Annual Report 2011

ENGLISH

Chiesi

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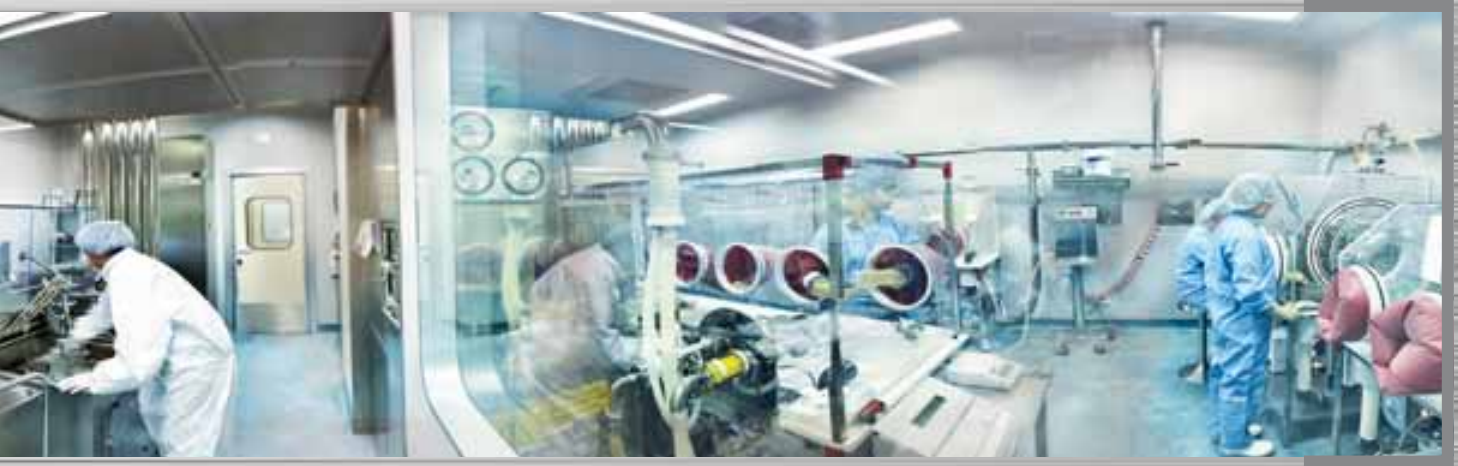

OUR MISSION

Our aim is to be recognised as a research-focused International Group, able to develop and commercialise innovative pharmaceutical solutions to improve the quality of human life.

We want to maintain a high quality entrepreneurial team characterised by self confidence and a collaborative spirit.

Our goal is to combine commitment to results with integrity, operating in a socially and environmentally responsible manner.

flexible dosages and the second to develop a formulation for inhalant powder and the innovative Nexthaler dispenser.
In the meantime clinical trials are also ongoing for the COPD and severe asthma indications and use in the paediatric field.
Bramitob, indicated for *Pseudomonas aeruginosa* in cystic fibrosis sufferers, further contributes to establishing our products.
International approval of this drug, which is already sold in 21 countries and currently undergoing evaluation by the FDA in the US, is another incentive to continue developing its therapeutic potential.
Curosurf sets the worldwide standard for the treatment of respiratory distress syndrome in premature infants, and also has interesting future development prospects. A recent trial has also confirmed the safety of administering this drug with a thin tube which avoids the need for intubation and mechanical ventilation in babies.
R & D activities grew by 12%, with investments for 170 million Euro, which represent a 16% share of revenues; this commitment puts us in first place among Italian pharma companies and thirteenth at European level, according to the rankings drawn up by the European Commission.
Construction work to build the new Research Centre was completed on schedule; the complex was officially opened in the autumn and presented to representatives from regulatory authorities and the medical scientific community at special meetings held in London, Brussels and Rome.
The Business Development and Licensing plans, which are the second strategic asset for the growth of the company, contributed to the Group's further development. Two research partnership agreements were signed for the development of new inhalant anti-inflammatory drugs with potential indications for COPD, severe asthma and cystic fibrosis. Three commercial agreements were also reached, including one for the acquisition of the Spanish company Pharma Capsul.

2011 result

The Group's consolidated sales (1,057 million Euro) have enabled the company to reach its objectives despite a difficult year. The excellent results achieved by France, the UK, Germany, Austria and the CEEC, Belgium, Greece, Brazil, Russia, Poland, Pakistan and China, have enabled the Group to deal with the crisis in the sector, which has affected some markets, including Spain. Export sales were also above the levels forecast.

Direct commercial operations began in Norway and Sweden, after buying back our products previously marketed by licensees. Cornerstone Therapeutics continued to establish Curosurf in the US market, despite having to give up a local product due to regulatory issues.

The Group is becoming increasingly international, not only due to the fact that it has 24 affiliates worldwide, but also to its turnover, 72% of which is currently generated outside the domestic market.

Its "corporate" products, which are those resulting from internal development, have grown by 12% at global level and reached a 65% share of the Group's turnover, thus enhancing the development of the workforce and contributing to an improved company image.

Foster has maintained its top ranking among our drugs with a growth of 29%, achieving sales for over 233 million Euro and making a significant contribution to global development.

With regard to the consolidated profit and loss account, gross and net operating margins have also reached record levels, as have our revenues, even if research contributions and incentives obtained are fewer than those received in the past as a result of a drastic reduction in the availability of European government funds.

At the Parma manufacturing site 50 million units were produced, a figure which is up by 2% on the previous year.

The total number of products distributed worldwide was close to 92 million packages, which is confirmation of the growing acceptance of our drugs.
In 2011 investments for over 71 million Euro were made mainly to construct the new Research Centre, set up new production lines dedicated to our sprays for inhalation and the new inhaler for Nexthaler powders.

Prospects for 2012

The company's strategic development plan provides for particular focus on therapies indicated for special and rare diseases. It dedicates increasing levels of internal resources to this area and actively pursues development agreements with external partners. Continuous improvement activities, which have already achieved remarkable results for industrial operations, will gradually be extended to the Group's other key processes.
The growth of the Group will continue throughout the current year, thanks to the ongoing development of the product line for respiratory diseases involving the scheduled end-of-year launch of the powder formulation of Foster, which uses the new proprietary Nexthaler inhaler. The arrival of generics for manidipine-based drugs and price cuts introduced in some countries may slow its progress.
The economic trend in the early part of 2012 has been in line with expectations.
Research and Development will again receive more investment, in particular for projects regarding respiratory diseases, neonatology, cystic fibrosis, cognitive disorders and

regenerative medicine. We are in the process of creating new collaborative agreements with international academic centres and other companies, in order to consolidate and extend the existing fruitful working relationships in our therapeutic areas of interest.
We would lastly like to thank our managers and all our collaborators for the professionalism, spirit of initiative and passion with which they have pursued the company's sustainable growth objectives, in a year marked by economic crisis and difficult circumstances in many of the countries we operate in.
The care taken and proactive approach adopted to resolve the logistics problems arising from our move to the new Research Centre and the technical difficulties connected with the development of new devices, together with the full respect of the company values and those relating to social responsibility, are testimony to the team spirit and shared goals within the Group, and keeps on being a point of reference for our future.

Alberto Chiesi
President

Paolo Chiesi
Vice President and
R&D Director

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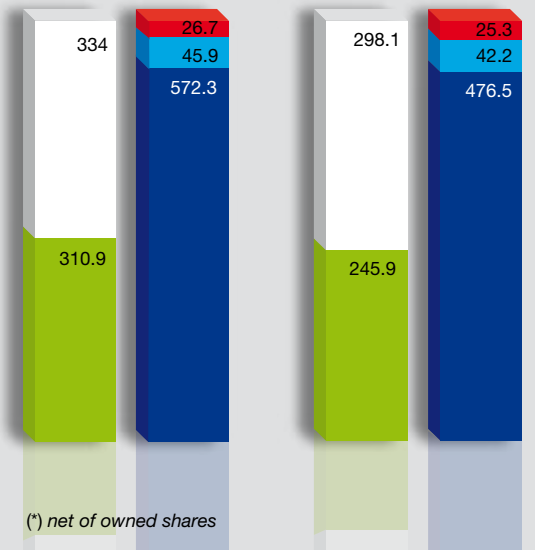
KEY FINANCIAL RESULTS

Balance Sheet Structure

- Net Invested Capital
- Net Financial Position
- Reserve Termination & Severance Indemnity
- Minority Interests
- Shareholders' Equity (*)



(*) *net of owned shares*

2011 Group Financial Highlights

(Value in Eur/000)

Operating results	2011	2010
Sales & Revenues	1,056,932	1,015,003
Growth	*4.1%*	*16.4%*
EBITDA	225,008	198,678
% on sales and revenues	*21.3%*	*19.6%*
EBIT	179,756	154,828
% on sales and revenues	*17.0%*	*15.3%*
Net Income	120,850	96,854
% on sales and revenues	*11.4%*	*9.5%*

Other information	2011	2010
R&D costs	169,377	150,341
% on sales and revenues	*16.0%*	*14.8%*
Capital expenditure	72,155	70,152
of which R&D investments	*38,985*	*40,001*
Number of employees	3,814	3,737
Number of Interim employees	390	358

Ratios	31 December 2011	31 December 2010
ROE (Net income / Shareholders' equity)	**21.1%**	20.3%
ROCE (EBIT / Net invested capital)	**53.8%**	51.9%

EUROPE PLAYS R&D CATCH UP

Mike Ward
Editor in Chief – Scrip Intelligence

Biomedical research today speaks with an American accent. This is only a recent phenomenon and through concerted efforts in Europe and elsewhere US dominance in life sciences innovation is being challenged.

Prior to 1980, European firms defined the biomedical industry, both in terms of market presence and an ability to create and manufacture innovative new products. Underpinned by a chemical industry forged in the crucible of the 19th century industrial revolution, Europe maintained a dominant position in biomedical research for most of the 20th century.

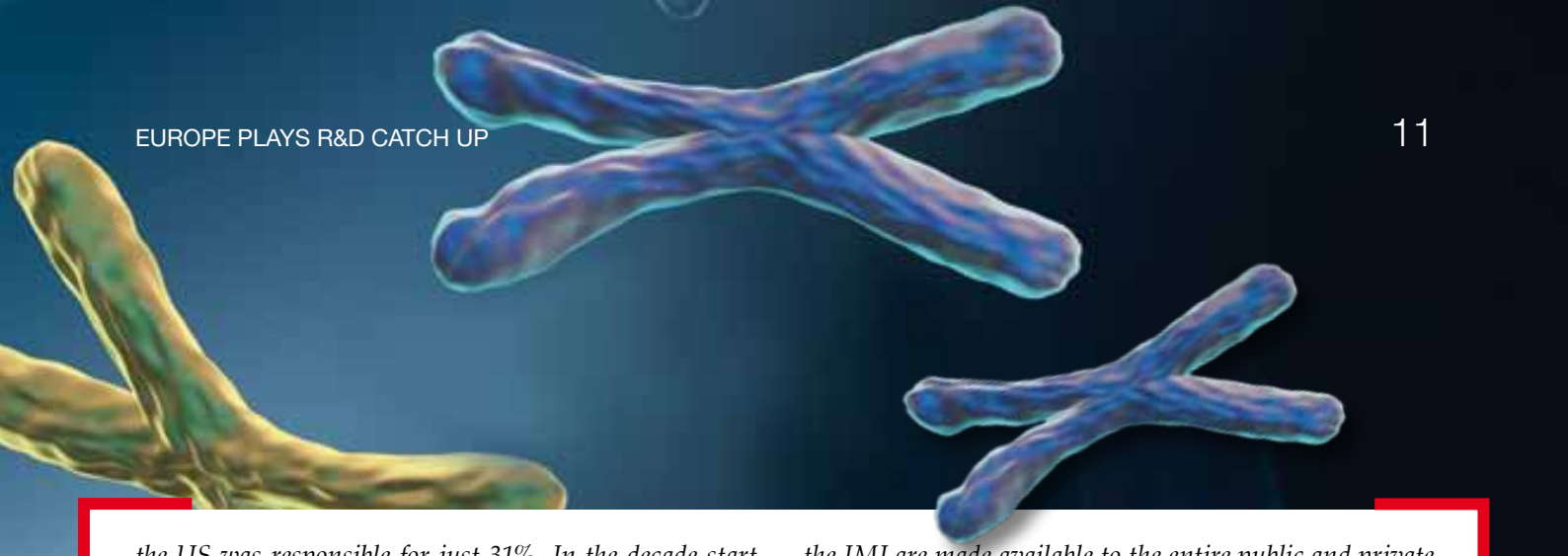
However, the US surged to the forefront of biomedical innovation at the start of the 1980s on the back of significant political policy decisions taken by the federal government – none more so than the Bayh-Dole Act of 1980 which allowed universities and businesses operating under federal research contracts to have exclusive rights to the intellectual property they produced for further development and commercialisation.

