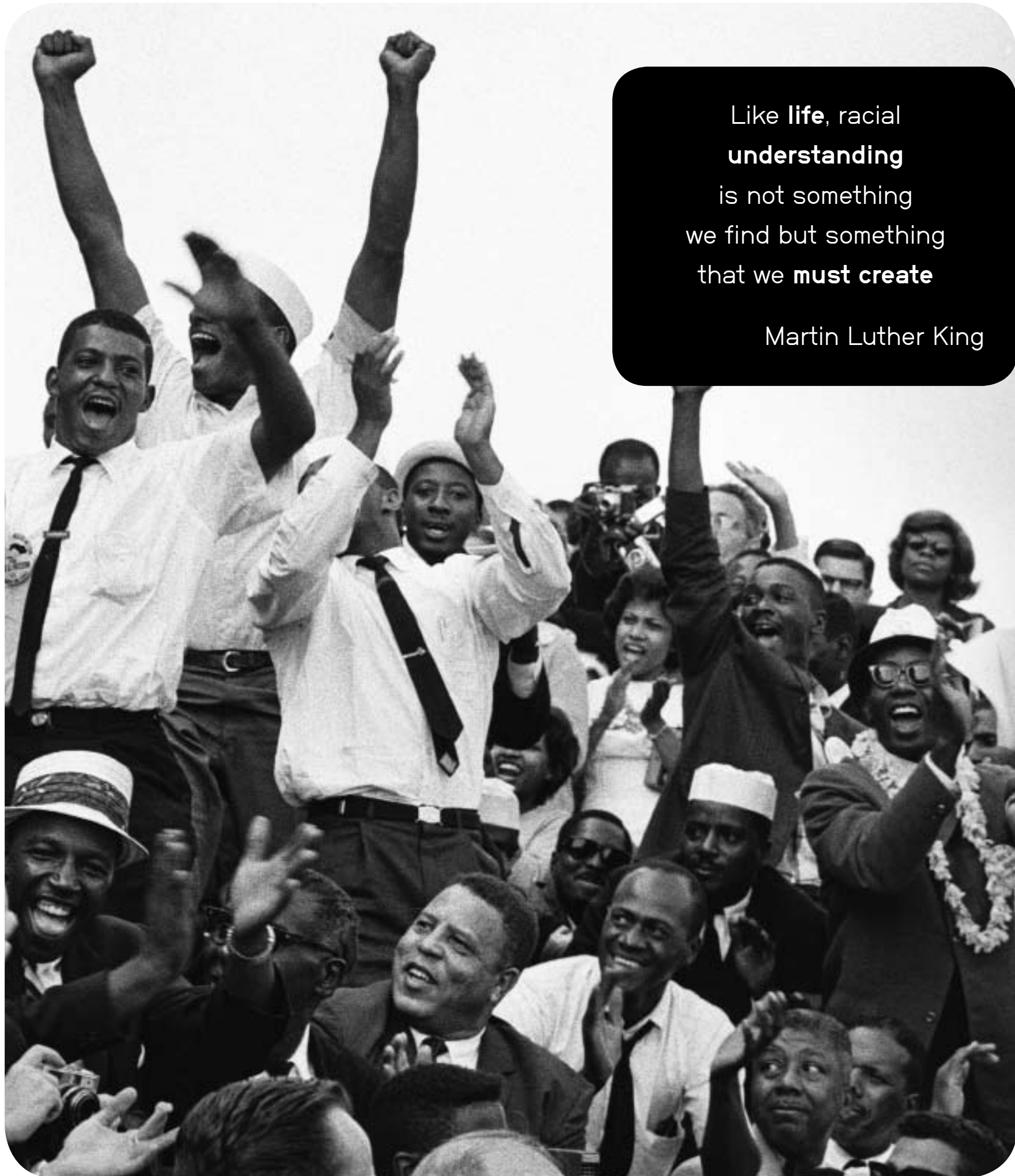
Zcube decided to take an active approach through strong private-public collaboration aimed at the market which through product development consolidates and enhances the new technology.

Through a consolidated network of scientific, commercial and financial skills, technical platforms still in their preliminary phases in international university groups are selected and valorised pursuing two objectives contemporaneously: **to transform young technologies into commercial opportunities through a process of validation and industrialisation and to generate new drugs** that will use these innovative technologies in drug delivery.

In the last two years of activity, Zcube has analysed more than 100 technological platforms coming mainly from Europe, Israel and the USA. In 2009 Zcube began an important collaboration with the Hebrew University of Jerusalem on a DDS dedicated to pain therapy.

Zcube furthermore entered the San Francisco Mission Bay Capital fund focused on project financing in QB3, one of the most productive and avant garde incubators in the United States with over 200 researchers from the universities of California in the San Francisco area, (Berkeley, UC San Francisco and UC Santa Cruz) where today Zcube is a member of the Industrial Advisory Board.

The participation of a player like Zcube with a financial industrial profile right in the beginning phases of a project makes it possible to assess with greater awareness the risks connected with the development of molecules

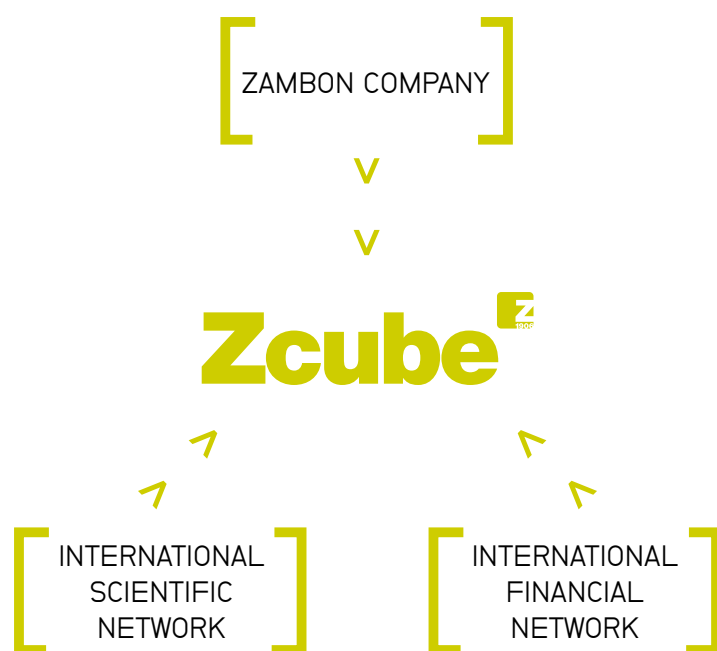


Like **life**, racial
understanding
is not something
we find but something
that we **must create**

Martin Luther King

and innovative technologies. Successively **it also allows university research to connect to the world of venture capital in a more attractive way when the project reaches a more advanced phase.**

The new approach to the university has allowed Zcube to identify promising projects and to develop synergies with therapeutic areas of the corporate core business thus resulting in further opportunities for Zambon.



Zcube is also a financial partner

Through the activity initiated in 2003, today Zcube is an investor in three biotech realities in Europe: PharmEste Srl with headquarters in Ferrara (Italy), SuppreMol GmbH with headquarters in Munich (Germany) and ProtAffin Biotechnologie AG with headquarters in Graz (Austria).

Zcube operates with venture capital maintaining a program of investments in these three companies and therefore its role is prevalently financial and focused on the success of the Company.

The development plans of the three companies, in line with forecasts, provide promising prospects for future growth.

PharmEste S.r.l., a biopharmaceutical company, spin-off from the University of Ferrara, is engaged in identifying and developing TRP receptor (Transient Receptor Channel Therapeutics) antagonists in the treatment of TRP mediated pathologies such as neuropathic pain and urinary incontinence. The first TRPV1 (PHE377) receptor antagonist drug candidate was identified and the first phase I clinical study of healthy volunteers was completed at the end of 2009. After Round A financing in 2007 of € 3.2 million, in October 2008 PharmEste completed its second round of financing (Round B) of € 6 million with the entry of new and important investors.

SuppreMol, GmbH, spin-off from the Max Planck Institute in Munich (Germany) focuses on the treatment of autoimmune pathologies like Lupus Eritematoso, Idiopathic Thrombocytopenic Purpura and Rheumatoid Arthritis. The first drug candidate (SM101) was identified and the first phase I clinical study of healthy volunteers was completed in 2009. After the Round A financing in 2007 of € 4 million, SuppreMol completed its second round of financing (Round B) of € 15.7 million with the entry of new and important investors.

ProtAffin Biotechnologie AG, spin-off from the Karl-Franzens University of Graz (Austria), is developing a technological platform mainly for the treatment of basically inflammatory pathologies with possible applications in the oncological field as well. The product, PA401, in the most advanced phase is currently in preclinical development for COPD (Chronic Obstructive Pulmonary Disease, a serious respiratory pathology). The first phase I clinical study is expected in the first quarter of 2012. In 2009 financing Round B concluded with the participation of important international investors.

A privileged partner of the pharmaceutical industry offering products and services with high added value, based on the excellence of our innovation and on perfect execution

The chemical scenario

In the macroeconomic picture which has remained gloomy due to a definite slowdown in global demand, great uncertainties continue to persist over the state of the economy of the major industrialised countries.

Different dynamics in the various geographical areas are implicit in the growth recorded in 2009 in the API (Active Pharmaceuticals Ingredients) world market which settled out at 5% in value.

In the USA, considered a mature market (2009 - USD 25 billion), a slowdown in growth was recorded, sustained only by the API generics market which accounted for 74% of the entire API market and by biotechnology products for the remaining 26% market share and hindered by the current global economic crisis that has generated a strong contraction in consumption on the pharmaceutical market. The Canadian market is also down but with a higher growth rate than that of the United States.

Another factor contributing to the reasons why the American market is so extremely challenging for API producers is the **increasing pressure of regulatory demands that must be met in order to gain authorisation to the market** with a consequent increase in costs and time needed to implement the innovation. At the same time competitive pressure on prices exerted by companies from India and China continues to weigh heavily.

API market growth in Europe is also suffering a slowdown with different scenarios for different countries. The entire API market is dominated by the UK which accounts for 18% of its total value followed by Germany, France and Italy. There is an increase in demand in the Eastern European countries which accounts for about 30% of the API European market share.

