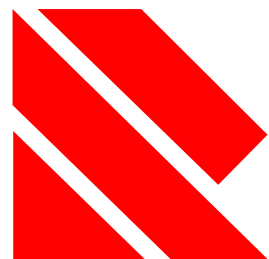


RECORDATI

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RECORDATI

**A European  
Specialty Pharmaceutical Company**

Milan, 5 May 2005

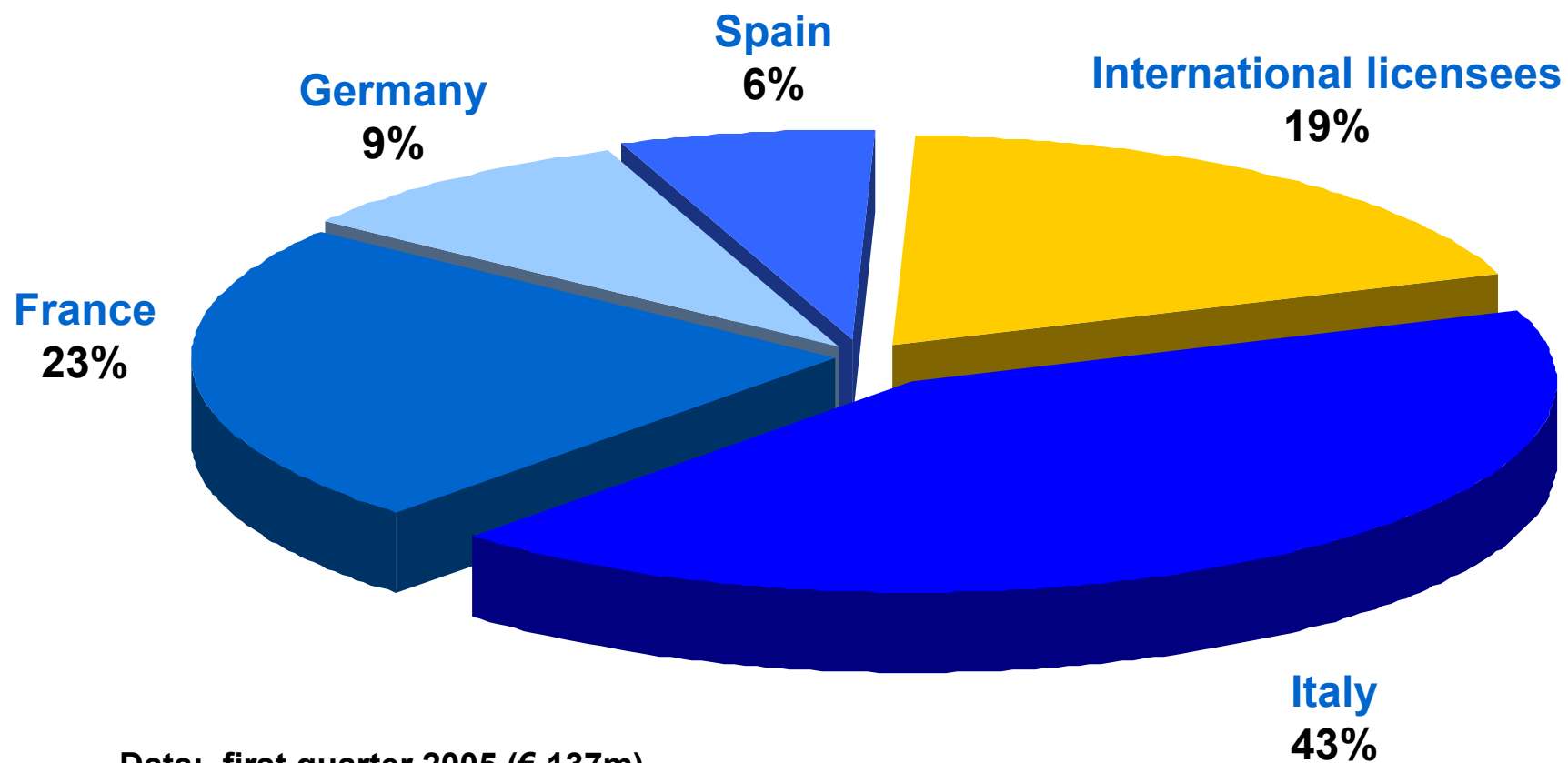


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## First quarter 2005 operational highlights

- Revenue up 16.8%, or 13.2% on a like-for-like basis
- Pharmaceutical sales up 18.4%, or 14.4% on a like-for-like basis
- International sales up 29.9%
- Lercanidipine sales up 18.2%
- Operating income up 32.7% (before goodwill amortization)
- Net income up 31.8%
- Acquisition of Merckle's branded pharmaceutical business in Germany