By making government-backed research easier to patent and bring to market in a profitable manner, the Bayh-Dole Act established an environment which encouraged commercial companies to collaborate more closely with academic scientists in universities and government-sponsored research centres.

Other critical regulatory changes included the Drug Price Competition and Patent Term Restoration Act of 1984, which provided additional patent protection to drugs, and the 1992 implementation Prescription Drug User Fee Act, which allowed the Food & Drug Administration to collect fees from industry to help expedite the drug review process – cutting the average review time for innovative drugs from 30 months in 1991 to 17 months by 2003.

Not only did these legislative and regulatory changes create a more supportive ecosystem for the US biomedical industry, they also created an incentive for European pharmaceutical companies to shift their own drug discovery activities to the US. Moreover, the changes persuaded the investment community to back an emerging entrepreneurial biotech industry.

So despite being the birthplace of the early biomedical innovations, Europe was quickly surpassed by the US. During the 1970s, France, Germany, Switzerland and the UK accounted for 55% of all new chemical entities, whereas



the US was responsible for just 31%. In the decade starting 2001, the share of the four European powerhouses has slipped to 33% -- only Switzerland has managed to maintain its R&D productivity, while the US now accounted for 57% of new chemical entities.

The European Union has for some time recognised the link between societal prosperity and innovation. Support for biomedical research is a key driver in Brussels' ambition to see EU member states devoting as much as 3% of GDP to research and innovation to underpin smart, sustainable and inclusive growth. Currently, overall research spending in the EU is on average just 1.8% of GDP, compared with 2.6% by the US and 3.3% by Japan.

In a bid to reassert its place in biomedical innovation, the European Union, governments and businesses are working together more collaboratively to minimise duplication of effort and benefit from each other's insights.

Of all the pan-European programmes in place, the most exciting is the industry inspired Innovative Medicines Initiative (IMI). Established in the mid-2000s as a public-private partnership between the European Union and the European Federation of Pharmaceutical Industries and Associations (EFPIA), a pan-European pharmaceutical industry group, IMI seeks to overcome bottlenecks in the drug development process by supporting more efficient creation of better and safer medicines.

With a €2 billion budget – of which €1 billion comes from the European Commission's Seventh Framework Programme and a similar amount matched by mainly in kind contributions from EFPIA member companies – IMI supports early-stage research projects and builds networks of academic and industry experts to create a collaborative ecosystem. Chiesi Farmaceutici plays a coordinating or leadership role in two of the 23 projects that are currently carried on by IMI: - U-BIOPRED and PROactive.

Joining forces in the IMI research and training projects, pharmaceutical companies, which are usually competing head-to-head, collaborate with each other and with other key stakeholders in academia, regulatory agencies and patients' organisations to pool their competences and tackle the major challenges in drug development.

IMI research projects, which are deemed pre-competitive, are broad and multi-disciplinary and so could not be carried out effectively by one company or one within one member state and are focused in areas where competitive advantage cannot be gained for a single R&D based pharmaceutical company . The knowledge and capabilities emerging from the IMI are made available to the entire public and private sector.

Beyond the pan-European ambitions of IMI, European governments are working hard to nurture their life science sectors.

Biomedical research is a specific beneficiary of the French government's fiscal stimulus package. France's Strategic Investment Fund was established in 2008 to support high growth companies, including those with a biomedical focus.

Germany's High-Tech Strategy 2020 is focused on facilitating closer ties between academia and industry to enhance its pharmaceutical sector's competitiveness. The programme is focusing on personalised medicine, including new drugs for age-related diseases, as well as research in genomics and basic biology to create new therapies and diagnostics.

In Italy, the Italian Institute of Technology (IIT), established in Genoa in 2003, has a multidisciplinary research focus looking at opportunities in bionanotechnology, neuroscience, automation and robotics. IIT has an annual budget of €75 million.

The UK government is committing large sums to supporting its life sciences sector – which represents a major part of the country's non-financial services economy. In addition to investing billions in health and biomedical research through the Medical Research Council and the National Institute for Health Research, it is also investing hundreds of millions in a UK Centre for Medical Research and Innovation and has established an innovation fund that it hopes will nurture new tech-focused start-ups, with a significant sum being earmarked for life sciences opportunities.

The message that biomedical innovation can be a major economic driver is not just being heard in the historical powerhouses. Many Asian countries are stepping up their efforts to support biomedical research and commercialisation as a means of advancing their own knowledge-based economies. Indeed for all the leading emerging economies, establishment of domestic pharmaceutical industries is a core economic goal.

Already the rising research productivity of China and India can be seen in the growing number of patented inventions emerging from the two countries. Within a decade, the number of pharma patents crediting at least one inventor in China or India has risen four-fold. China now accounts for about 8.4% of global pharmaceutical patents while India holds 5.5%.

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The Research Centre

The new Chiesi Research Centre was inaugurated in Parma on October 3rd 2011. Attending the event were the Italian Minister for Health, and Minister for Employment and Social Policy, national and local political authorities, and representatives from the pharmaceutical industry and academic world.
The Centre, resulting from investments for over 90 million Euro, will be able to house up to 450 people. The building, extending across a covered area of 22,000 mq, provides premises for pre-clinical and clinical staff and activities, as well as those relating to registration and pharmacovigilance, with the aim of improving discovery and development process efficiency. In addition, the Research Centre also includes a modern pharmaceutical plant, which produces batches of new drugs used in clinical trials. The research and development activities carried out at the Centre can be summarized in three phases:

Research

- definition of the biological target to be aimed for;
- synthesis/identification of the molecules able to interact with the target;
- assessment of therapeutic efficacy on *in vitro* and *in vivo* experimental models;
- identification of candidate drugs.

Learn

- Identification of the appropriate formulation;
- setting up of toxicological trials;
- study of the drug's metabolism in the human body;
- establishing safety and active dosages of the drug;
- identification of a maximum of two efficacious dosages for the desired indication before proceeding with definitive development (*pivotal study*).

Confirmation, launch and growth

- Completion of clinical development
- Demonstration of efficacy and tolerability in patients by rigorous comparisons with the therapeutic standard in larger groups of patients (economic and health assessments)
- Extension of drug use with trials in all patient populations/indications of interest.

To carry out these activities, the research teams undertake highly specialised tasks in various disciplines, such as: chemical synthesis, pharmacology, molecular biology, pharmacokinetics and metabolism, analytical chemistry, pharmaceutical technology, clinical research, regulatory issues, pharmacovigilance, quality assurance, intellectual property & knowledge management. The teams are provided with the latest technologies and have an opportunity to confer with colleagues at the Group's other research centres), and with numerous national and international scientific partners.

All the functions dedicated to R&D, registration and pharmacovigilance have already merged within the new Research Centre. In addition to the General Management and Research & Development, there is also Corporate Human Resource Management, Corporate and Legal Affairs Management and Corporate Management and Business Development. All the R&D staff will move to the new Centre by the end of 2012.

To facilitate the exchange of ideas, an architectural project based on the concept of people as the focal point has been developed: the interior space is designed to be open, multifunctional, flexible and functional to facilitate collaboration and discussion.

The architectural project

The architectural project was created with a precise aim: facilitate collaboration between the areas of competence. The interior open space encourages exchange between cultures and competences and create opportunity for collaboration and discussion.

Special attention was paid to designing the natural lighting system. It is widely known that natural light improves working conditions and helps prevent energy waste. The buildings are fitted with a large area of external glass walls, which are positioned so as to ensure the greatest exposure to light, regulated by solar shading devices. The artificial lighting system was also carefully designed to include an intelligent system, which activates it gradually.

Research & development

The new R&D site has provided the capacity to relocate all the R&D functions previously distributed across the city of Parma in different buildings. Relocation to a modern, state-of-the art building has also provided an opportunity for increased integration among all the partners of the different disciplines contributing to drug development. The R&D Team today features a group of local and international talents that Chiesi has been able to attract from different countries. Diversity in experience and culture will offer opportunities for more innovative thinking and improved efficiency.

The intensified efforts made in respiratory research over recent years have resulted in a clear shift towards more innovative molecules in 2011, thus improving the freshness index of our pipeline. New Chemical Entities (NCEs) patent applications increased by 40% in 2010 as compared with the previous year and by 114% in 2011 versus 2010. The respiratory pipeline now comprises several classes of novel bronchodilating and anti-inflammatory agents that provide opportunities for future innovative fixed combinations for the treatment of asthma and COPD. R&D spending achieved a balanced distribution between early and late phase development in 2011.

In 2011 investments in R&D constituted 16% of revenues for a total of 169,4 million Euro. 65% of spending was devoted to respiratory projects, which remain the core business. Intense efforts have been made throughout the year to achieve an increase in the area of special care both in neonatology and in the treatment of cystic fibrosis.

We continue to partner with the academia and other external experts with the aim of expanding capacity and capability towards innovation. We have launched a new partnership with the University of Florence (the FABER Project), which is based on the sharing of laboratories and scientists. The joint objective is the identification of new therapeutic targets for the prevention and treatment of asthma, COPD and other respiratory diseases.

The participation in the biggest public-private initiative in the pre-competitive field also continues,

with the purpose of addressing research inefficiencies and bottle necks. The projects where the company plays a coordinating or leadership role - U-BIOPRED and PROactive - have both delivered a wealth of new information that will enable to jump-start new approaches to drug development. These two working groups have already made important contributions published. Notably among them the consensus paper on the diagnosis and definition of severe asthma *(Diagnosis and definition of severe refractory asthma: an international consensus statement from the Innovative Medicines Initiative (IMI). Thorax 2011;66:910-917)*.

Furthermore, Chiesi has become part of another joint initiative aimed at paving the way for personalised medicine in COPD: SubPopulations and InteRmediate Outcome Measures In COPD Study (SPIROMICS) in partnership with the US National Institute of Health and other partners from the private sector. SPIROMICS was initiated by the US National Heart, Lung and Blood Institute along with various Universities. The initiative will study a large cohort of COPD patients. The objective of the study is to describe features of different COPD phenotypes including clinical-pathophysiological-biological endpoints in order to understand how therapy could be better targeted and drug development better designed to address the different patient phenotypes.

Pre-clinical Research

It is oriented towards the discovery of novel classes of bronchodilators and anti-inflammatory agents that are designed for optimal lung delivery and residency with limited or no systemic exposure with the aim of delivering future compounds that are potent, safe and well-suited to combinations.

The classes of compounds representing the focus of lead optimization include:

- LAMA: long-acting muscarinic antagonists;
- LAICS: Long-acting inhaled corticosteroids;
- PDE4: Phosphodiesterase-4 inhibitors.

Lead optimization was also initiated for the following classes:

- MABA: Muscarinic Antagonist and Beta-2 Agonist;
- NEI: Neutrophil Elastase Inhibitors
- P38 kinase inhibitors.

Lead selection is ongoing for other still undisclosed classes of molecules.

Preclinical Pipeline

Class	Mechanism of action	Potential indication
LAMA	Reduction of the activity of the lung muscarinic acetylcholine receptors with consequent bronchodilation	COPD, severe asthma
LAICS	Anti-inflammatory	Asthma & COPD
PDE4 Inhibitors	Anti-inflammatory	Asthma & COPD
MABA	Bronchodilation due to the additive mechanisms of muscarinic antagonism and beta-2 agonism	COPD, severe asthma
NEI	Anti-inflammatory, potentially disease modifier	Cystic fibrosis, bronchiectasis, severe asthma, COPD
P38 inhibitors	Inhibition of a key component of the signalling pathway of cellular response to inflammation (anti-inflammatory)	Severe asthma and COPD
Caspase-2 inhibitor	Inhibition of apoptosis (protection to ischemic damage)	Neonatal Brain Injury

Finally, three new compounds and two new fixed combinations have completed the pre-clinical GLP-regulated development phase and moved into the clinical space.