In the UK and Germany, considered mature markets, the growth was sustained by the strong development of the generics market in terms of volume, but with contractions in value, and by the launch of some biotech and High Potent products. France, the third European market, recorded an increase in its generics market share and the growth of its total API market was the highest among the countries of Western Europe. Italy which saw a decline in the pharmaceutical market over the last two years is now seeing a growth in the generics market encouraged by the cost containment policy of the national health system.

The strong economic growth of India and China continues to sustain the rapid development of the API market in Asia which is proving to be a competitive producer of generic API and these countries are planning to pursue the development and production of innovative drugs for leading world pharmaceutical industries.

A year of challenges

External market difficulties, strong price competition, particularly from Asian producers such as India and China, the penalisation of European companies caused by the weak American dollar and the Japanese yen had a negative influence on the results of our chemical business. During 2009 these difficulties were particularly significant because of a chemical scenario afflicted by the lack of new Custom Synthesis projects: if, on the one hand, the acquisition at the end of 2007 of the plants in Avrillé, France and in La Porte, Texas, USA, brought about a notable increase in size in terms of plants, it did not, on the other, maintain its promise to extend its activities in the area of Custom Synthesis and was marked by the strong criticalities of cultural unification in the industrial integration of the three plants. In spite of that, during 2009 great efforts were made in the face of difficulties to pursue the integration plan established for the sites acquired in the various countries.

In addition to our customers' policy to reduce stock, the receipt of the Warning Letter from the FDA (Federal Drug Administration) by the plant in Avrillé was certainly a negative influence. This warning letter caused discontinuity in the supply to some of our largest customers and extreme difficulty in finding new projects for Custom that can be allocated to the structure only after the FDA demands are satisfied.

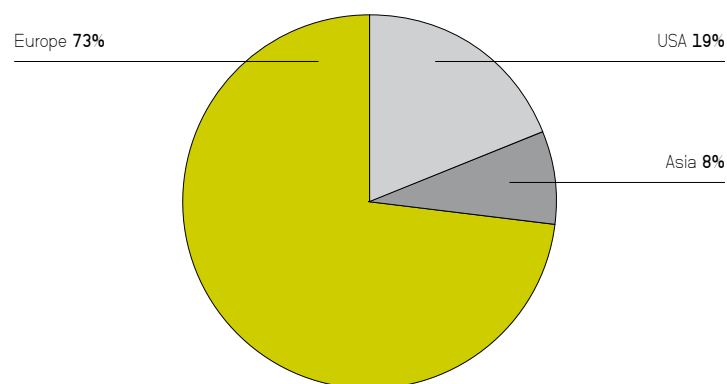
All these factors led to Zach living a very difficult year from the point of view of sales and profitability.

The American La Porte plant of Zach System Corporation (USA) was closed at the end of December in order to contain a difficult economic situation which presented no short term prospects for satisfactory improvement.

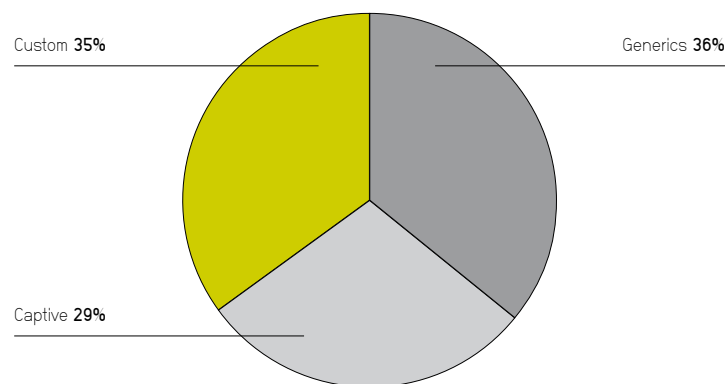
Results achieved

The Zach System turnover in 2009 amounted to € 112 million which together with other revenues and proceeds of € 2.98 million closed 2009 with € 114.98 million. A large drop in sales in the Custom sector of € 38.9 million in terms of absolute value went from 41% in 2008 to 35% in 2009 and was mainly caused by the loss of sales of the products covered by the FDA Warning Letter. In 2009 we posted a global turnover for **Generic** products of € 38.7 million (36%) with a temporary drop in turnover of Gabapentin, in the European market due to the large decline in price caused by the entry of Indian suppliers and in the American market where price pressure determined the withdrawal from the market of some of Zach's main customers. Nevertheless Zach was able to confirm the good performance of the finished product based on Gabapentin which maintained its market share achieved in 2008.

2009 SALES BY GEOGRAPHIC AREA %



2009 SALES BY BUSINESS SEGMENT %



The consolidated products such as Sulindac and Nifedipine remained stable and the sales of Diltiazem rose slightly. At the same time we observed a slowdown in market promotions for new generic products (Levetiracetam and Clopidogrel) which are being transferred to our Indian contractor.

Work on developing dossiers for finished products based on API products from Zach such as Dorzolamide, Levetiracetam and Olopatadine continues.

The **Captive** quota (29%) was maintained and sustained by sales to the Group of Fosfomycin Trometamol and N-acetylcysteine. In addition

to the policy of our clients to reduce stock, the receipt of the Warning Letter from the FDA (Federal Drug Administration) by the plant in Avillé was certainly a negative influence. This warning letter regarding some operational procedures in force up to the end of 2007 stopped the production underway and caused discontinuity in the supply to some of our most important customers and difficulty in finding new projects for Custom Synthesis that can be allocated again to the organisation only after the FDA demands are satisfied.

In the first few months of 2010 we finalised the sale of the American plant belonging to Zach System Corporation (USA) to a local company that operates with other plants.

Research and Development

Our continued Research and Development activities saw their efforts rewarded as Zach strengthened its good relations with the leading world pharmaceutical companies through new involvement in development projects originated by Japanese companies.

New contacts and new negotiations took place with start-up companies in the field of biotechnology.

In the Generics and Captive area the considerable job of refining the process in two products, N-acetylcysteine and Gabapentin, very significant in terms of volume and business, was completed for the purpose of lowering variable costs. A beginning was made on the chemical screening of some new molecules with a view to increasing our list of generic products.

Technically we enhanced our organisation by promoting some of our specialisations like Ozonolysis, the Hoffmann reaction and the Microreactors in order to increase our competitive advantage.

Finally we pursued the further development of important collaborations with some university institutions in order to place some of our research projects with centres of excellence.

The Environment and Safety

The products and activities of the Zach System SpA Group are subject to many rules and regulations (local, national and supranational) in environmental matters. In order to ensure the correct applications of such regulations, the Group set up bodies with specific tasks to verify and continuously monitor environmental issues and it confirms its commitment to these matters in terms of its investments.

The high standard of quality of the production site located at Lonigo was once again confirmed during the visits of our most important clients who were able to verify such standards. At the beginning of 2010 it was inspected for the eighth time by the American Federal Drug Administration

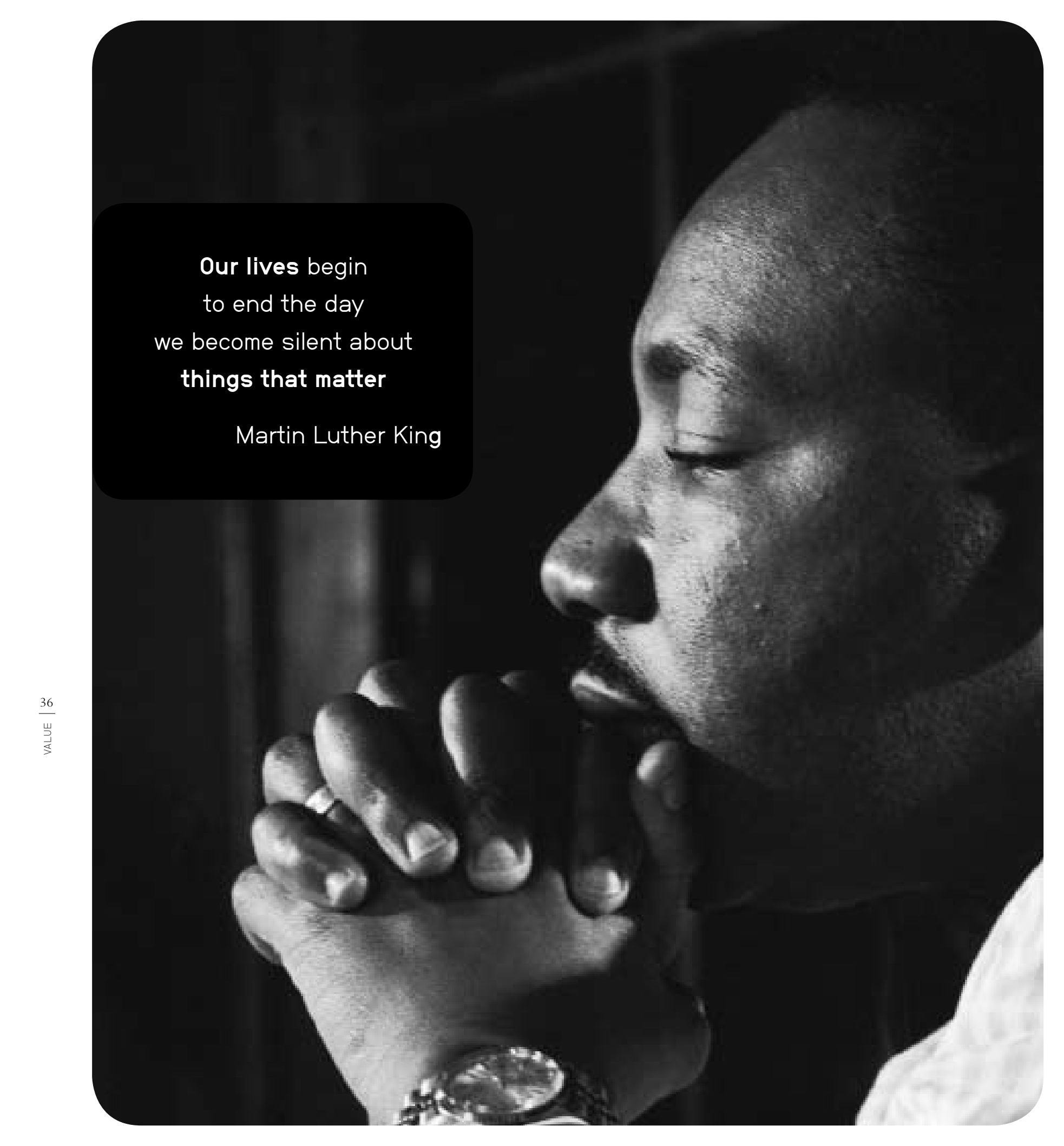
which successfully concluded with no letter of warning. Zach Lonigo has furthermore periodically obtained and renewed certification of its Safety Management System in accordance with OHSAS 18001 regulations in 2004, of Environmental Management in compliance with ISO 14001 in 2003 (and renewed in 2006) and certification of its Quality Management System in compliance with ISO 9001 in 2003.