Delivery technologies

Research is oriented towards the improvement of available inhalation technology platforms and the development of new ones to optimize the delivery to the lungs of existing and novel molecules and combinations. Both pressurized systems and dry powders are the focus of our research. During 2011 activities performed in Chippenham (UK) and Parma have led to the filing of four new priority patent applications.

Clinical pipeline and regulatory status

In 2011, Clinical accounted for 65% of total R&D spending, 88% of which was devoted to the development of the Respiratory pipeline.

A total of 16 new clinical studies were initiated and 11 clinical studies were successfully completed on a total of 11 different drug development programmes significantly expanding the clinical pipeline.

The Application for Marketing Authorization of Foster pMDI (fixed combination of formoterol and beclomethasone) has been extended to two new European countries and regulatory approval obtained in six new countries outside Europe. Two new clinical programmes were successfully completed:

- the development of a new treatment scheme of Foster: the so-called Maintenance and Reliever Treatment (MART);
- the development of a DPI formulation delivered through the Chiesi proprietary innovative device Nexthaler.

The results of both programmes have been submitted to regulatory authorities in Europe and are currently under review.

Additional clinical programmes for new line extensions of Foster are progressing:

- the COPD programme which includes an innovative and technological approach to capture Patients Reported Outcomes and occurrence of exacerbations is proceeding according to plan and will be completed within 2012;
- new clinical programmes for the development of additional strengths (higher and lower dosages of corticosteroid) are ongoing, with the aim of significantly expanding the clinical utility of Foster to more severe diseases and to the paediatric patient population;
- a thorough Paediatric Investigational Plan (PIP) was approved and a number of studies are currently ongoing with both pMDI and DPI formulations.

Two new LAMAs are being tested in clinical development. One is a twice-daily product that has been developed for the purpose of delivering two new combinations also in clinical development. Positive data has already been generated from initial studies representing a robust platform for accelerating the later phases of development. Another potent LAMA from a distinct chemical class, which is expected to exert a long-lasting effect, is ready to start the first-in-man study.

An innovative PDE4 inhibitor with long residency in the lung, long-lasting effect and lack of systemic exposure has initiated Phase I studies and is transitioning into the stage of Proof of Concept in the patient population. This compound will be tested both on asthma and COPD.

Cystic Fibrosis

Chiesi remains committed to the search for therapeutic solutions for patients with cystic fibrosis by making Bramitob (nebulised tobramycin) available to international markets and also by continuing to scout for new opportunities. Bramitob has completed the clinical programme required for a second wave of registrations in additional European countries. A marketing authorization application was submitted to one additional new country and regulatory approval has been obtained in four new countries outside Europe. FDA NDA evaluation of the product is still ongoing. New information on long-term use of the product as well as use with an alternative nebulizer (e-Flow rapid) has been produced and will be published during 2012.

As our proprietary pipeline of new chemical entities (NCE) moves through the pre-clinical development phase, we are also actively exploring opportunities for in-licencing or co-development.

Neonatology

Following the success of Curosurf (an animal-derived surfactant), Chiesi remains committed to the neonatology area by continuing to support research aimed at identifying optimal use of this drug in the evolving management of premature neonates.

A new study has provided new and valuable information about the safety and efficacy of a less invasive administration of Curosurf by means of a thin catheter without endotracheal intubation and mechanical ventilation.

Pre-clinical development of the new synthetic surfactant has been completed and implementation of the first patient study has been initiated.

The collaboration with the Academic Consortia led by the University Clinical Centre of Tübingen (Project NEUROSIS) and the PENTA foundation, University of Padua, (Project NEOMERO) continues. The two projects aim to address the prevention of bronchopulmonary dysplasia and the treatment of late onset neonatal sepsis, respectively.

Work is in progress to identify the appropriate formulation to transfer into clinics with a caspase-2 inhibitor. The compound will be tested in neonatal hypoxic-ischemic encephalopathy.

Regenerative medicine

Our partnership with the University of Modena continues, with the objective of obtaining the marketing application of *limbal* stem cells for transplantation in the treatment of burn-dependent destruction of the human cornea.

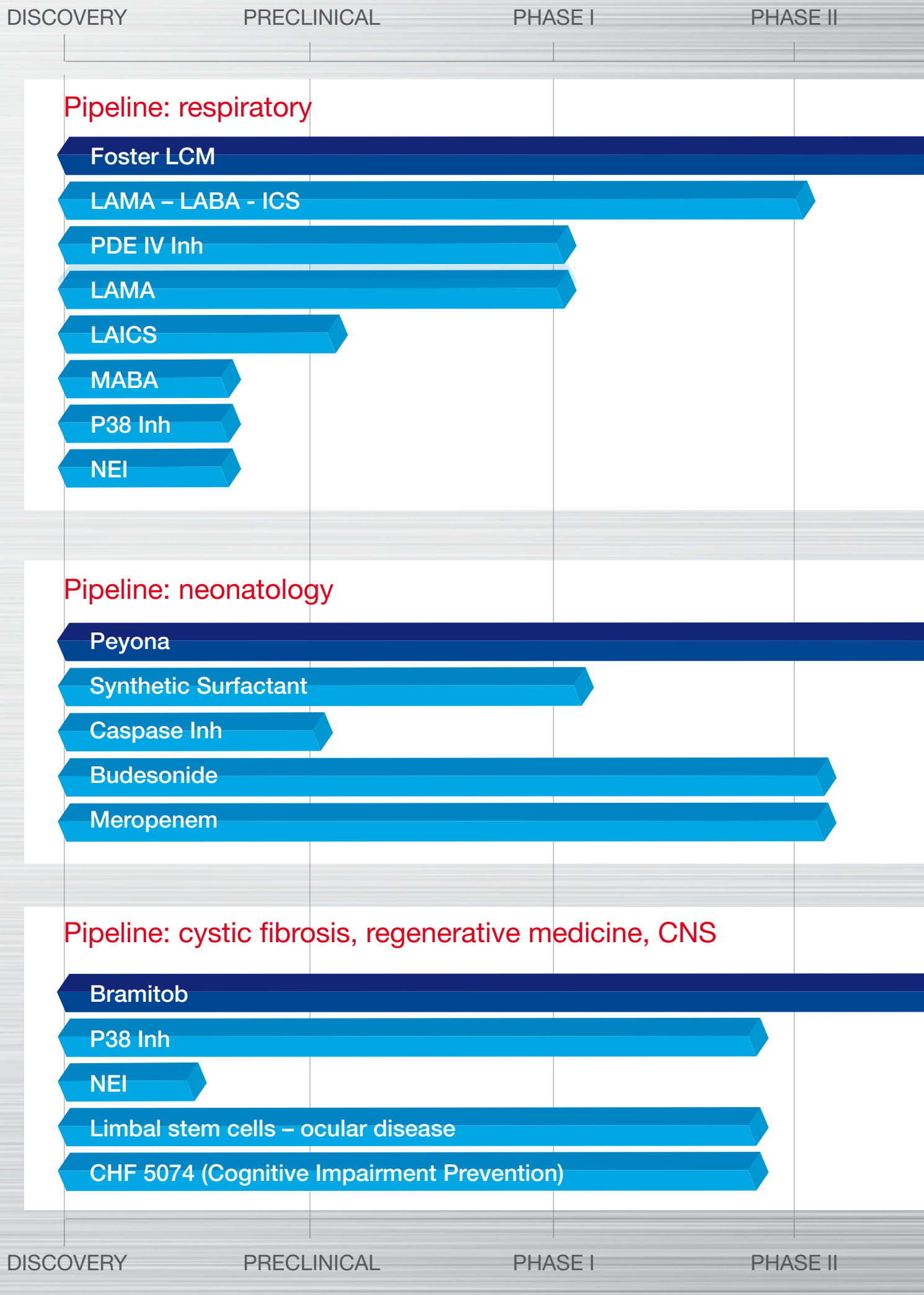
Cognitive impairment/Alzheimer disease

CHF 5074 is a clinical stage product candidate targeted at the prevention of disease progression in subjects at risk of developing AD.

Phase I studies on healthy volunteers have been completed and now the first Phase IIa study in patients with mild cognitive impairment is being conducted. The study will be completed in early 2012 and the initial results are expected in summer in the same year.

CHF 5074 has unique features compared to other compounds clinically tested in Alzheimer's Disease in the past. There is convincing preclinical evidence that CHF 5074 has the potential to reduce or delay the onset of the disease in the pre-symptomatic phase; this seems to be confirmed by early clinical evidence.

Being strategically focused in Respiratory /Neonatology and Rare-disease/ orphan indications, the company acknowledges the challenges for a medium-size company to develop new agents for the prevention of AD and for treatment of MCI on a global scale and therefore is willing to explore partnerships for future development and commercialization of this promising product.


DISCOVERY
PRECLINICAL
PHASE I
PHASE II
Pipeline: respiratory
Foster LCM
LAMA – LABA - ICS
PDE IV Inh
LAMA
LAICS
MABA
P38 Inh
NEI
Pipeline: neonatology
Peyona
Synthetic Surfactant
Caspase Inh
Budesonide
Meropenem
Pipeline: cystic fibrosis, regenerative medicine, CNS
Bramitob
P38 Inh
NEI
Limbal stem cells – ocular disease
CHF 5074 (Cognitive Impairment Prevention)
DISCOVERY
PRECLINICAL
PHASE I
PHASE II

PHASE III PRE-REGISTRATION LAUNCH

Launched

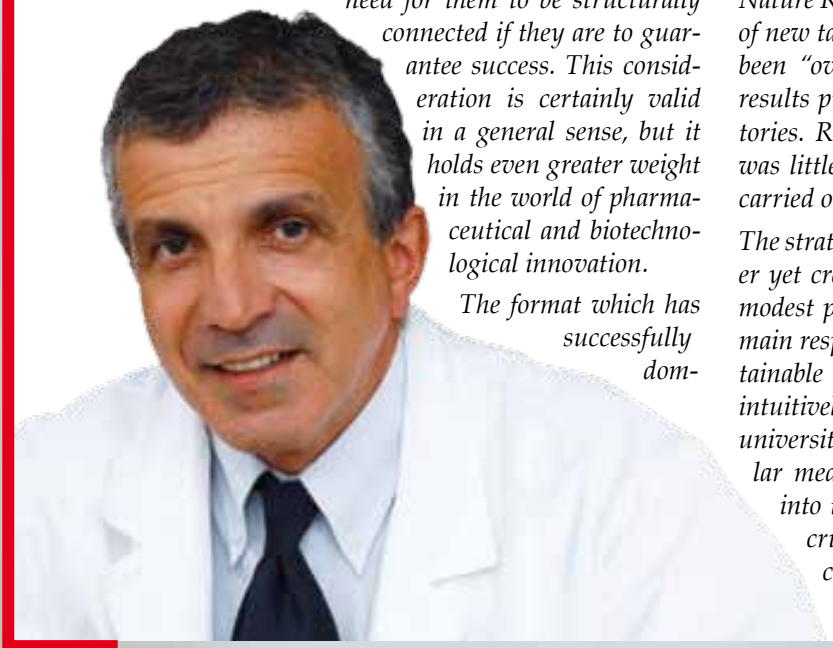
In development

PHASE III PRE-REGISTRATION LAUNCH

THE CHALLANGE OF DRUG DISCOVERY IN ITALY: UNIVERSITY AND INDUSTRY

Pierangelo Geppetti
MD – Professor of Clinical Pharmacology – Department of Preclinical and Clinical Pharmacology – University of Florence – Florence, Italy

In the last ten years international events both of an economic and social nature have highlighted the radical changes that our country will need to undergo if it is to create an environment in which the younger generations can build their future. Within this scenario, where the ability to innovate forms the foundation for future progress, two elements may play a fundamental role - university and industrial research. These entities have in actual fact never been separate, but today it is emerging with surprising strength that there is a need for them to be structurally connected if they are to guarantee success. This consideration is certainly valid in a general sense, but it holds even greater weight in the world of pharmaceutical and biotechnological innovation.