The production site in Avillé obtained ISO 9001 certification of its Quality Management System and ISO 14001 of its Environmental Management System.

Zach continued to carry out intense practical training in the field and continuous updating on current regulations on safety, health and the environment, good manufacturing practice regulations and the application of the Standard Operating Procedures.

Prospects for the Future

Actions taken at the organisational level began to show their first fruits in terms of the integration of the two European production units. The frequent exchanges between the central offices in Milan and the production plants have resulted in the creation of a climate of mutual trust and esteem. The difficulties of the past year may still have some effect on profitability but Zach will show clear signs of change and a break with that past.



Our lives begin
to end the day
we become silent about
things that matter

Martin Luther King

FROM VALUE TO VALUE A THIN COMMON THREAD FROM HEART TO HEART



Once upon a time there was a story which is there still now
yesterday today tomorrow
So as to give meaning a chance as it goes on, always and again
without the past slowing down its movement and giving it a beginning instead
without the present stopping its flow and offering it a chance instead
without the future announcing its end and providing it with new horizons
instead
That's what a story should do:
To tie the threads between certainties and fears
To weave its plot between sorrows and wishes
That's why a story is a feat and a challenge
Day after day with courage That's the time of a story
That's why a story is a concert Like a chorus with many voices
Hand in hand with strength That's the space of a story
That's why a story is memory and hope
Always and again, patiently That's the meaning of a story
Otherwise it is forgotten, it gets lost
And along with it we get lost too Each of us in our own lives
Side by side but not close Close but not together
Together but not united
with our own identity our own past experiences our own personality
That's the purpose of a story
Forming ties between people lives differences
In a story there's room for everybody
There has always been
coming from far away to go on
forever to walk towards the future
That's why it is a story
Mine yours ours

GABRIELE GROSSO

A THIN COMMON THREAD CONTINUES

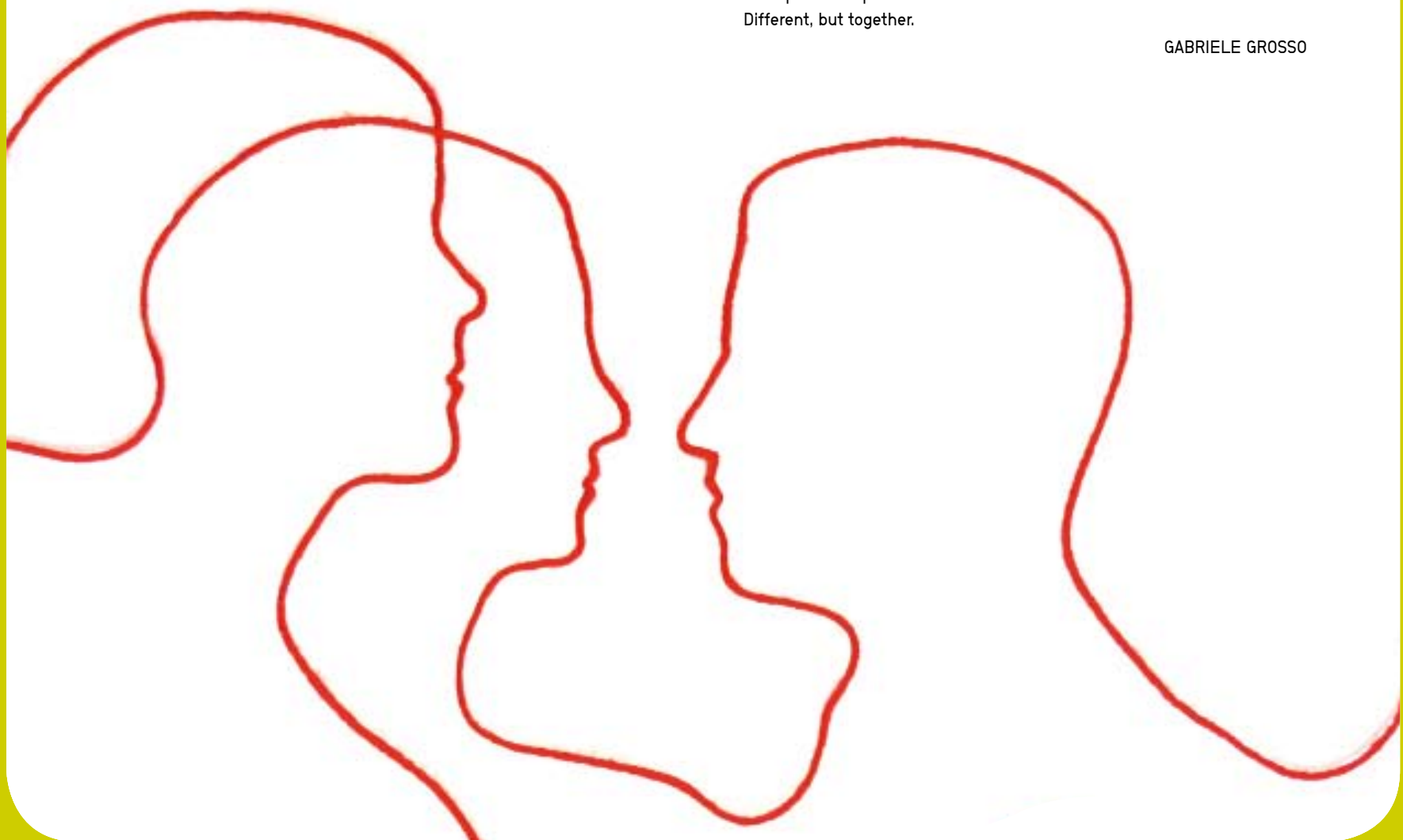
FROM PERSON TO PERSON A THIN COMMON THREAD JOINS AND UNITES

You, me and another.
Different, by nature.
Names, to remember.
Faces, to recognise.
Experiences, to listen to.
People.
Men and women, in their humanity.
Nothing more, nothing less
Each one for himself.
Individually authors, of a past that separates us and goes before.

Then us.
Together, by choice.
Ideas, to share.
Projects, to build.
Goals, to achieve.
People.
Men and women, in their humanity
Nothing more, nothing less
Each with the other and for the other.
Joint co-authors, of a future uniting us and awaiting.

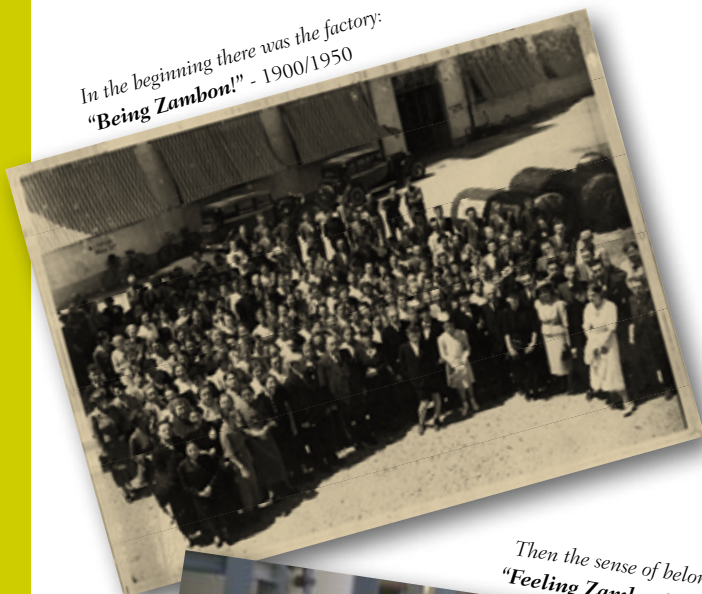
You, me and another. Then us.
Just like that, simply.
From person to person.
Different, but together.

GABRIELE GROSSO



THE DIVERSITY OF HUMAN RELATIONS

In the beginning there was the factory:
"Being Zambon!" - 1900/1950



Then the sense of belonging grew:
"Feeling Zambon!" - 1970/1990



A company community:
"Being together in Zambon!" From 2006 to today

Diversity, the basis for going ahead

The world has always been a multicultural context. Races, ethnicities, tribes, families and individuals – a multiplicity of languages, beliefs, rites, myths, symbols, rules and values.

Man has had to confront the question of diversity over the course of history as travel increased – for exploration, commerce or because of war – and as the means of transport and communication evolved. In speaking of diversity we can refer as pertinently to the differences between individuals as to the differences that characterise the various forms of the social organisation of individuals.

It can therefore be affirmed that man has always coexisted with diversity, and although it may be undeniable that this has entailed and still does entail a series of criticalities, it is equally true that this very characteristic holds great potential for civilisation and growth.

A potential that, as in other cases, some enterprises were able to grasp before and better than many other organisations, seeing themselves as contexts strongly connoted by diversity (people, relations and culture) yet tending towards the integration of differences in the pursuit of common goals.

Some questions about diversity.

If it is true that human beings are many-sided and different – women and men who differ in their thoughts and their individual histories – how can we adapt strategies of company and organisation so that they reflect and respect the different needs and different motivations of people? What does it mean to talk about "human relations" instead of human resources or the work force within a company, organisation or enterprise? What can it mean to enhance the contribution of all the authors of the reality of a company, and not only people's skills or abilities to "perform"? At what level can the integration of differences limit the risk of becoming too much like each other and causing a "general flattening"?