The format which has successfully dominated the pharmaceutical industry for decades has been that of companies large enough to encompass both research and development activities, whereby the process began and ended within structures and plants that became increasingly larger and more self-sufficient from one year to the next. A number of factors, including the growing difficulty of identifying new therapeutic targets and the increase in the rate of failure during the development phases and clinical trials, have put this model at risk. A recent analysis featuring in Nature Reviews Drug Discovery [(1)] estimated that over 50% of new targets identified as being of therapeutic interest had been "overvalued" by academic researchers, and that the results published were not reproducible in industry laboratories. Regrettably the same analysis [(1)] tells us that there was little improvement when research on new targets was carried out in industrial laboratories.

The strategy of moving onto successive acquisitions of smaller yet creative companies by big pharma industries with a modest product pipeline was and today still represents the main response to the crisis. However, a better and more sustainable response would appear to be that of carefully and intuitively gathering ideas and synergies from the wealth of university research available to enable large and in particular medium-sized companies to channel their operations into the development phases in which their expertise is crucial and undisputed. In a close and mutually critical relationship with the industrial sector, the uni-

versity must instead guarantee early discovery and validation of target drugs and this more effectively ensues from the possibility of dedicating years of study to basic research, which only later becomes translational and thus applicable.

If this is true, it is equally true that the Italian university, the national industry's primary interlocutor, must make significant changes to its behaviour and orientation. By behaving in a way which involves the co-optation of students by their teachers, who are in actual fact geographically and culturally similar, it encourages the inescapable repetition of models and ideas destined to produce predictable cultural sterility and lack of innovation. The university's general tendency to consider itself a separate and impenetrable world is the other aspect requiring rapid change. The presence and co-existence in 'university laboratories' of other structures of a cultural and knowledge-based nature, mainly including those related to the industrial sector, is and will be the way to alter this orientation towards a model of powerful synergy and productivity.

A university which does not favour a meritocratic approach, based on singling out and promoting both men and women who are able to take up the challenges of knowledge in a generous and creative way, not only fails to honour its mandate but is also destined to rank lower and become provincialized.

On the other hand, an industry that does not tackle the challenge of international competition with courage and method is doomed to failure and marginalisation. The answer to the question of whether anyone in our country has achieved anything tangible in this direction is somewhat uncertain and timid, yet some progress has been made along this new road, which can and must be the way forward. Chiesi Farmaceutici and Florence University have taken this route with the FABER project, partly financed by the Region of Tuscany, by making a joint investment mainly within the human resource field. Two groups of young researchers recruited both from the University and Chiesi are already working together enthusiastically on this programme. Their future as well as ours is in their hands and minds.

(1) Mullard A. Reliability of 'new drug target' claims called into question. Nature Reviews Drug Discovery, 10, 643-644, 2011

FOSTER
Beclometasone+Formoterol

BREXIN®

Main Products

Foster

A fixed combination of beclomethasone dipropionate (corticosteroid) and formoterol fumarate (a long-acting β2-agonist with rapid onset of effect) to be taken by inhalation. The drug is available as a pMDI (pressurised metered –dose inhaler) in solution. This formulation is based on Modulite technology: allows one or two inhalations twice daily. Foster's key feature is its extra-fine formulation, which guarantees uniform distribution and high drug deposition throughout the bronchial tree. Following its launch in Germany in October 2006, Foster is now sold in over 35 countries worldwide and further launches are planned throughout 2012. The development of additional indications is underway, such as the treatment of chronic obstructive pulmonary disease (COPD), and the extension of Foster's clinical use to include paediatric and adolescent patients. A new dry powder inhaler formulation ("Nexthaler" DPI device) is also in the late stages of regulatory approval.

Brexin

Piroxicam β-cyclodextrin (PBC) is a successful example of the clinical application of "guest-host" technology, which has been awarded the Nobel prize. The guest is a starch derivative known as β-cyclodextrin, which solubilises the piroxicam host, a non-steroidal anti-inflammatory, thereby improving its pharmacological properties. Piroxicam β-cyclodextrin is mainly indicated for the treatment of painful and inflammatory conditions in patients with rheumatic diseases such as rheumatoid arthritis, osteoarthritis and ankylosing spondylitis. The drug is today sold in Europe, South America, Asia and Africa.

Clenil

ATIMOS

Clenil

Clenil (beclomethasone dipropionate) is one of Chiesi's historical products and has become well established in the market since its launch in Italy in 1979. It is indicated for the treatment of asthma and other inflammatory and allergic conditions, and it comes in various formulations (pMDI, DPI and mono-dose nebuliser solution). The pMDI formulation uses Chiesi patented Modulite technology. This has enabled the drug to achieve significant results in European countries such as the United Kingdom, where sales and market share recorded constant growth last year.

Atimos

A formoterol fumarate pressurised inhalation solution (pMDI) based on Modulite technology and indicated in the long-term symptomatic treatment of asthma and chronic obstructive pulmonary disease (COPD). Thanks to the rapid onset and long-lasting therapeutic action (up to 12 hours) of this drug, formoterol is considered to be one of the best β2-agonists currently available on the market. Atimos ensures optimal distribution of this active ingredient throughout the entire bronchial tree, including the peripheral airways.

The drug is sold in all the principle European markets and has proven to be well tolerated with respect to other DPI and pMDI formulations. The licensing of Modulite technology to Novartis confirms its efficacy.

Clipper

An oral corticosteroid indicated for the treatment of mild to moderate ulcerative colitis in its active phase. The drug is available in prolonged-release gastro-resistant beclomethasone dipropionate tablets, to be administered once daily. The release design of the product ensures targeted delivery of the active ingredient in the mucosa of the distal ileum and the prima colon, where the inflammatory process develops. The drug exerts its anti-inflammatory effect locally and reduces the systemic adverse events normally associated with corticosteroids to a minimum. It is currently registered and sold in Italy, Belgium, Spain and the United Kingdom.

Curosurf

A animal-derived surfactant for endotracheal administration indicated in the prevention and treatment of neonatal respiratory distress syndrome in premature infants. This disease is amongst the most common causes of neonatal death and caused by lung immaturity in preterm newborns. Its active ingredient is a natural surfactant mainly composed of polar lipids and proteins. Since its introduction in 1992, Curosurf has been used to treat over 1,300,000 newborns. It is the world leading surfactant, with a 66% market share, and is available in over 70 countries worldwide.

Bramitob

This new tobramycin formulation has been developed in a sterile inhalation solution for the treatment of chronic pulmonary infections caused by *Pseudomonas aeruginosa* in patients with cystic fibrosis (CF). The drug is available in mono-dose vials, to be administered twice daily in 28-day therapeutic cycles, alternating with a period of treatment suspension of the same duration. Bramitob showed improved lung function, reduced the need for and length of hospital stays, the number of work and school days lost, and the need for intravenous antibiotics.

Bramitob is Chiesi's first product for cystic fibrosis and is registered and sold in 21 Countries. Launches in other Caucasian countries are planned for the next few years as cystic fibrosis, which is the most common special care disease, predominantly affects these populations.

Iperten

Iperten (manidipine), a last generation dihydropyridine calcium antagonist, is indicated for the treatment of mild to moderate hypertensive patients. Unlike other traditional calcium antagonists and in addition to its antihypertensive action, manidipine also exerts specific effects aimed at reducing the total cardiovascular risk and improving the quality of life of the hypertensive patients. Today, manidipine is available in a number of countries under different brand names: Italy, France, Tunisia and Morocco (Iperten); Brazil - (Manivasc); Greece and Germany (Manyper); Spain (Artedil).

Peyona

Peyona (caffeine citrate) is an orphan drug for hospital use only, registered in Europe through the centralized procedure and indicated for the treatment of primary apnoea of premature newborns. This pathology is characterised by the incomplete development of the brain centres which control the respiration.

Apnoea of premature, which is defined primary due to the lack of any apparent causes, is the manifestation of breath pauses in breathing, which reflect the immaturity of the breathing control systems. Caffeine stimulates the centres that control the central nervous system and has shown to increase the survival rate without neurologic deficit at 18 – 21 months, reducing the respiratory support and the incidence of bronchopulmonary dysplasia.

The drug is marketed in Austria, Germany, Czech Republic, Spain, Greece, and Italy.

Industrial operations

Chiesi Group production takes place at three sites: the Parma production facilities (Italy), with 430 employees, split between the San Leonardo and via Palermo plants; the Blois-La Chaussée Saint Victor plant (France), which employs over 60 members of staff; the Santana de Parnaìba plant (Brazil), with over 100 people.

Parma

The most important production plant is also an international supply centre and exports to over 60 countries. The San Leonardo plant operates under the ISO 9001:2008 Quality Management System Certification and has passed many inspections carried out by the regulatory authorities of a number of countries, including the US Food and Drug Administration, the Canadian Therapeutic Products Program and the Agenzia Italiana del Farmaco.
A Health and Work Safety Management System complying with British Standard OHSAS 18001:2007 has also been implemented and
certified. An Environment Management system is being implemented in accordance with the ISO 14001:2004.
The proper application of international Good Manufacturing Practice standards, achieved using avant-garde technologies represents the best way to guarantee worker safety and respect for the environment.
Yearly production in Parma is about 50 million sales units. The San Leonardo production facilities prepare: solid form pharmaceutical tablets and powders for DPIs (Dry Powder Inhalers); solutions and suspensions either for pressurised MDIs (Metered Dose Inhalers) with eco-friendly propellants (HFA) or sterile unit-dose vials (UDV) with “Blow Fill & Seal” technology (BFS) for use with a nebuliser.
The current 3-shift production capacity for sterile UDV nebulisation polythene vials stands at 210 million units (vials) per annum.

MDI double shift production capacity is currently 24 million canisters, with further potential capacity which has already been successfully trialed. The Via Palermo production facilities prepare vials of sterile suspension for endotracheal administration (Curosurf) and liquid form pharmaceuticals such as drops, syrups and nasal sprays.The 2006 expansions made in the Curosurf sterile suspension production department, which have been approved by European health authorities and the US FDA, along with those made at the plant supplying the active ingredient, have increased capacity to over 400,000 units. Due to the increasing sales performance of the product, plans are already being made for further expansion.
In addition, an automatic filling and assembly line for a new Dry Powder Inhaler (DPI) is also ready, which also includes the packaging line.
Production and support processes (Cleaning in Place, Sterilizing in Place) are managed and monitored by approved IT systems. The implementation of Manufacturing Execution System (MES) type IT architecture allowed to increase the level of automation. The IT dispensing system has so far been linked up and the electronic batch record is now operational in the sterile UDV department and pMDI line. This is now being extended to other departments.
The Engineering department in Parma has made a fundamental contribution to the creation of the new Research Centre.

Blois

Production at the Blois facilities stands at over 6 million sales units, which are mainly destined for the other affiliates in the Group. The French production labs specialise in capsule and tablet blister packaging and also in the final assembly and production steps for MDIs, which can then be deposited in the ample refrigerated storage facilities at the plant.
The analytical transfer activities have been finalized, in order to enable Blois to check and release pMDI products.
The plant is also equipped for direct distribution to the client both for the French market and for export.

Santana de Parnaìba

The facilities produce over 6 million sales units. The production lines prepare solid pharmaceutical forms (tablets) and pressurised solutions and suspensions for inhalation (MDI), formulated for use with eco-friendly HFA propellant.
Aside from the local market, these products are destined for those of the Group's other affiliates, including Italy and UK, as a result of AIFA approval (Italian Agency for Pharmaceuticals) following regular inspections on site, and for export to licensees and distributors.

Technological support

The Corporate Manufacturing Technology and Corporate Engineering departments can support:

- Research and Development in scaling up developed products;
- production transfer between facilities inside or outside the Group;
- partners, when they produce directly using the technologies patented by Chiesi.