Diversity, the path to follow

The answers to these and other questions trace the story of an evolution, a path that in 100+3 years has led Zambon to design and make itself into a "community of enterprise", founded on the recognition of diversity – of the differences and the specificities – of its own people as a point of strength, as value added, conditions that make the difference – yesterday, today and tomorrow – in society and in the market.

A path marked by some fundamental milestones:

- *In the beginning there was the factory: “Being Zambon!” - 1900/1950*
- *Then the sense of belonging grew: “Feeling Zambon!” - 1970/1990*
- *And today a company community is consolidated: “Being together in Zambon!” - From 2006 to today*

Diversity in the company community: being together in Zambon

A project that we commit ourselves to sharing. An integrated community, deeply rooted in relations and internal and external interactions that, in its openness and in the continual cultural transformation of its organisational fabric, knows how to change responsively to the continual transformations of the market to intercept and govern change.

Our ambition is to create a place – an integrated company – where individuals may create and share things that matter and find a sense of their own collective and individual destinies in a climate of mutual trust and transparency in practices, rules and customs, from the most consolidated to the most modern and innovative. The “company community” finds a significance in working “together”, not just coming together on a common project for the development and growth of the business but also in finding a fundamental reason for **“being” around a shared essence, around important values** that are the legacy and the testimony of a past that wishes to reassert itself. A gathering around a common “feeling”, around an identity that derives from the company history and takes shape again in the light of the enhancement of interactions among the identities peculiar to and original to each one. In the “company community” of today it is important to be able to interact, to know how to bring out the best from the diversity of background, experience, culture and individual vision. A “company community” is, in fact, made up of “original”, “unique” and “different” people who want to be able to express themselves, to come forth and to manifest their diversity and intensity within a strong work project in common. Dialogue, exchanges of views, communication and comprehension appear to be the strategies and essential tools needed so that “unique” people can **enter into fruitful “human relations”** with others just as “unique” in an organisational logic of exchange, sharing and in a continual meeting of the minds that aims to transmit, capitalise on and turn to profit and fruitfulness the skills of each one in order to help the entire community evolve and grow with profit and harmony. In other words, putting into practice last century’s concept of factory and organisation in a modern, contemporary key. And thus it is that **“BEING TOGETHER IN**

ZAMBON” is a search for the rebirth and the recovery of its deepest significance in the light of today’s experience and of the evolution of our society and, especially, the search for significance and the professional and personal identity of each one of the participants of the community. Thus the challenge for Zambon and for the “company community” today and tomorrow is to seek to build trust and loyalty among people, to facilitate and make relations and conversations smoother within and without the company, **to kindle and feed the dialogue, listening to one another and planning consensually.** In this perspective, labels must change: HR changes from Human Resources to Human Relations. Relations must be built, followed, taken care of and developed through the continual exercise of dialogue and listening to the needs, desires, hopes and plans of each one. Not through any logic of appeasement but rather through constant action, daily attention to and care of the people integrated and growing within it.

Diversity, change in continuity

Taking care of an integrated company for all of us means that **“BEING TOGETHER IN ZAMBON”** is understanding and seeing the community as a living organism that interacts within itself and with the outside world and is able to integrate the “different” in order to facilitate exchanges and continual osmosis with the context, with the territory, with the environment, with the external stakeholders and in the interests of all. **A “company community” that mirrors within itself the society in which it operates and with which it has exchanges, in continual movement of breathing in and breathing out – out and in – until borders and perimeters of interest all merge to the point where we can make the difference:** to have abundance in business and to bring abundance to the world.

These objectives certainly cannot be achieved by merely applying theories, but must be pursued day by day with the will and the ability to intercept and allow relational and emotional dynamics springing up among individuals and governing their behaviour, relations and lastly, their results, breathe freely. For all these reasons, for us of Zambon, recognising differences and enhancing diversity has the concrete significance of adopting and implementing **a new way of acting and thinking.**

IF WE AS A COMPANY HAVE MADE
A COMMITMENT



Taking care of an integrated company

We believe that company strategies and values are two sides of the same coin. Basic skills, identity, organizational structure and values, for Zamboni, have a two-way relationship with strategies, in that they support them and are supported by them. Without its "soul", it would be difficult for the company to adopt ambitious strategies, without strategies rewarded by economic success it would be difficult to preserve the company soul and community. This is the reason why we would like to share these thoughts with you, so that you can witness and interpret them through your work and commitment.

A journey, with continuity

Our entrepreneurial dream is to project a company that is built to last in a future that preserves its ancient soul. The entrepreneurial drive wants to recognize and preserve the company distinctive competence and original values.

Its chemical and pharmaceutical integrity are the

Its chemical and pharmaceutical competencies and values of humility and integrity are the main asset through which the company achieves the maximum level of change and innovation and gives to the people the sense of being part of a solid community.

Mission

Mission

By strongly relying on its values, Zambon offers products, services and solutions to help an increasing number of people in many countries to breathe and live well. To do so, it produces medicines whose quality and safety is guaranteed by the management of the whole production chain. Zambon owes its economic development to socially significant drugs produced and distributed on a large scale. In Zambon, cost containment

It is an integral company because it is
enhances the physical, psychological,
integration above all focused on the enhance

Values

Values

Zambon relies on fundamental values, i.e. principles, to guide the behaviour of company and people. Values are our behaviours. For us, at Zambon, values are son ourselves to.

- Ethical values: integrity, honesty, consideration for and on their safety
- Personal values: develop talent and passion, be brave, strongly inclined to stay together. These values can be su our professional lives.
- Professional values: innovative character, quality, respon discipline. These values benefit our strategies and help us ac we set for ourselves everyday.

This entire set of ethical, personal and professional values comprehensive integrated corporate culture which must be superimposed on the business system, and which must be circulated extensively, especially by setting good examples followed by others. Integrity and humility are at the top of a corporate culture because they allow us to "listen to" our and other people's responses before taking action.

Live up to our social responsibility

Live up to our social responsibility

Zambon complies with, listens to and promotes the legitimate interests of stakeholders. At the base of our corporate values are the dedication to drug and service end-users, the care for the people working with the company, the development of the communities in which the company operates, the environmental sustainability, the respect of investor partners, the account of the needs of the different stakeholders.

Our commitment: to do more useful, favour spontaneous initiatives, support system

Identity

and social responsibility are incorporated beginning with the identification of products and production process.

Zambon is an Italian company whose unique character expresses distinctive characteristics of Italian entrepreneurship and work. Zambon has a strong corporate identity which the company communicates both inside and outside, by relying on its brand, the narration of its ancient history, its successes, changes, values and its products, of which it is proud. Its profile is based on the people who are and have been working for it while pursuing continuous improvement to quality, to better organizational management, without exasperation but with authenticity. Zambon is capable of telling the story of its progress, its personality as an Italian company, and its uniqueness and vitality as an organizational entity both to the inside and the outside world.

Organization: Integrating the organization and people

Organization: Integrating the organization and people

Organization: Integrative
Zambon pursues the integrative model, in which the different teams, suppliers, distributors with competent roles with competent integration, i.e. sports communication, pre-

ing volumes and increasing geographical
and sustain its ability to last and change
implementation of its strategies in a very
environment must rely on a **high innovation**
strategy of making investments upstream the
Zambon not only to confirm its distinctive
penetrate a larger market, increase its size and
thus reinforcing its current ability to follow several
such as cost, diversification, innovation and
strategies. **Zambon develops strategies it is able to**
implements them thanks to the support each of us can
strategies and their implementation make up a need we
meet and they require the humility and participation of

gated
prostate

live
EE

Zach

THE PEOPLE IN THIS COMPANY COMMUNITY ARE ALSO GIVING OF THEMSELVES...

I NOSTRI 4 ESSERE

ESSERE impresa per produrre valore in Zambon
un atto di integrità e di umiltà.

ESSERE umili per mettere la nostra comunità al
servizio degli altri.

ESSERE sempre responsabilmente in ascolto
per crescere, per valorizzare il coraggio, la
partecipazione, le relazioni di tutte le nostre
persone, dei nostri stakeholders.

ESSERE autentici per durare nel tempo forti di
una storia solida, concreta, di valori.

*penso a questi valori il tempo stesso di
umiltà e di concretezza, perseguirli con
credenza richiede coraggio e «vult» anche
molta generosità, perché non sarà facile
dedicarsi a questi valori cosa possiamo fare affinché
in questi nostri valori il coraggio e la generosità
trovino sostegno*

La tua firma

Rob Fennell

...durare nel tempo forti di
...concreta, di valori.

Qualche "MIO" ESSERE.

- ESSERE PROMOTORE DEL CAMBIAMENTO ATTRAVERSO
IL LAVORO DI GRUPPO, COME ESPRESSIONE
DEL COINVOLGIMENTO DELLA COMUNITÀ E
NON DEL SINGOLO.
- ESSERE "ATTEMATO" DI NOVITÀ E NON
FORMARSI AL CONOSCIUTO

La tua firma

Luigi Panerelli

RICEVERE FEEDBACK

E RISPONDERE APERTI

La tua

Giovanni Straniero

ERE

...valore in Zambon
...a.

...la nostra comunità al

...abilmente in ascolto
...zzare il coraggio, la
...zioni di tutte le nostre
...akeholders.

...er durare nel tempo forti di
...oncreta, di valori.

*...come un santo parte di questo
...i 4 Essere.*

*...us state scritte, ora
...sistemate portassero ad
...tente di portarci fuori in modo
...rumore una copia di buona*

Angel Rostelli

La tua firma

*...ma società in competizione per il
...migliore posto dove lavorare, dove ce
...possiamo pagare le loro idee nel loro
...punti di vista e migliorare nei punti*

...Zambon

...comunità al

...nte in ascolto
...coraggio, la
...tutte le nostre
...iders.

...e, durare nel tempo forti di
...oncreta, di valori.

...ati e riconoscibili come esempio

La tua firma

Alf. Mignatta

MANAGING DIFFERENCE

To listen, to respect opinions and people, to be in tune with effectiveness and timing in performance is the bond needed to seal the sensations of each “orchestra player” together into a harmonic unique whole... **like an orchestra** where the very different characteristics of the musical instruments meld into an excellent symphony if they not only follow the same score but they have a conductor who is able to communicate **and make the players feel the same sensations**. The added value generated by each positive interaction among the “orchestra players” will add to that of other interactions, and the more harmonic the **integration of all the components** the more exalting will be the overall effect.