Moreover, in collaboration with Corporate Quality Operations and Corporate HSE, they can support:

- the due diligence activities for Business Development;
- the technological lifecycle management of existing products.

Therapeutic Areas

Respiratory diseases

The company is fully committed to the treatment of pulmonary diseases. To this end, we have created drug delivery technologies and devices to ensure efficient active ingredient distribution in the lungs. Asthma is a chronic inflammatory disease affecting the entire bronchial tree. Foster, a combination drug consisting of a long-acting bronchodilator and a steroid, has been developed in order to provide innovative treatments for the respiratory field; its distinguishing feature is its extra-fine formulation based on Modulite technology.

The Modulite spray, which is able to release the active ingredient as extra-fine particles, guarantees an even distribution of the drug throughout the entire bronchial tree, thus ensuring uniform treatment of inflammation and bronchoconstriction in the central and peripheral airways.

In addition to improving asthma treatment, the Group is currently engaged in identifying new effective treatments for Chronic Obstructive Pulmonary Disease (COPD), a condition which is characterised by a number of therapeutic needs that are as yet unresolved. The pipeline is mainly made up of projects designed to make significant advances in the treatment of asthma and COPD thereby continuing to strive towards improving the quality of life of patients affected by these diseases.

Special care

Chiesi is also focussing its attentions on the treatment and care of patients suffering from rare diseases, which can be potentially life threatening. The commitment in this area is considered strategic for the group's future and potentially of great social impact. Aside from its longstanding commitment to the treatment of respiratory distress syndrome (RDS), a field in which the surfactant Curosurf has become the international gold standard, the company now also commericalises, Peyona for the treatment of apnea of the premature and is looking into other neonatal diseases, including bronchopulmonary dysplasia.

So, it wants to offer the medical and scientific communities new therapeutic options for the treatment of serious genetic diseases such as cystic fibrosis. There have been two initial steps in this direction: the first was the launch of Bramitob for the treatment of infections caused by *Pseudomonas aeruginosa* in cystic fibrosis sufferers, and the second was to set up a joint initiative with physicians and associations to improve the management of patients affected by this disease.

Global marketing

Sponsorship

The Chiesi Group supports many scientific activities and actively participates in some of the most important medical – scientific congresses in its therapeutic areas of interest.

Respiratory

European Respiratory Society (ERS)	The ERS is the leading professional organisation in its field in Europe. Its scope covers both basic science and clinical medicine. Chiesi is one of the major sponsors of the ERS congress, a meeting hosting over 22,000 visitors interested in the Respiratory field.
American Thoracic Society (ATS)	The ATS mission is to improve health worldwide by advancing research, clinical care and public health in respiratory disease, critical illness and sleep disorders. Chiesi is a sponsor of the ATS congress.

Cystic Fibrosis

European Cystic Fibrosis Society (ECFS)	The European Cystic Fibrosis Society provides an international forum on all aspects of cystic fibrosis. The ECFS fosters the best possible care for people with cystic fibrosis.
ECFS Patient registry	Chiesi is the sole pharmaceutical sponsor of the Patient Registry since 2009. The purpose of the ECFS is to measure, survey and compare aspects of cystic fibrosis and its treatment in participating countries, to provide data for epidemiological research, and to identify special patient groups suitable for multi-centre trials.

Respiratory distress syndrome

Curosurf Family Meeting	The International Workshop on Surfactant Replacement can be considered one of the most important events sponsored by Chiesi. It is also commonly known as the "Curosurf Family Meeting" due the limited number of participants who attend only by invitation. The first edition of the Curosurf Family meeting was held in 1986; over the years, it has become a worldwide reference point for research into the surfactant field.
Recent Advances in Neonatal Medicine Congress	The Recent Advances in Neonatal Medicine Congress is organised every 3 years in Wurzburg by professor Christian P. Speer, with the support of the company as gold sponsor. The *Chiesi Excellence in Neonatology Prize* is awarded to the most important experts in the neonatology area.
European Society for Paediatric Research Congress	The European Society for Paediatric Research Congress is the most important European paediatric meeting with a focus on neonatology. The sponsorship agreement includes, alongside the ordinary congress activities, the Robertson Award for Neonatal Lung Research and the Neonatal Lung Symposium, both sponsored by an unrestricted educational grant.
European Society of Neonatologist Courses	Chiesi is the only sponsor of a two-day post-graduate course prior to the ESPR Congress, an interactive course with top level researchers, creating a partnership with the new generations of specialists.

Donorship

Cystic fibrosis

Fondazione per la Ricerca sulla Fibrosi Cistica - Onlus	The "Fondazione per la Ricerca sulla Fibrosi Cistica – Onlus" is a no-profit social utility organization, promoting and financing innovative research projects on cystic fibrosis. It also supports the training of young researchers and healthcare professionals, informs and updates the latter and the public opinion on cystic fibrosis.

Respiratory distress syndrome

The Curosurf Team for the Children and Curosurf Family Meeting Community are supporting two projects in Central and South America:

BRAZIL **Como Gente Grande - Educate to fight Poverty** **"Project for People" Association - Milan, Italy**	The project, supported by the Curosurf Family Meeting Community, takes place in Valeria (Salvador de Bahia), a "Favela" of over 50,000 inhabitants. Its objective is to educate young girls (11-12 years old) to help reduce the high number of teenage pregnancies, often associated with obstetric complications, the sixth cause of mortality amongst Brazilian adolescent girls.
EL SALVADOR **The children's house "Soleterre", Association Milan - Italy**	The project is aimed at preventing and reducing the number of school drop-outs and providing medical assistance for children and their mothers living in rural areas where poverty affects over 40% of the total population. 110 children are hosted and nurtured daily at the kindergarten and primary school.

High level donorship

Chiesi joins some of the most important global initiatives aimed at reducing the impact of major respiratory diseases on a global scale.

Global INitiative for Asthma (GINA)	The Global Initiative for Asthma (GINA) works with health care professionals and public health officials around the world to reduce asthma prevalence, morbidity and mortality
Global Initiative for Chronic Obstructive Lung Disease (GOLD)	The Global Initiative for Chronic Obstructive Lung Disease (GOLD) works with health care professionals and public health officials to raise awareness and to improve the prevention and treatment of Chronic Obstructive Pulmonary Disease (COPD).
Global Alliance against Chronic Respiratory Diseases (GARD)	The Global Alliance against Chronic Respiratory Diseases (GARD) contributes to the WHO's global work to prevent and control chronic respiratory diseases. GARD is a voluntary alliance of national and international organizations, institutions and agencies from a range of countries working towards to reduct the global burden of chronic respiratory diseases.

Patient Organisations

Respiratory

Chiesi supports the following international organizations:

Respiratory

European Federation of Allergy and Airway Diseases Patient Association (EFA)	The EFA is a European network of patient organisations, prompted by the belief that an international organisation formed by European patient associations would be a more effective way to serve the needs and safeguard the rights of patients and their carers. Chiesi supports this organisation.
International Primary Care Respiratory Group (IPCRG)	The IPCRG provides a forum for its constituent national groups so that it may represent international primary care perspectives in respiratory medicine and raise the standards of care in individual countries and globally.

Cystic fibrosis

European Young Investigator Meeting	This meeting is organised by the European Cystic Fibrosis Patient Organisation together with the European Cystic Fibrosis Society. It aims to foster interaction between young scientists in order to create a long-term collaborative European network of CF investigators.

Human resources

Focus on people, both in terms of a professional development culture and the work-life balance, was also a top priority for Human Resources Management in 2011.
The People Care programme involved numerous initiatives organised by Human Resources Management Italy, whilst a growing number of affiliates set up activities dedicated to their employees and the social sector. As far as Italy is concerned, this is also confirmed by the fact that Chiesi Farmaceutici SpA has been certified and awarded the Top Employers title for the fourth year running by the company CRF. Germany and the UK affiliates were also awarded the Top Employers certification for the first time.

Organisational development

New professional profiles are constantly added to Chiesi's organisational model to satisfy evolving business needs. Some of the key changes were made with the reorganisation of Corporate Clinical Development Management, aimed at simplifying its structure, optimising efficiency and making the most of the opportunities resulting from the move to the Research Centre. The new arrangement has further reinforced the team's international dimension, and is based on a workforce from various countries and increasingly closer collaboration between the Research Centre and those in Paris, Rockville and, with regard to drug administration technologies, Chippenham.
The Direzione Farmaceutica Italia has reviewd its own organisational model by focussing more closely on the Primary and Special Care functions, and in doing so has temporarily reinforced the workforces of its own promotional framework.

Developing human capital

The Chiesi Academy, whose main activities include running the Chiesi Corporate Master (CCM), now in its second edition, and setting up the programme entitled Development for Executives And Leaders (DEAL), is the brand representing the Chiesi Group's Corporate training opportunities.

The two projects are based on criteria of excellence and internationalism, both in respect of the participants and the teaching staff. Maintaining the same format as the first edition, the CCM provides continuity for development programmes for some of the company's resources possessing a strong potential for growth. The DEAL project is an opportunity for people to enrich their managerial experience whilst discovering themselves and their full potential. Participants from eleven different affiliates had the chance to look at themselves in depth, creating a close community which greatly benefited from the harmony generated throughout the course.

Research and selection

2011 represented a year packed with activities for the Employer Branding project – all actions undertaken to enhance the company's reputation, so as to render it more appealing – and one in which the foundations for its international development were laid.

The partnership set up with Milan Polytechnic saw the company involved in career guidance presentations and meetings with young chemical and management engineers. Chiesi's attendance at the career days organised by Italy's main universities enabled the company to come into contact with numerous candidates who are interested in working for the company. The work4chiesi project is designed to create a community so as to facilitate the induction process for new recruits.

The importance of the web 2.0 in the search for new professional profiles has been confirmed: with this in mind, the "lavorare in Chiesi" group was set up within the social network LinkedIn. The member of the group reached over 200 people in just a few months.

Information & Communication Technology

Promoting the conditions for growth

In recent years the company has experienced the evolution of a scenario characterised by sustained development and an increase in complex issues. In order to respond to these needs CICT management has set itself three key objectives: simplification, standardisation and integration.

Simplification is firstly applied to the technological and applications architecture used throughout the Group. The need for standardisation begins with business processes and is then extended through all the components of the information management chain: technological infrastructure, applications, data and security.

Integration is essential to guarantee adequate support for increasingly international and global business processes.

In 2011 these guiding concepts were applied to a series of projects that represent an entirely new approach for the Group, given their size and complexity.

The SAPiens Project

On completion of the “business blueprint” phase, dedicated to analysing the business processes and defining their evolution “TO BE”, the project then entered the setting-up phase. This phase involves the implementation of the SAP system for Italy, yet also bears in mind the evolution of the Group.

An important objective is in fact the definition of a model (global template) which facilitates an extension of the system to the affiliates in the subsequent phases.

The investment made in the new ERP system is therefore of strategic value to guarantee adequate degrees of response to the needs of the market.

The Mercury Project

The Mercury Project, which is designed to harmonize the Microsoft infrastructure at Group level, has completed the programme for 2011, integrating the majority of the affiliates within a shared technological infrastructure in accordance with the working plan. The project is due for completion in the first half of 2012 when the remaining affiliates will also be incorporated. Once this process is complete, users throughout the entire Group will then have a single access profile for applications, shared collaboration tools and standardised connectivity across the whole Chiesi network.

Security

Once the responsibility profiles regarding this delicate area were defined, CICT launched a study to establish the strategies, standards and guidelines that will reconcile the need to protect the Group's wealth of specific knowledge with that of adequate levels of international compliance and ease of locating or accessing information.

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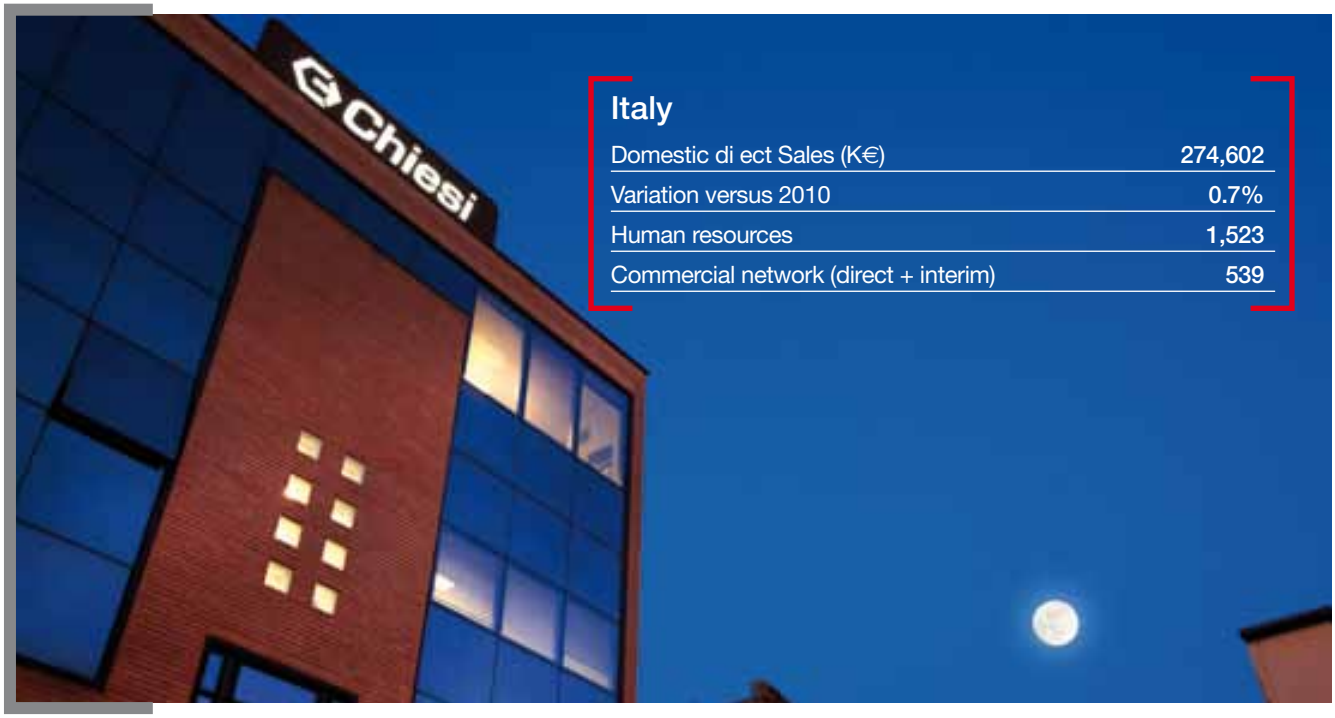


Divisione Farmaceutica Italia

In spite of a particularly difficult situation, the Pharmaceutical Division Italy recorded a growth rate higher than that of the retail market for the sixth year running (up by around 1% on 2010) and ends the year at the top of the respiratory market.

Performance was supported by all the main brands: Foster, Provisacor, Clenil, Fluibron, Clody, Jumex, Xenazina, Sirio, Clipper, to mention the key products.

Of particular note, Foster recorded a growth rate of around 11% with a parallel increase in market penetration which reached 12.2% per unit.

Provisacor was also remarkably successful and closed the year with a growth rate of over 11%, well above that of its market, coming 17th in the ranking of the bestselling brands on the Italian retail market.

Clenil and Fluibron consolidated the company's position in the respiratory market with IMS sales of over 65 million Euro and continue to grow by 2% in well-established markets.

All the products for the central nervous system (Jumex, Xenazina, Sirio) achieved double-digit growth, above other drugs in the same market.

2011 also saw the launch of both new proprietary brands and brands from important partnerships or acquisitions. Peyona (caffeine citrate, indicated for the treatment of primary apnoea in premature newborns), which came onto the market in November, Hirobriz Breezhaler (indacaterol, licensed to Novartis and indicated for COPD), which came onto the market in June, and Triniplas (a nitroglycerin plaster), represent new and stimulating opportunities to consolidate Chiesi's position in the areas where it is already well established.

Partnership projects with various exponents from the health system were successfully concluded for the first time regarding issues relating to compliance and resource consumption.

Lastly, joint initiatives centred on the service provided for patients and clinicians, intended to complement its pharmacological therapies have been set up. Of particular interest is the agreement with a specialist company, which will help cystic fibrosis sufferers improve compliance with the pharmacological therapy.

France

Domestic direct Sales (K€)	120,317
Variation versus 2010	5.4%
Human resources	328
Commercial network (direct + interim)	170

Chiesi France

In 2011, Chiesi SA achieved revenues of 124.7 million Euro (domestic + export sales), a 1.4% increase on the previous year, thereby consolidating its position in a local context of very low growth in the French pharmaceutical market.

These results are the fruits of sustained product growth in the respiratory range, led by Innovair, which generated revenues of 40.9 million Euro, a 20.6% rise in an increasingly competitive market. They are also due to the stability of mature products, particularly Cetornan and Iperten in Retail and Curosurf in Special Care.

At the same time, the subsidiary sought to optimise the organisation of its head office and field forces with a view to:

- adapting to rapid changes in its environment;
- placing the customer at the centre of its strategies by developing better knowledge of its customers and markets;
- optimising the operational synergies between the various teams and making the allocation of internal resources more efficient.

The new organization, unanimously approved by the company union, became effective as of January 1st, 2012. In particular, it involves:

- creating Specialist Medical Representative positions for a dedicated approach to specialist physicians, especially lung specialists;
- strengthening the Market Access and Business Development, CRM and Pharmacovigilance Divisions;
- implementing structures mirroring corporate positions (such as the role of the Medical Scientific Liaison, known as Regional Medical Manager in France).

The Blois site produced 7.4 million units whilst confirming its standard of quality during the Afssaps (French Health Product Safety Agency) inspection.

In production terms, 2011 was marked by the introduction of two new plants making the packaging of the Foster/Innovair range tamperproof.

Alongside this, the site launched a cross-functional LEAN Management project, with the 5S initiative as a starting point.

Spain

Domestic direct Sales (K€)	63,241
Variation versus 2010	-6.8%
Human resources	244
Commercial network	193

Finally, the subsidiary initiated the CHIESI, Good Place to Work project, which brings together 52 managers from the head office, field forces and Blois site teams in a think tank aiming to increase employee engagement and to improve further cross-functional communication and collaboration. In essence, six projects have been identified by the managers and will be implemented from 2012 onwards.

Chiesi Spain

2011 has been a challenging year for the Spanish Pharmaceutical Industry due to measures introduced by the government, which have had a negative financial impact on all companies countrywide, including Chiesi Spain.

Nevertheless, the affiliate has been able to increase its market share. Chiesi Spain now distributes its sales force in two business units: one for Retail, focussing on general practitioners and specialists, and the other for Special Care, focussing on hospitals.

Despite these measures, Foster sales rose 16% in value and 20% in units.

Vivace, launched in September 2010, found its place in the cardiovascular therapeutic area, and will contribute to maintain Chiesi's presence in this important market.

Clipper achieved outstanding results, reaching a growth rate of 29%. Bramitob grew 3% in units.

Our close relationship with neonatologists will be crucial for the introduction of Peyona, launched in October 2011.

The Spanish affiliate's goals for 2012 are to ensure higher levels of efficiency and continue increasing presence and leadership in the Spanish market.

Finally Chiesi Spain transferred its premises to a brand new building, located in one of the fastest growing business areas of Barcelona.

Chiesi Ltd, United Kingdom

In 2011, the UK achieved milestone sales of £92 million (breaking through the 100 Million Euro barrier for the first time in its history) with a local year on year sales growth of +12.6%, once again amongst the highest percentage growth levels of any UK pharmaceutical company.

This achievement saw the UK affiliate cement its place in the top 20 list of UK pharmaceutical companies (source: IMS, BPI), with over 70% of total sales now driven by the corporate respiratory portfolio.

Clenil now has a steady market share in excess of 70% and has achieved milestone annual sales of £50 Million.

Fostair sales almost doubled versus the previous year and both the number of prescribers and prescriptions continue to grow month after month. The final quarter of the year showed particular progress in terms of market penetration.

In addition to establishing itself as an important respiratory specialist company, Chiesi has also strengthened its presence within the area of Special Care with Curosurf consolidating its market share at a level above 90% and the strong growth of Bramitob demonstrating an important contribution.

Contribution from local products was also maintained.

The ambition of the UK affiliate for the subsequent year, in addition to further strengthening and developing both respiratory and special care areas, is to focus strongly on its overall contribution to new business development both at a local UK level and in collaboration with corporate functions at European level.

United Kingdom

Domestic direct Sales (K€)	106,016
Variation versus 2010	11.3%
Human resources	178
Commercial network (direct + interim)	165

Chiesi Germany

2011 was again a record-breaking year. For the first time sales global volumes (domestic + licensees) exceeded 100 million Euro, up by 8.7% on 2010. This achievement saw the German affiliate now well-established among the top five German respiratory companies.

As in the previous year Foster was the key driver for growth, reaching 53.6 million Euro and a peak market share of 14.7% in volumes in December.

Besides Foster, Forair (+29.4%) and Bramitob (+2.2%) also grew. In total Chiesi top products account for more than 79% of total company turnover.

Chiesi Germany relies on two front lines of medical reps targeting general practitioners and specialists focussing on our respiratory products Foster, Forair and Budiair. Our third line, the special care hospital field force successfully promotes Curosurf, Bramitob and Peyona, launched in 2011.

In 2012 the affiliate will focus on the successful launch of Foster Nexthaler DPI to ensure a further strengthening our position in the respiratory market.

Germany

Domestic direct Sales (K€)	90,229
Variation versus 2010	7.4%
Human resources	187
Commercial network (direct + interim)	192

Chiesi Central Eastern Europe Group

Chiesi Central Eastern Europe with its headquarters in Vienna, Austria, is the regional structure representing the Chiesi corporation in the Eastern European Countries including Russia and the countries within the Commonwealth of Independent States (CIS). The entire group is serviced in logistics, regulatory, medical and financial matters. Aside from corporate products in respiratory disorders, rheumatology and neonatology, the portfolio at regional level has a traditional strength in anaesthesiology, intensive care, rare diseases and the treatment of addiction.

Chiesi Austria

Chiesi Austria is managing the local portfolio with two business units, in primary and in special care. The primary care unit has a strong focus on respiratory diseases with its flagship Foster, as well as an interesting portfolio in CNS. The special care unit has a product range in anaesthesia, intensive care medicine, including Curosurf for premature babies and Bramitob for cystic fibrosis. In-licensed from Talecris (USA) the product Prolastin offers an important treatment for a rare genetic pulmonary disease. Since 2011 the company has co-promoted Neupro with UCB in Austria. The launch of a Formoterol MDI will further complete the portfolio.

Chiesi Bulgaria

Chiesi Bulgaria was born at the beginning of 2008. In addition to Foster, Budiair and Curosurf, in-licensed Ferriprox (Apopharm, Canada) completes the special care portfolio. Flamexin was launched at the beginning of 2006 and is maintaining a strong position in the anti-rheumatic treatment field.

Chiesi Czech Republic

Hospital products represent an important basis in the portfolio (Sufentanil, Midazolam, Fentanyl) in the Czech Republic. The respiratory products provide great potential for further growth, with Foster under the brand Combair launched in 2011. Bramitob, launched in 2008, completes together with Curosurf the line of the special care products.

Chiesi Poland

The Polish affiliate was established at the beginning of 2005. The initial focus was to develop the position of the hospital products (Curosurf and the anaesthetic portfolio). Bramitob has been added to the special care product range. Since 2009 the pulmonary products, starting with Budesonide, followed in 2010 by Atimos and Fostex, have boosted the development of the Polish organisation.

Chiesi Romania

2011 was still a difficult year for the pharmaceutical industry due to very unfavourable changes and a serious shortage of funding for the healthcare system. However, Chiesi Romania successfully managed to develop its position. For 2012 two new launches will further stimulate the development of the portfolio and the organisation.

Chiesi Slovakia

The subsidiary, operational since 2004, has continued to achieve success over the years. Since the launch of Foster in 2007 Chiesi has gained one of the highest Group market shares in Slovakia.