Giovanni Gurrieri

MANAGER OF THE PHARMACEUTICAL PLANT AT VICENZA



LISTENING TO DIFFERENCE

For me, “listening” to the physician means first of all recognising his diversity...

Each physician is different and unique and therefore I relate to each one differently because there is no one behaviour common to all and there are just as many different types of behaviours as I have interlocutors. In my work I often realise how important it is to talk to the **physician seeing him or her as a person** before thinking of him or her as a professional: our talk is then a dialogue because it is only through an exchange of views that we can **grow the relationship together**. I am convinced that humility, curiosity, enthusiasm and cordiality are the best tools for success in this.

Cinzia Zanin

MEDICAL SALES REPRESENTATIVE



MAKING A DIFFERENCE

Every day I tackle my job with commitment, energy and a feeling of responsibility and what I get is a **great sense of satisfaction**. If I look at how I started off and where I am now, that in itself is a great satisfaction. Every time someone is satisfied with a job that I've done, it's a satisfaction for me. When I see that there's **harmony with my colleagues**, that's a satisfaction. When you manage to meet the goals you set for yourself, that's a satisfaction. The fact is that **seeing a company that is going ahead and growing, all that is a satisfaction**.

*Mimmo
Mohamed Abd Ilkrim*
FACTORY WORKER



PLANNING DIFFERENCE

Learning how to think “differently” is not merely a slogan for Zambon but it is **the only way of continuous renewal** of what has made it so unique over the last one hundred years,... the change taking place in the health world is profound and it is difficult to predict and study its outcome if one is not inclined to **think “differently”**: – one different patient but so many different patients as well, and different physicians and different pharmacists. This is **the true challenge** of our strategic profession. It must be attentively dosed and cared for, just as we do with drugs, but we cannot abdicate our task of thinking “differently” because then we would not be able to build our future, **a future that looks far ahead**. Far beyond the short and medium term performances, we must look to the **next hundred years**.

Orientina Di Giovanni
MARKETING & STRATEGIC PLANNING



RESEARCHING DIFFERENCE

The public imagination sees chemical research as a magic place full of glass test tubes and alembics manipulated by the free ranging inspiration of researchers where they generate wonderful concoctions. In reality today, **research** in the field of the production of intermediate and active ingredients for the pharmaceutical industry is a **difficult terrain** where strict regulation of the sector and market challenges make the research laboratory a **different place** from the workshop of the alchemist. Every day we contend with the competition by formulating research **based on a multi-disciplinary approach**, meticulously planning the development of a new product through consolidated schemes of project management. Perhaps we still today have one aspect in common with the alchemist of bygone days and it is the **passion which my colleagues and I put into this work** and which inspires us, even in the face of a failure, to begin again anew each day with the same enthusiasm.

Massimo Verzini

MANAGER RESEARCH AND DEVELOPMENT (ZACH ITALY)



HEARING DIFFERENCE

I have been **practising medicine for 23 years** and I can say that behind your products which, for me, are a guarantee of quality, there is always a quality service dedicated to the physician. The Zambon sales representative knows how to create empathy with me because besides the **scientific information based on professionalism** and expertise, there is always a person who respects me, my schedule, my frame of mind and my needs. It is important for us physicians to find **people who know how to relate to people with respect**, without being obsessive or oppressive... I still remember today some of the names of Zambon representatives from years ago because I was able to establish a **human relationship** with them.

Fortunato Panzitta
PHYSICIAN IN PARABIAGO (MILAN)



A NEW WAY OF THINKING AND ACTING

During the course of 2009 Zambon's vision of "integrated company" was reflected in a program document signed by the shareholders and then shared with all the people in Zambon: a summary expressing a **way of thinking, but, above all, of acting, to integrate the values into the strategy of company**. The Values referred to in the document are, in fact, more interesting for what they do than for what they are, and call for consistency in the goals, the tools of the organisation, management practices and behaviour. **Their strength lies in their credibility**. Along this path we have learned that interventions on values cannot be limited to striking just the right note: they must focus on whether there is convergence between what is right and what is expedient through people's testimony – **"it's not what you say that counts but what you do"**. For this reason Zambon has orchestrated its own strategy of company using what we could define as a "pragmatism of values" – a pragmatism that **starts first of all with the everyday life in a company** but aims to make concrete contributions to environmental sustainability, to the economic development of the territories, to the quality of life and to cultural development. In this context some very concrete initiatives were born in Italy and came from the centre.

The Values Meeting

The Values Meeting in June 2009 was the occasion when the program document of "the integrated company" was presented before a variegated audience composed of managers coming from the main countries where Zambon is present, long-time collaborators with years in the company and also people hired only a few months earlier so that all would be able to express the diversity and richness of their personal points of view. The goals we set ourselves in this encounter were many. At the strategic level, focus was on the processes of change underway, sharing the system of values

at the basis of the goals of profitability and growth, the quality of service expected and any internal integration necessary. At the tactical level, the meeting was the chance to build a system of relations and internal exchanges of views to encourage a choice of ideas and initiatives which could be sustained over time. Lastly, at the operational level, the values meeting provided the occasion to begin to create a connection between what people do, their jobs, and the results which could be achieved at the various levels of the organisation. Some tangible results were achieved: **the processes of change were given great visibility; it became clear "who we are" and "who we want to be" in Zambon**. Each person was asked to consider him or herself a protagonist in the processes of change. The meeting then broke up into eight working groups where people were invited to measure their daily professional lives against the concepts which are the foundation of the personality of the Zambon integrated company, taking them as parameters against which to measure their own roles, projects and activities carried out in practice in their daily lives. Each of the groups verified and, through a value grid, put to the test past choices made or those still to be made, their behaviour, procedures, conversations, and basically, their ways of working in the company.

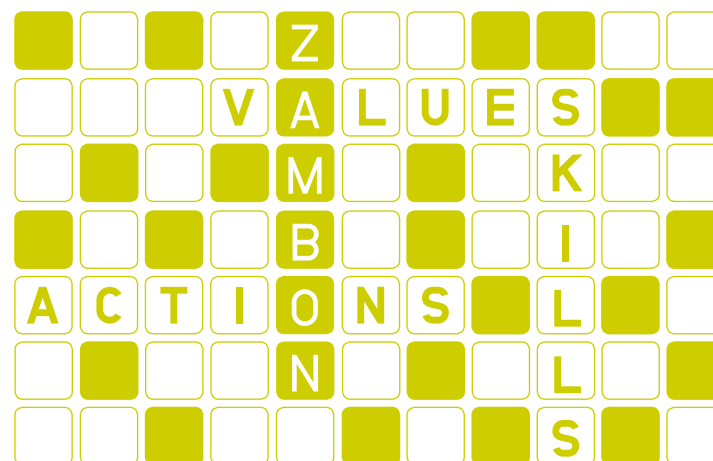
The "Mini Parliament"

The "Mini Parliament" was the logical follow-up to the Values Meeting. Whereas the Meeting was intended to lay the foundations for sharing common grounds of values among people and to begin initiating them into "metabolising" the concepts underlying the Integrated Company, the Mini Parliament was intended to transform the philosophy into concrete and precise actions. For this reason 16 participants, 2 from each working group at the Values Meeting, were chosen to translate into concrete terms the output of the group they belonged to. **Then 8 concrete actions were identified which the members of the "mini parliament" used to illustrate the procedures for putting them into practice and what personal changes were needed** to implement concrete actions at the personal level. For example, the group exploring how the Zambon Values themselves could "inform" the organisation of sales force conventions developed a proposal to include listening times as much for the internal people such as medical sales representatives and the agent network as for external people such as physicians, pharmacists and others. In conventions there are often, in fact, times when all attention is centred on the company as well as times when successes are celebrated and motivation to face the future is inspired. The stimulus of the working group was to make conventions into tools for communication, debate and internal sharing as well as, at the same time, providing concrete opportunities for

familiarising our stakeholders with the values that underlie and guide our business choices and **demonstrate our commitment and the seriousness of its contents** which animate us, transparently and without reticence. This new format of listening has already been tested in the first conventions of 2010 and was addressed especially to medical sales representatives and agents. The next experiments will structure listening times directed more outwards in order to understand how Zambon is perceived outside the company, how we can improve some aspects and to see how our own values match those of our outside interlocutors so that we can comprehend what it is that unites us in diversity. A second working group called upon to investigate how to make corporate values live in the communication processes with physicians and pharmacists suggested investing in the building of a stronger relationship with these professionals, offering them not only our medical and scientific training and knowledge but also broader expertise that involves not only our products and the therapeutic areas where we work but Zambon more generally and its way of doing things. A third group worked on the simplification of the messages in the Code of Ethics and the Integrated Company to formulate a “Code of Behaviour” for use in the production plants, expressed in simple language and using concrete examples taken from the realities of the production departments – an effort to translate our Values into daily life and include our factory worker colleagues in chemical and pharmaceutical production as well.

Training in values

The Values Meeting and the Mini Parliament were certainly the central activities of 2009 and were the beginning of the propagation process for the “Integrated Company”: it involved a limited group which was able to work on the expression of Zambon values using concrete examples. Widespread diffusion of these concepts started in September 2009 with **planning for a training path to accompany** both the Italian realities in all their aspects, head office, plants and sales force and the countries where Zambon is present in adopting the vision originating in the “Integrated Company” as their own and living it in their daily lives. The premise of this training plan is founded on the conviction that Values, Skill and Action are directly correlated – one alone without the others weakens the entire system. Indeed **the “knowing how to be” – the values – is fulfilled by “knowing” – the skills, but both must then translate into “knowing how to do”,** that is, in behaviours and concrete actions. Only in this way can there be authenticity in living the values which bring us closer to the identity of a company that we wish also to be seen to represent.

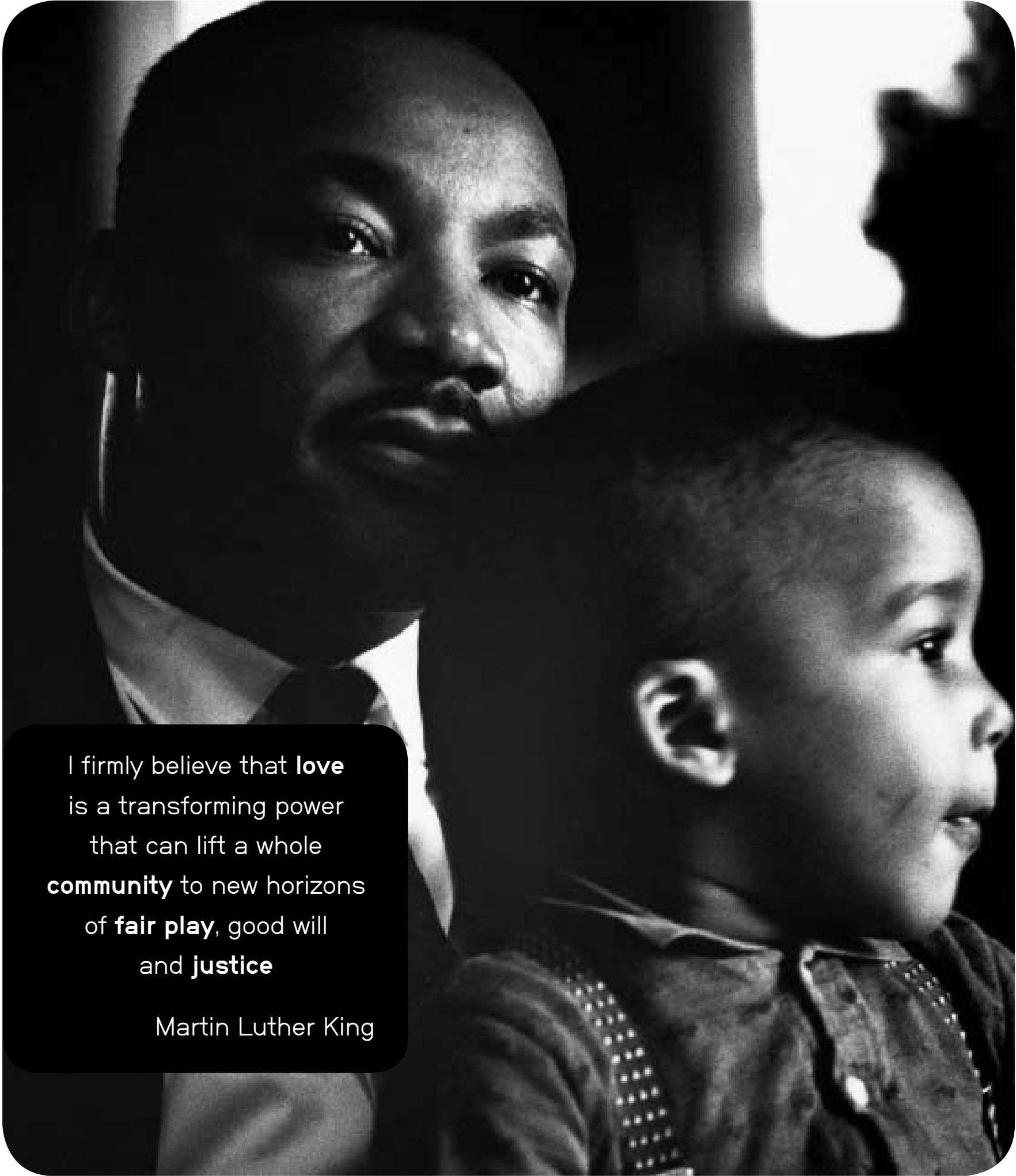


In the case of Zambon in Italy, during 2009 a valuable opportunity arose for connecting the path towards the appropriation of these Values with training in some of the key skills that refer precisely to such values.

Some key thematic areas emerged that must be explored:

- the need to understand changes in the businesses and competitive scenarios where we operate, that is, the **ability to “listen”** to our customers, wherever we are in our organisation;
- the need to **simplify our ways of operating** in all our realities;
- the need to **enhance people’s sense of participation** in the measuring of the results and corporate performance with a greater understanding of their own roles and their own effect on the overall results of the company;
- the opportunity to **stimulate a sense of initiative and responsibility in people** together with their ability to collaborate among themselves.

The training project on values and key skills, albeit in the basic singleness of the goals and contents, anticipates the implementation of training actions which will vary according to the people involved, actions that will go on through all of 2010 so as to reach the largest number of people possible. In the case of Zambon abroad, after its experiment in Italy, and particularly with the Sales Force, a “format” of sharing and involvement will also be applied in the other main countries, maintaining its basic approach and adapting planning to the specificities of the contexts as necessary. In this way, while respecting the particularities of individual situations, two important common goals will be pursued - to enable all the Zambon people to “metabolise” the values and to help them translate the values into concrete actions in their everyday professional life. To the two qualifying questions – **“What does this mean for me?”** and **“What can I do from tomorrow onwards?”** – each one is called upon to respond by integrating values and skills into the concrete realities of his or her work.

A black and white photograph with rounded corners. In the foreground, a young child with short hair is shown in profile, looking towards the right. Behind the child, Martin Luther King Jr. is visible, also looking towards the right. The lighting is dramatic, with strong highlights and deep shadows. The background is dark and out of focus.

I firmly believe that **love**
is a transforming power
that can lift a whole
community to new horizons
of **fair play**, good will
and **justice**

Martin Luther King



Common areas for a **common philosophy**

It all began with the desire to improve the quality of life and work making the common areas in the company and in the offices more comfortable and lively, areas seen in a different light which encourage encounters and relations among colleagues, offering new occasions for the expression of each one's creativity in a friendly environment, or more simply, for the enjoyment of being together more and for getting to know each other. Thus new dedicated areas grew up – the Benvivere (which in Italian means Living Well) area, the Kreativitiy Shop and the Listening Room, the washroom areas – first in the Bresso offices and then in the 2 production plants at Lonigo and Vicenza, and lastly in our foreign subsidiaries. Today, in addition to the central offices in Bresso and the Italian production plants, all Zambon offices throughout the world have drawn up a plan to **effectively implement “benvivere” in their own premises** – and not just by setting up the areas described but also by defining various initiatives and “getting people going”. An unmistakable “code” has spread through symbols, furnishings and colours and contributes to the feeling of being in a comfortable environment created to **encourage encounters and informal exchanges of view, meetings and the daily sharing of ideas and projects**. At the origin of these new areas underlying a new concept of work, the questions and reflections which inspired us revolved around the idea that people need **not refrain from bringing their personal selves to work**, and the idea of making people feel that they can be themselves and not have to leave their emotions, talents and creativity at home, that even in the office they can “liberate” their passions and desires belonging to the private realm, the realm considered “free time”. This project, born in 2007 which grew over 2008, with some aspects still evolving as we write, **represents the way of being and understanding work** in Zambon. Right from the start with its concrete contributions to the quality of life, to cultural development, to environmental sustainability and to solidarity it has represented an important step for Zambon towards that model of “integrated company” to which it aspires.

We wanted to involve our Spanish colleagues in preparing these texts because integrating diversity also means having culturally different countries participate in a common project.

“An example of **excellence**: Living Benvivere in the **Spanish subsidiary**”

Benvivere is a part of daily life but it also includes special occasions for all of us who are collaborators of Zambon Spain. Right from the beginning Benvivere has been the preferential channel for sharing innovative ideas and contributing to solidarity projects or enjoying the new services like massages or having people show their personal talents in photography or handicrafts. We people in the Spanish subsidiary share in the enthusiasm for the projects and activities promoted and organised by the 5 groups of Trees: we live the “sensation” of Benvivere in our daily encounters and activities. In the last year we have concentrated on communication to help people understand and share the philosophy of the Benvivere culture. We have explained the significance of the Benvivere Trees, we have chosen Gardeners from among our colleagues and some volunteers were asked to create a group for each tree. The trees are called the Trees of **Ideas**, of **Solidarity**, of **Talent**, **At Your Service** and of **Health**. Each group developed many ideas for various activities that fully involved all the Zambon Spain collaborators in the Benvivere culture and projects. For instance, in addition to the usual Blood Donors' Day which has taken place twice a year for several years in Zambon Spain, the **Tree of Solidarity** organised a collection of foodstuffs for the poor and met with an extraordinary response from the people; the **Tree of Health** prepared a surprise breakfast based on fruit for all their colleagues the day before vacation began and the Tree of Talents organised a Photography contest featuring the colleagues' vacation photos to be held after return from summer holidays. The main communication tool in the Benvivere project is the monthly **Information Breakfast** which is generally held on the last Friday of the month during which information concerning the company and its activities is presented to all collaborators. This has become a good time to present and promote Benvivere activities. For example, on the occasion of the last breakfast, the **Tree of Talents** organised an exhibition of hand-made jewellery displaying bracelets, earrings, necklaces and small ornaments designed and created by 5 of our colleagues in Spain: it was a great success. During the breakfast 3 colleagues received the Innovation Prize for the proposals they had made on the improvement of some internal procedures (the Tree of Ideas). There was also a guest speaker

representing a Patients' Association (ONG) to thank the subsidiary for the monetary contribution it had received from Zambon (Tree of Solidarity). Other important **Benvivere Social Events** are the Children's party, the Christmas Dinner, Saint George's Day (the equivalent of Valentine's Day when Catalans exchange books and roses where each collaborator receives one of each of these), the Summer Team Building and Innovation Week. Organised by the Tree of Ideas (the HUB group, the axis connecting collaborators and an innovative idea centre), Innovation Week, is held in November. Various other activities take place co-sponsored by each of the 5 Benvivere Trees, from musical workshops or concerts (Tree of Talents) to the practice of Qi Yong or the Healthy Breakfast (Tree of Health) to mention only a few. **Benvivere is not just a "special events activity" for us, the collaborators of Zambon Spain: it is a concept that is present in our daily thoughts and plans.** Thanks to the very active "At Your Service" Tree, we can take language lessons (English and Italian), benefit from "corporate" discounts on petrol, travel, insurance, banking services and others and we can use a **Kreative Room**, with table football, ping pong and wi-fi, a corner dedicated to culture – the Zambon Library and a **"Talent Gallery"** in the cafeteria where paintings, drawing and photographs by authors who are all company employees. We live Benvivere every day!