Chiesi Slovenia

Our well-established affiliate has its most important area of activities in respiratory with Foster, Budiair, and Atimos. In addition, ReVia and Midazolam are main contributors to the position in Slovenia.

Austria & CEEC

Sales in Austria and CEEC Market (K€)	64,165
Variation versus 2010	20.2%
Human resources (direct only)	305
Commercial network (direct + interim)	283

Chiesi Hungary

In spite of the difficult pharmaco-economic situation in Hungary, the affiliate's business grew considerably in 2011, mainly based on sales in respiratory (Foster, Atimos), but also in the segment of anti-rheumatics (Brexin) with a traditional strong position in intensive care (Curosurf, Bramitob, Midazolam, etc.).

Chiesi Hellas

Greece, which is still experiencing great difficulty, struggled more in 2011 than the previous year. The tough measures taken have generated recession, serious unemployment and poverty. The pharmaceutical industry has also suffered from the impact: the market decreased by 7% last year. A number of companies saw their revenues significantly below expectations and adopted drastic measures.

Despite this hostile environment, Chiesi Hellas achieved an outstanding performance with a 23.1% growth rate. The main products recorded excellent levels of growth (Foster +59%, Manyper +9%, Bramitob +24.5%), although all of the products made a significant contribution to the overall results. Two new products, Peyona and Vivace, entered successfully in the market to further strengthen corporate image.

Grecia

Domestic direct Sales (K€)	12,518
Variation versus 2010	23.1%
Human resources	59
Commercial network	39

Chiesi Netherlands

It was a record-breaking year for this young affiliate with revenues growing by 3.9% compared to the previous year to reach 9.3 million euro.
This achievement saw the Dutch affiliate break into the top 40 pharmaceutical companies in the Netherlands. The results have been driven by convincing growth rates for the major brands in the respiratory (Foster, Atimos), cystic fibrosis (Bramitob) and neonatal (Curosurf) therapeutic areas.
In 2012 the affiliate will continue to focus on increasing its sales by expanding its products and by launching two new products in the neonatal and allergy segments. Building the Chiesi brand, corporate social responsibility activities and added-value services and programmes for all relevant stakeholders, will contribute to the reputation and acceptance of the company and its current and future products.

Netherlands

Domestic direct Sales (K€)	9,337
Variation versus 2010	3.9%
Human resources	42
Commercial network (direct + interim)	28

Chiesi Belgium

2011, the first fully operational year for Chiesi Belgium, has been very successful, mainly driven by rising market shares for Inuvair which have strengthened its positioning in the respiratory market.
The reinforcement of the market leader position with Curosurf (more than 95 % market share) after the successful takeover from the former distributor and the strong development of Clipper added considerably to the double-digit growth rate of the affiliate.
In 2012 the affiliate will focus on continuously strengthening its position in the respiratory field

through further increasing the market share for Inuvair, consolidating the leader's position in neonatology and unlocking the full potential of Clipper. The successful relaunch of Brexine is another commercial priority.
If achieved, these strategies will enable Chiesi Belgium to maintain strong growth figures over the next years.

Belgium

Domestic direct Sales (K€)	9,189
Variation versus 2010	n/a
Human resources	31
Commercial network	23

Chiesi Russia

This local affiliate became part of Chiesi Central Eastern Europe in mid-2007. By tradition, sales in Russia are mainly based on Vasobral and Clenil; the launches of Atimos, Bramitob and Foster are building up the company's strong position in the respiratory field. Since February 2011 Curosurf has been marketed directly.
Chiesi is looking actively for cooperation and acquisition possibilities in Russia. Furthermore, it is evaluating local production possibilities, in light of the fact that Russia is to become a major market in the near future.

Russia

Domestic direct Sales (K€)	19,934
Variation versus 2010	193.9%
Human resources	76
Commercial network	54

Chiesi Pharma USA

The US subsidiary, Chiesi Pharmaceuticals Inc., provides both local and global research development for the Chiesi Group. The company headquarters are in Rockville, MD.

The primary focus of Chiesi Pharmaceuticals Inc. is the approval of a US New Drug Application (NDA) for tobramycin inhalation solution intended for the treatment of *Pseudomonas aeruginosa* infections associated with cystic fibrosis. In addition, Chiesi Pharmaceuticals Inc. is responsible for the global clinical programme leadership for the tobramycin project, and the supervision of manufacturing in the US.

It is also responsible for planning and conducting the Phase 1 and Phase 2 clinical studies for CHF 5074, a potential new drug in the treatment of Alzheimer's disease.

Cornerstone Therapeutics (USA)

The company, in which the Chiesi Group owns a majority stake, is focused on commercializing products for the hospital, niche respiratory and related specialty markets.

Our strategy is to:

- focus our commercial and internal development efforts in the hospital and related specialty products sector;
- acquire companies and marketed and/or registration-stage products that fit within our focus areas.

During the last two years, we have made an intentional, strategic shift to focus on the branded approved products and building an effective hospital sales force around our lead product, Curosurf, which we believe we can deploy to promote additional hospital-based products that we develop or acquire.

By the end of 2010 the company ceased the commercialization of traditional unapproved prescription cough, cold and allergy products (DESI), which represented a significant portion of the company's turnover.

Going forward, we anticipate replacing these revenues with increased sales from our branded products, particularly Curosurf, Zyflo CR and any products we acquire, and, if approved, our drug candidates CRTX 067, a generic product, and CRTX 080, the lixivaptan development program we obtained through our December 2011 acquisition of Cardiokine, Inc., a specialty pharmaceutical company focused on developing hospital products for cardiovascular indications.

Usa (Cornerstone Therapeutics. Inc.)

Domestic direct Sales (K€)	75,665
Variation versus 2010	-18.9%
Human resources	131
Commercial network	71

Chiesi Brazil

Chiesi has been established in the country since 1978, and as such can provide a wide range of products in several important therapeutic areas. In the last few years, this has allowed Chiesi to take advantage of Brazil's recent economic boom. Growth in 2011 was 9.3%, which was the result of exclusive and innovative products.

The company is currently manufacturing important quantities of Clenil Spray supplied to the UK and Clenil Compositum Spray to Italy.

Another important milestone for the affiliate is the continuing consolidation of Fostair following its launch in the country. Brazilian lung specialists and asthma sufferers are positive about the introduction of this product.

The affiliate's management team is proud to confirm that Curosurf has made a major contribution to reducing neonatal mortality in Brazil; thanks to this drug, thousands of children are alive and in good health because they received Curosurf in time.

The affiliate will continue growing at a substantial pace for some time to come, and it is ready to take advantage of this growth and maintain our commitment to improving the health of the Brazilian people.

Brazil

Domestic direct Sales (K€)	62,228
Variation versus 2010	9.3%
Human resources	301
Commercial network (direct + interim)	138

Chiesi Pakistan

2011 was a most eventful year for Chiesi Pakistan. The affiliate has launched Foster, set up Master Pharma - a business unit for branded generics - and is finalising the change of its regulatory status from importer to manufacturer.

Of particular note, it has achieved a turnover in excess of one billion rupees, moving up to 38th place in the ranking of pharmaceutical producers.

Business expansion plans for commercial activities were carried out successfully according to schedule, despite the devastating time for the country due to instability in the political scenario, and heavy flooding followed by malaria epidemics.

The Foster launch achieved an immediate success, gaining a market share of 10 %. Clipper was also launched along with two branded generics.

In the respiratory area Chiesi Pakistan successfully maintained the leadership of products such as Clenil 250, UDVs and Bamifix. Similarly, in the pain management segment, Brexin sales recorded the best-ever performance.

Master Pharma was introduced successfully into the national pharma market with four branded generics - still in their infancy but with promising future prospects.

Pakistan

Domestic direct Sales (K€)	9,326
Variation versus 2010	21.5%
Human resources	158
Commercial network	121

Chiesi Turkey

After almost 5 years since its establishment, Chiesi Turkey is maintaining a remarkable sales evolution, with a growth rate of 35% in local currency compared to 2010, notwithstanding price reductions of more than 20%. Key corporate products Foster and Curosurf have achieved outstanding sales, with respective increases of 53% and 39% compared to the previous year in units.

The launch of the Foster COPD indication has been the main driver for affiliate sales growth. The product achieved an 8.2% share in the reference market on a yearly basis (up by 41% on 2010). The new indication, together with the co-promotion with Boehringer Ingelheim, has improved Foster's perception among key prescribers (lung specialists and internists).

The effective management of the opportunity provided by UCB´s products - Xyzal and Cirrus – and the further growth of Rinoclenil (up by 17%) enabled the company to achieve an important position in the anti-allergic market. The anti-allergic portfolio accounts for 30% of total affiliate sales.

Curosurf is the most important product for the Special Care portfolio. The other products (Aggrastat and Ferriprox) enabled Chiesi to become a key player in two interesting special care markets.

Turkey

Domestic direct Sales (K€)	25,957
Variation versus 2010	15.6%
Human resources	175
Commercial network	145

Chiesi China

In 2011, Chiesi China continued to achieve solid results, generating over 30% sales growth compared to the previous year.

Curosurf leadership remained a strategic priority : steady efforts were made to pioneer Chiesi China in the neonatology field in China. Specific programmes were tailored for Curosurf branding and promotion, raising product awareness and acceptance by NICU departments. Key events were highlighted by the Curosurf Expert Meeting, the China National Neonatology Annual Conference and the Neonatology Event, marking the 10th anniversary of market entry into China.

Vasobral, re-launched in 2010, was presented as a new clinical solution in the cerebrovascular field.

The drug registration process for three corporate respiratory products, including Foster, has reached the final stage of approval, and Foster and Clenil UDV are both due for launch at the beginning of 2013. Pre-marketing events were organised, including a substantial presence at the Asia Pacific Society of Respirology Congress, held in Shanghai in November.

Aiming to become one of the best healthcare solution providers in neonatology and respiratory field in the country, Chiesi China is considering again an important sales growth in 2012.

China

Primary Sales (K€)	17,202
Variation versus 2010	59.5%
Human resources	67
Commercial network	49

International Commercial Operations

2011 was a particularly challenging year for International Commercial Operations as several licensing agreements expired and the sales for some important products were transferred to the relevant Group affiliates.

Revenues were in excess of 53.3 million Euro, up by 8.3% on those in the same territories, as a result of an increase in sales in some non-European markets (South Korea, The United Arab Emirates, Iran, Morocco, Mexico, Taiwan, Venezuela and Vietnam) and expanding business in new markets (Argentina, Kosovo and Scandinavia).

Curosurf continues to represent the top product for International Operations, with a turnover of about 16 million Euro, a growth rate which was up by 21.4% and excellent results in a number of countries, and in particular in Mexico, Columbia, South Korea, Iran, South Africa and Vietnam.

Foster is being marketed in a limited number of countries for the moment, although it has a constant growth trend (Tunisia, South Korea, Jordan).

Brexin/Cycladol and Clenil, which have long been successful products in the export portfolio, continue to represent a high percentage of revenues for ICO.

Other products, such as Cetornan, Clenil Compositum, Rinoclenil, Liometacen and Vasobral, continue to make a significant contribution to revenues, with a highly competitive profile in various markets.

Egypt

The company has consolidated its local presence via a commercial network dedicated to promoting and marketing its own products in the respiratory and musculoskeletal areas. In spite of the difficulties affecting the region throughout 2011, local turnover has remained stable mainly due to the sales of Clenil Compositum and Brexin.

Maghreb

Chiesi has had a sales network dedicated exclusively to its own product portfolio in Algeria for some time, and this continues to achieve excellent results mainly because of well-established products such as Clenil, Cetornan and Cycladol. Despite the difficulties caused by the national block on imports during the first half of 2011, local sales achieved a decidedly positive growth rate compared to the precedent year (+25%).

In Tunisia the activities continue to achieve good results, and local sales grew by 6% in 2011 in spite of the local political crisis and block on imports affecting the last 4 months of the year. Chiesi remains well-established among the top twenty international companies in the country. Morocco continues to be one of the reference markets in the area and in 2011 the company continued to maintain its market shares.

Mexico

Curosurf is growing beyond expectations and local sales are close to reaching the 80 million peso mark with a growth rate of 67%.