IMMA RENOM



JOSE MARTINEZ



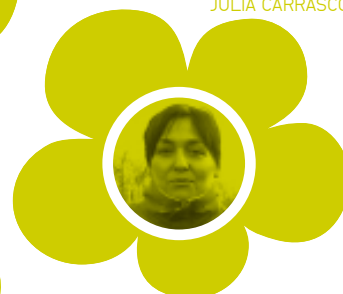
JAUME PEY



MAGDA DE URQUIA



JULIA CARRASCO



MARGARITA DE FERRATER



ANNA FUSTE



ANABEL VILAS



NATI LUCENA



MATILDE GILI



HUB team is a project created in 2008 in the Spanish subsidiary by a group of 9 people coming from **different corporate functions who all had in common a great passion** for the culture of innovation. The HUB team took on the role of "gardener" of the Tree of Ideas in the Benvivere project and received more than 100 different ideas, a full 13 of which they were able to develop.



LIVING THE ZAMBON MUSEUM AS AUTHORS



An encounter between **culture** and **company**

Culture enters our entrepreneurial world and its very enjoyment contributes to improving the quality of work and to enhancing a **community of values with which each one of us can identify**.

Culture remains the transcendent horizon and the compass for everyday life while the company becomes a potential ambassador of culture.

And what is the prime mover for the creation of a place of culture within an company?

At Zambon we think this place for **dialogue and encounter** is embodied by our Museum which arose in July 2008 out of the reclamation of an unusual infrastructure – the area of the old industrial plant – following our centennial celebrations which provided a time for reflection upon the concepts of identity and the value of a cultural legacy of 100 years of history.

Much more than a self-congratulatory show of materials and products, the Zambon Museum is an authentic wellspring for **recalling and re-counting** our history, unique and founded on passions and values, born of the sweat of the brow and the sense of initiative of generations of men and women who contributed in the past – and continue to do so even today – to weaving the tapestry of our company community.

Our initiative is also part of the broader movement of Company Museums which through the exchange and spread of knowledge and experience contributes to the enrichment of the chapter on corporate culture.

A history of yesterday, today and tomorrow in 6 letters

With our Museum we want to take the visitor on a voyage through time, our time, spelled out by the 6 letters that make up the Zambon name and which are also marked on six containers.

The temporal route does not follow any logical and chronological sequence but meanders from one container to another along a path taking us through the emotions and values which are an integral part of the atmosphere permeating the old plant.

The Zambon Museum and its 6 containers are the symbols of the concreteness and that sense of craftsmanship that have always been our hallmark and provide us with a unique opportunity to relive our history, not for nostalgic reasons, but with the desire and the enthusiasm to step forward into the future.

The 6 containers represent

Z

as in **Zambon**
our history

A

as in **Authors**
the protagonists of 100 years of Zambon history

M

as in **Make**
the enthusiasm for making

B

as in **Brand**
the brand, the name, the identity

O

as in **Opportunity**
scientific progress

N

as in **Now**
living the new, looking towards the future

Our Museum proposes to be a path of value through values and offers the visitor a chance to reflect on his own set of principles; a way of self-revelation to those who do not know us well and of bringing them into the circle, **encouraging that vital and continuing contact with us and with the spirit animating our company community**. In the telling of our history, we wish to document and celebrate Zambon's great entrepreneurial design, but at the same time we wish to give due recognition to the contribution that each of us has made to this history. This is our interpretation of the value of a Company Museum – to be a living Museum, almost a challenge to those museums considered “industrial archaeology”.

A living museum

Ours is a Museum that lives because it is the people, our Authors, who make it come alive. **In becoming a place of culture, an expression of contemporaneity, the museum acquires a soul which is necessarily in constant evolution.** For us that is the only way because one does not simply visit it but one lives it as a true experience.

That is why the Museum represents for its Authors a place to gather and socialise, a place to host business presentations, seminars, conventions, events and the company festivities such as the Christmas celebrations or the days dedicated to the employees' children. And when our foreign subsidiaries also want to organise their conventions at the Museum, we consider that to be the highest testimony to our success in finding that precious nucleus, our time-honoured old company heart of 103 years where all the Zambon people throughout the world have the chance to share that sense of belonging. There is one single soul that brings us all together in Zambon and it dwells in our Museum.

Those of you who have followed us since last year know that with our Value Report 100+2 we began a voyage which over the next few years (6 like the letters of Zambon and the containers) will ideally bring our Museum and our history to people; we shall draw upon it as the source of our inspiration in writing the texts through which we will describe our corporate identity, our business, our values and the activities and projects which we have underway during the current year.





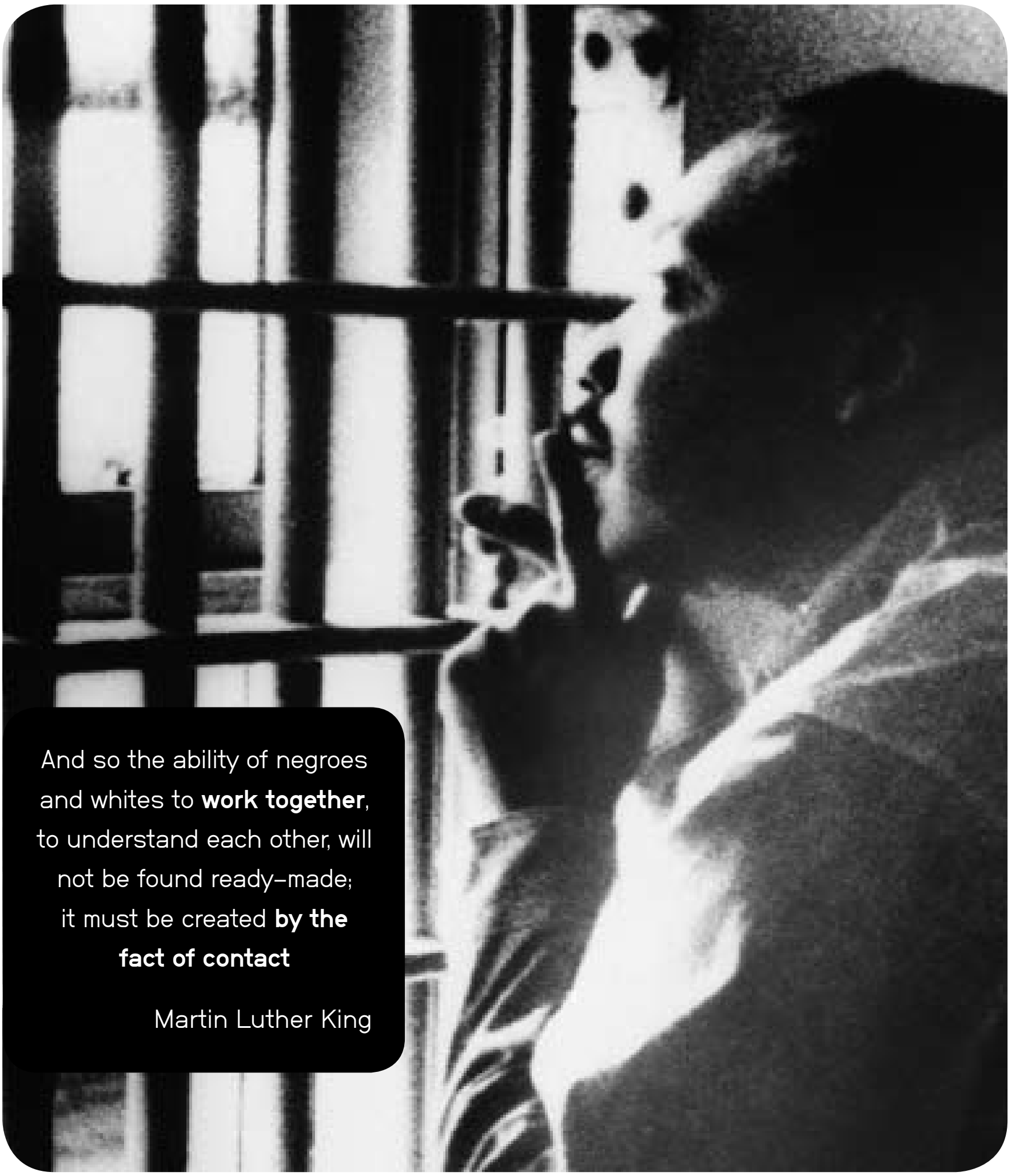
A TERRITORIAL IDENTITY: OPEN ZONE

OPEN ZONE is the concrete embodiment of a place for the exchange of knowledge, research and innovation, but it is also the place for informal encounters

Open Zone manages and develops the group property in the Bresso area. In fact, in addition to the areas occupied by Zambon, the company today rents out about 11,000 square metres to other companies engaged in the field of research. Zambon has, moreover, signed an agreement with the municipality of Bresso for the development of a further 19,000 square metres for laboratories, offices and residences. An integral part of the project is the requalification of a park of about 5 hectares adjacent to Zambon which will become another area strongly characterised by science and innovation. In collaboration with the Region of Lombardy, Parco Nord and the municipality, an experimental project has been developed to share our knowledge with the territory. Open Zone is thus intended to be the embodiment of a place for the exchange of knowledge, research and innovation but also a **place for encounters which will see not only those who work in the area but also the citizens of Bresso who at the same time will bring cross currents of greater vitality to the neighbourhood around a competitive business pole.** The Zambon areas are already host to part of what will become a broader project similar to Zambon's corporate museum. The Open Circle is a place for reflection and for hosting guest speakers of depth such as Mauro Ferrari, professor of Biomedical Engineering at Texas University and spearhead of the medicine of the future and Umberto Ambrosoli, a criminal lawyer, engaged for years in valorising the history of his father, Giorgio, the bankruptcy trustee of Banca Privata Italiana, speakers who will help us to grow as persons. In general, the urban landscaping design of Open Zone hopes to foster the development of an integrated and evolved system of facilities that through modern and innovative technological solutions will settle in the area bringing an element of urban requalification and acting as a motor for the "Pole of Excellence". Altogether, the project is redesigning areas open to the public in order to encourage viability in the area and in particular to facilitate connections between the city, the park and Open Zone. In a nutshell, it could be said of its goal that the **urban and architectural design strives to break down the physical and psychological barriers between the world of scientific research and collectivity in its broadest sense.**



The company restaurant 2011



And so the ability of negroes
and whites to **work together**,
to understand each other, will
not be found ready-made;
it must be created **by the
fact of contact**

Martin Luther King

LIVING A SOCIAL IDENTITY AS A RESPONSIBILITY

There are many aspects by which **Governance** can be defined but for us, when it comes right down to it, its real substance consists of the set of functioning mechanisms of an company. Setting aside any academic introduction, but in the spirit of its application in Zambon, we would like to briefly illustrate the essence of the choices we have made. The fundamental choices underlying the system take into account how the business is organised in a broad sense and, in particular, the contents and range of action and the distinct roles played by shareholders, management and supervisory bodies in determining the rules of the game. In this framework the respective operational rules are laid down to guarantee that the Group will endure through time regardless of the actors of the moment. For **the common basic element we have taken the code of ethics as a common denominator that sets the principles through which we develop the activities of the Group**. All operations must be coordinated and integrated to form a solid, long-lasting, unique whole. This design of Governance has brought about the creation of distinct and autonomous business poles reporting to the Zambon Company shareholder and they in turn lead to many legally autonomous companies managed, nevertheless, in line with the common objectives of the poles to which they belong. Each legal entity is structured to meet local obligations as well as to comply with the controls established by the centre. We have common requirements guaranteeing transparency that take into account local necessities. We set general rules for the administration of a company and, for that purpose, we participate in institutional affairs both centrally and locally. We maintain systematic control over the operations of the main corporate bodies and we carry out direct periodic checks to verify that the basic rules set to protect the uniform operation of the Group are actually applied and in effect. We cite, for example, the composition of the corporate bodies and the organisation of the operational proxies, both from the centre out to local entities and within the country itself, relationships with local supervisory bodies, coordination with central technical

offices regarding regulatory aspects, the environment and safety in the workplace, the establishment of functions and organisations for the protection of corporate continuity and the performance of direct Internal Audit visits.

On the strength of this conviction, we met with colleagues from the pharmaceutical and health sector to discuss and promote research and the diffusion of knowledge on matters of corporate controls, of compliance with regulations, of administrative responsibility of bodies pursuant to Legislative Decree no. 231/2001 and of business ethics and corporate governance. We joined this association, **strongly convinced that in comparing and in exchanging opinions among the members, it is possible to encourage professional growth and develop shared solutions to applicative problems linked to the subject of Governance**. In this spirit we supported a publishing initiative on compliance in the pharmaceutical sector contributing our experience as an Italian group founded on a system of values and century-old principles. The Governance function reports directly to the board of directors of the Zambon Company so that its independence from the corporate operational functions is guaranteed. We have chosen transparency over tactical approaches typical of current managerial approaches in order to become a distinctive company able to attract increasingly higher levels of professionalism and to earn greater trust in national and international markets.



The **Fondazione Zoé**, Zambon Open Education, established by Zambon on the occasion of its first hundred years celebrates two years of activities dedicated to personal health.

Zoé, in fact, **heir to the principles of company that have inspired the group** has from its very beginnings worked to contribute to the growth of a renewed awareness in matters of health and well-being on the part of the general public and of selected target workers. In particular Zoé is dedicated to the area of health communication so that physicians, pharmacists, patients and workers in the healthcare and information sectors may interact to encourage the fullest perception of “living well” in the conviction that it is not only a question of looking after oneself but

of knowledge and prevention for one to be able to count on good quality of life for as long as possible. The Foundation with its roots in the territory of Vicenza where the Zambon group was born and where its largest production plan is located, annually develops a specific theme on which it brings to bear various activities such as research, convention cycles, training courses and scientific and information publications. It interacts with the main experts, universities and study centres at the national and international levels and conducts interdisciplinary research, publishing the results and providing educational courses. **Zoé places great importance on collaboration with the main players and public and private institutions operating in the territory of Vicenza**, so that it may make a significant contribution to the **development of the quality of life in environmental and cultural terms and in terms of medical prevention**.

FRANCESCO SARTORI	head of the department of cardiological, thoracic and vascular science	University of Padua
CARMELO VIGNA	chair of moral philosophy	Ca' Foscari University of Venice
GIAMPAOLO AZZONI	president of degree courses in communication	University of Pavia
DOMENICO DE MASI	chair of industrial sociology	"La Sapienza" University of Rome
MARIA GIOVANNA RUBERTO	professor of bioethics	University of Pavia
GIOVANNI SIRI	professor of communication psychology and consumer psychology	S. Raffaele University of Milan

A Scientific Committee composed of a group of academics well-known in their respective disciplines controls and directs the choices of the promotional initiatives to pursue. During the year Zoé, with headquarters at 36 Corso Palladio in Vicenza, edited a volume entitled **"Health Communication. A manual"** coordinated by the members of the scientific committee and including the contribution from 54 authors, specialists in the main disciplines involved such as medicine, psychology, sociology, ethics, law and others and published by Raffaello Cortina Editore. The publication which deals from a holistic perspective with the theme of Health Communication was presented on 3 October in Vicenza during the **3 days "Living healthy, Living well"** promoted and organised annually by the Foundation in continuity with the research carried out in 2008 when Zoé had then explored the historical, social and cultural identity of the city in the Berico area. Together with other scholars, Elena Cattaneo from the University of Milan and Tullio Pozzan from the University of

Padua, Luc Montagnier, Nobel Prize Winner for Medicine in 2008, participated and spoke on the lengthening of life and its implications in terms of quality in the foyer of the Teatro Comunale of Vicenza. At the 3 days on Health, "Living Healthy Living well", the athletes, Pietro Mennea and Alessandro Zanardi, participated and spoke at a conference on the subject "Champions inside sports and out" attended by students from the last year of elementary schools and the first two years of high schools in the province of Vicenza. Lastly, at the conclusion of the works, a photography exhibition entitled **"Body, Mind, Environment", a selection of pictures from around the world** captured by the lenses of the best Ansa photographers, was inaugurated and remained on display for over a month at Palazzo Bissari. During 2009 Zoé also supported a university course on Health Communication organised by the University of Milan.

In December the **"Zoé's operational arm"** project was presented which provides for the training and integration of former collaborators of the Zambon group, now retired, into the world of volunteers.

he first step of the project intended to create a virtual and self-sufficient model so that the quality of life of the company community may continue beyond retirement age is the organisation of training courses to explore what interest there is in these subjects. The participants' talents and vocation for volunteering will then be made available to meet any requests or need for help and collaboration coming either from abroad or from within the company.

	2008	2009
PUBLICATIONS	Vicenza 2015. Economic, political and social prospects	Ca' Foscari University of Venice
GENIUS LOCI OF VICENZA	Health communication. A manual	University of Pavia
TRAINING	University Course on Health Communication (University of Pavia)	University Course on Health Communication (University of Milan)
MEETINGS	Forum Vicenza 2015	Living healthy, Living well (medical, scientific and sports part) Health @ Venice Presentation of Zoé's operational arm
CONCERTS		Opera in memory of Alberto Zambon: Il Rigoletto
EXHIBITIONS		(photographic) Body, Mind, Environment

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The Consolidated Financial Statements of the Group are posted on our website at www.zambongroup.com

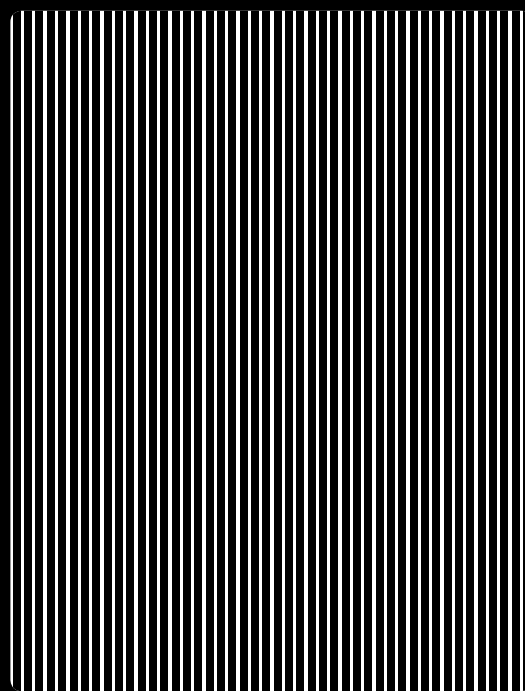
TAKING CARE OF AN INTEGRATED COMPANY



That “pathway of values” that we began to follow together with all of you last year, **continues** with the **Value Report 100+3** and will lead us, letter by letter, and year by year, through our Corporate Museum on an ideal pathway and bring together in 6 great chapters our way of being and of doing business at ZAMBON. After our exploration of the letter Z, the initial of our family name and the root of our history, this year we shall tell the tale of “A”. The letter “A” stands for our **Authors**, all those people who have written and who are still writing the story of our business community. This Value Report is, in fact, dedicated to those people – **the Zambon “gens”** – who through their contributions, their different ways of thinking and being and of living and working, are the real protagonists – the authors – of our results and our successes. Having so many Authors means tangible enhancement of diversity as well as recognition of the value of their differences and of their integration which we see as an opportunity and a source of uniqueness and originality. Then, here is the dominant theme for this year that has inspired both the texts of the Value Report and the “**authors’ box**”, that treasure chest where we have embraced some tangible signs, including some playful ones, of what we feel about diversity. Last year we chose Gandhi and his humility as our guide in telling our story and describing our roots; this year to lead and inspire our reflections along the pathway through the values of diversity we have chosen an outstanding witness, **Martin Luther King**, hero and champion of the “disinherited” and the segregated, and his dream of integration. We are indebted to him for his testimony, true and strong, of how to live in diversity and how to see difference as a strength and not a weakness. In leaving us such an important legacy of which we must **take good care**, King spoke of *a new kind of man* born of the revolution of values and spoke of *a new kind of humanity which would benefit from the mixture of the highest human values of people from all over the world*.

(Martin Luther King)

“We cannot
walk alone.
And as we walk,



we must
make the pledge
that we shall
always march ahead.”

Martin Luther King