For 2012 there are plans to build a direct affiliate here and to further invest in the commercial framework, in order to extend the area covered and achieve an additional increase in the market share.

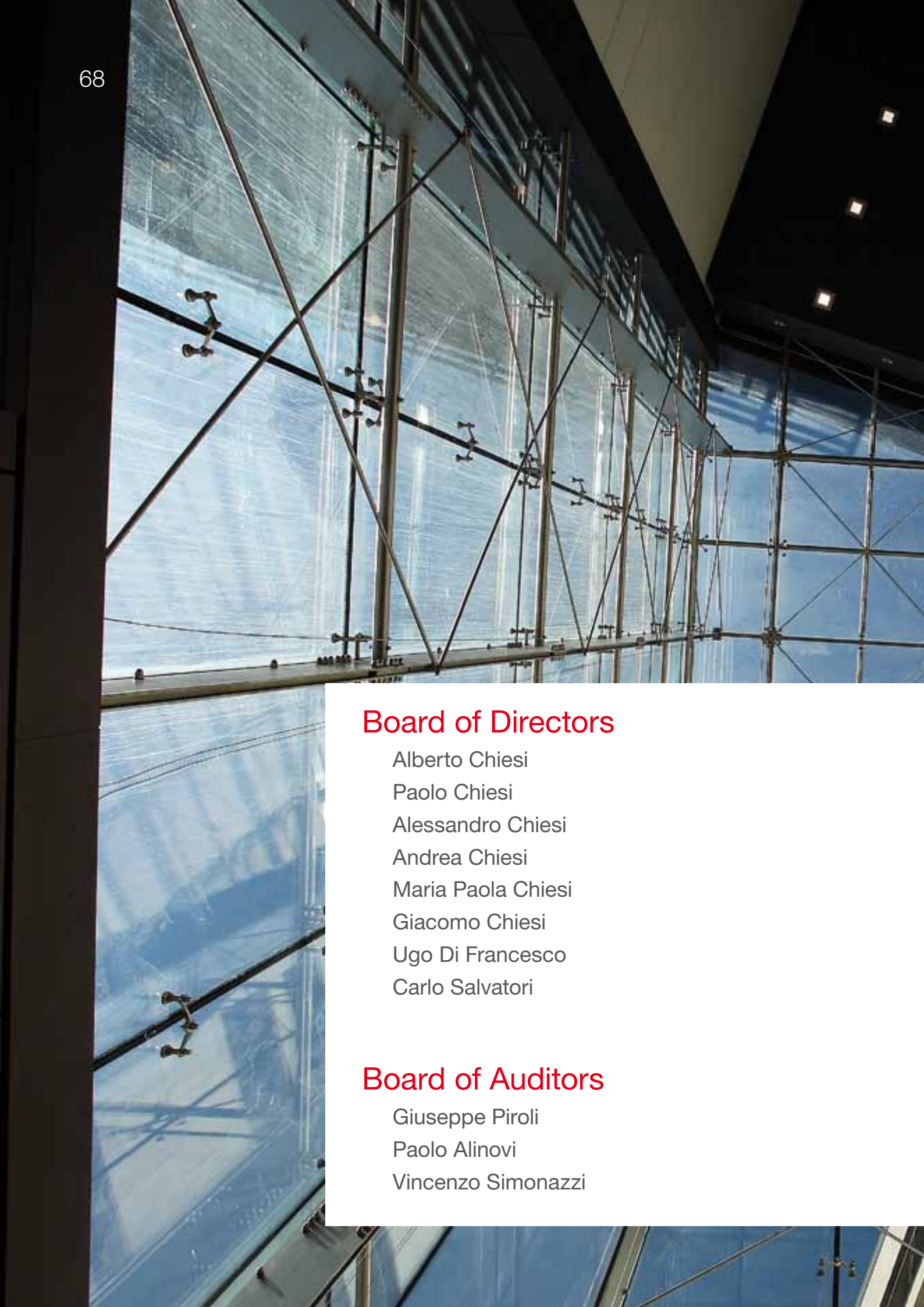
Scandinavia

Scandinavia is an area characterised by rather unusual conditions, where Foster was already being marketed through a licensee in four markets with different regulatory, commercial and logistical aspects.

In 2011 we decided to manage the promotional activities more directly in Norway and Sweden by setting up a small local team and sales force, which are managed through a service company. The results have been positive and sales, achieved through a network of local distributors, look promising for the future.

Business Development and Strategic Alliances

According to the guidelines set out in the company's strategic plan, projects in the fields of respiratory disease, cystic fibrosis and neonatology take priority.
Aside from these therapeutic areas the plan only provides for products whose mechanism of action has already been verified in patients and is at an advanced stage of clinical development.
In 2011 two research agreements were reached with the aim of identifying and developing new inhalant anti-inflammatory drugs with a potential indication for COPD, severe asthma and cystic fibrosis.
Corporate Development worked on various local acquisition and licensing opportunities, which have a potential impact on a limited number of countries where Chiesi is present with an affiliate.
Three agreements have been reached, the most important of which is the acquisition of Pharma Capsul, a Spanish company with three products already being marketed. This acquisition is the culmination of ten years' partnership between the two companies.
In 2012, Corporate Development will continue to support the Group's affiliates in their pursuit of local initiatives, and will also dedicate a significant level of investment to developing business in Asia and in America.



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Andrea Chiesi
Maria Paola Chiesi
Giacomo Chiesi
Ugo Di Francesco
Carlo Salvatori

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Giuseppe Piroli
Paolo Alinovi
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Corporate Drug Development Director	Vanda De Cian
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THE MOST IMPORTANT EVENTS IN 2011

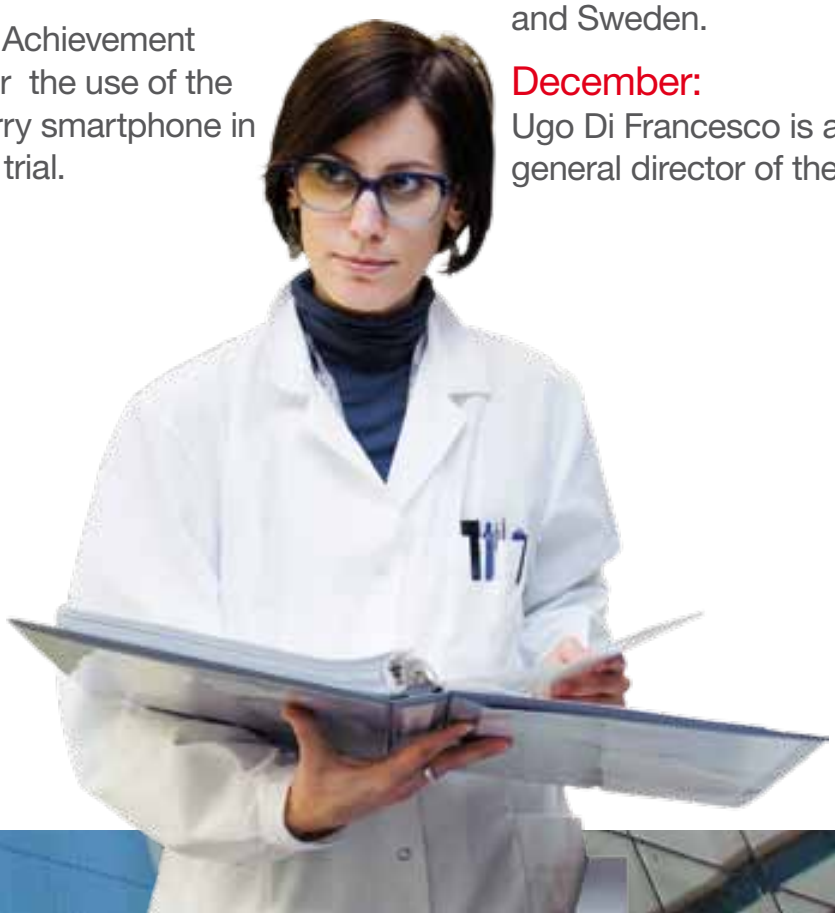
Peyona launch
in Italy, Austria, Germany, Czech Republic, Spain Greece, Belgium, Netherlands and Poland.

May:
Wireless Achievement Award for the use of the BlackBerry smartphone in a clinical trial.

October:
the Research Centre is inaugurated in Parma.

November:
start-up of the affiliates in Norway and Sweden.

December:
Ugo Di Francesco is appointed general director of the Chiesi Group.



GLOSSARY

Beclomethasone dipropionate (BDP): synthetic glucocorticoid with potent anti-inflammatory action. When taken through inhalation, this drug reaches the lungs directly where it exerts its effect. Its low level of absorption in the rest of the body ensures negligible systemic side effects.

Chronic Obstructive Pulmonary Disease (COPD): term used to indicate two related lung diseases – chronic bronchitis and emphysema. Both diseases are characterised by chronic and progressive obstruction of the airways making it difficult to breathe.

Cystic Fibrosis (CF): chronic hereditary disease of the lungs and the digestive system, which currently affects roughly 70,000 people worldwide. A mutated gene creates a protein that causes production of a thick viscous mucus that accumulates and renders breathing difficult. This in turn makes it easier for secretions to build up and consequently promotes the development of dangerous infections. In the digestive system the mucus tends to block ducts in the pancreas and prevents digestive enzymes from working in the intestines, which leads to malabsorption of food and stunted growth.

Dry Powder Inhaler (DPI): a device for administering drugs in the treatment or control of respiratory diseases and conditions.

Generally Accepted Accounting Principles (GAAP): term used to refer to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

Hydrofluoroalkanes (HFA): innovative propellants used in some inhalers for the management of asthma. They do not damage the ozone layer. A propellant is a gas which facilitates the diffusion of an inhalant drug in the lungs.

Long-acting Beta-agonists (LABA): drugs which open peripheral and central airways and keep them unobstructed by relaxing bronchial smooth muscle. LABAs are often administered with steroids in inhalation form as a long-term bronchodilation treatment for patients with moderate to severe asthma or other chronic lung diseases.

Manufacturing Execution Systems (MES): it solutions that support the primary production processes in a production plant. These applications close the gap between ERP systems and production equipment control or SCADA (Supervisory Control And Data Acquisition) applications. MES applications have become essential to support both real-time production control as well as the data collection and reporting ("manufacturing intelligence") necessary to improve production performance.

Piroxicam β-cyclodextrin (PBC): a successful example of "host-guest" technology, whereby the host, a starch derivative known as β-cyclodextrin, solubilises the guest, an anti-inflammatory drug known as piroxicam, thus enhancing the pharmacological properties of its active ingredient.

Pressurised Metered-Dose Inhalers (pMDI): A device which ensures that a specific quantity of drug is delivered to the lungs. Widely used by the Chiesi Group for its products, it is commonly employed in the treatment of asthma, Chronic Obstructive Pulmonary Disease (COPD), and other respiratory conditions.

Respiratory Distress Syndrome (RDS): Disease typically affecting premature neonates caused by insufficient production of endogenous surfactant and immature lungs. The condition may also be due to a genetic problem linked to the production of proteins associated with the surfactant. RDS affects 1% of neonates and is the main cause of mortality in premature infants.

Unit-Dose Vials (UDV): non-reusable sterile containers containing a single dose of drug. Pharmaceutical products packaged in vial or mono-dose bottles are easily recognisable and simple to use.

Ulcerative Colitis (UC): inflammatory bowel disease (IBD) which causes lesions known as ulcers to develop in the lining of the colon and rectum. Ulcers form where the inflammatory process destroys the cells which normally line the colon, causing in bleeding and pus. The inflammation may also result in frequent bowel movements, and therefore diarrhoea.

Spacer: is a type of add-on device used by asthmatics to increase the effectiveness of a metered-dose inhaler.

Trademarks owned Chiesi Farmaceutici SpA

Atimos, Bamifix, Bramitob, Brexin, Brexine, Budiair, Clenil, Clipper, Clody, Combair, Curosurf, Cycladol, Flamexin, Fluibron, Forair, Fostair, Foster, Fostex, Innovair, Inuvair, Iperten, Liometacen, Manyper, Modulite, Nexthaler, Peyona, Rinoclenil, Sirio, Vivace.

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