## Breakdown of pharmaceutical revenue

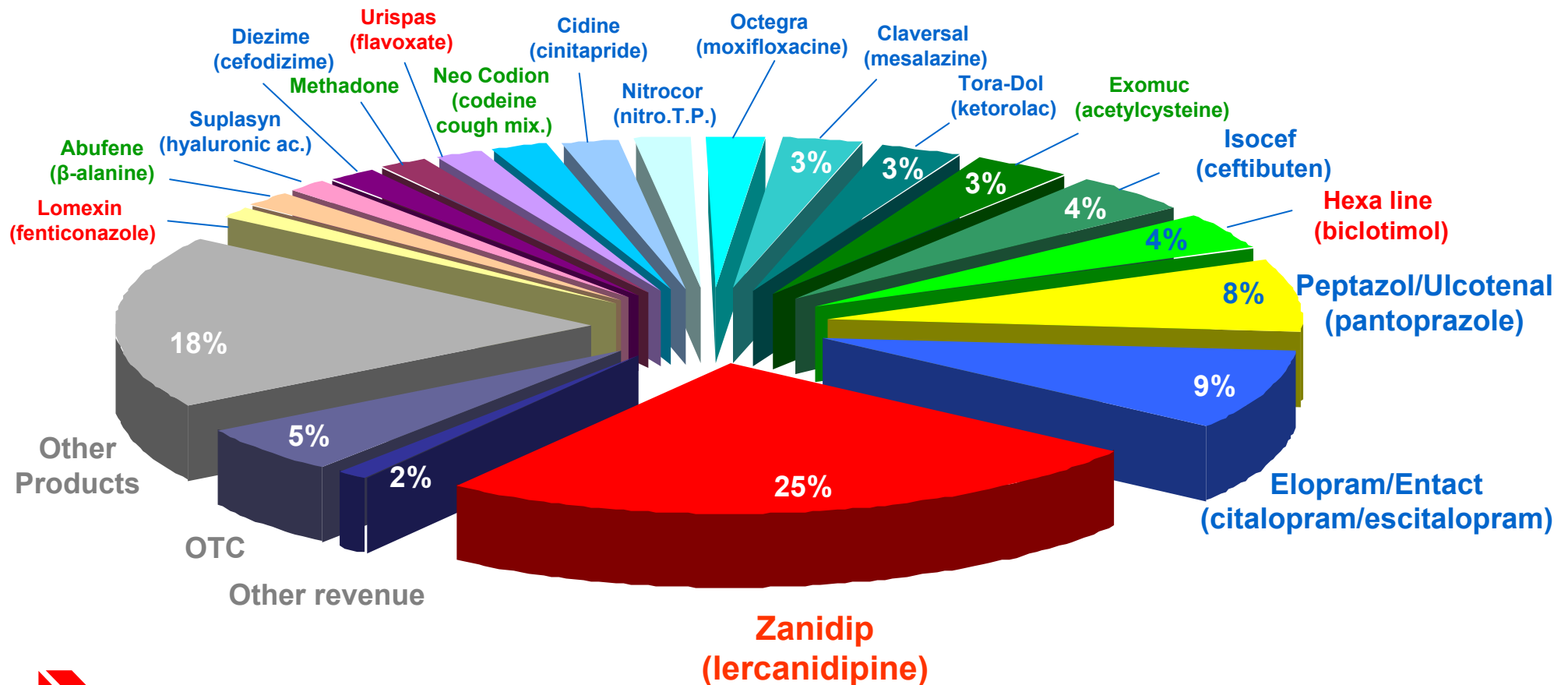


Data: first quarter 2005 (€ 137m)

## Main products

Breakdown of first quarter 2005 pharmaceutical sales (€ 137 m)

Proprietary  
In-Licensed  
Branded Generics



## Composition of revenue

(million euro)	1Q 2004	1Q 2005	Change %
PHARMACEUTICALS	115.9 90.2%	137.1 91.4%	18.4%
PHARMACEUTICAL CHEMICALS	12.6 9.8%	12.9 8.6%	2.1%
TOTAL	128.5 100.0%	150.0 100.0%	16.8%
ITALY	58.9 45.8%	59.6 39.8%	1.3%
INTERNATIONAL	69.6 54.2%	90.4 60.2%	29.9%



## Sources of growth

(% change, first quarter 2005 over first quarter 2004)

	Volume	Price	Exchange	Total
PHARMACEUTICALS like-for-like	22.1 %	(7.6) %	(0.1) %	14.4 %
MERCKLE RECORDATI	100.0 %			100.0 %
SOPHARTEX	(100.0) %			(100.0) %
PHARMACEUTICAL CHEMICALS	6.0 %	(2.2) %	(1.7) %	2.1 %
TOTAL CHANGE	23.7 %	(6.7) %	(0.2) %	16.8 %



## Composition of pharmaceutical revenue

(million euro)	1Q 2004	1Q 2005	Change %
Italy	57.2	58.3	2.0%
France	24.9	31.8	28.2%
Germany	-	12.4	n.a.
Spain	5.9	8.8	48.0%
International licensees	21.0	25.8	22.8%
Sophartex *	6.9	-	n.a.
<b>TOTAL PHARMACEUTICALS</b>	<b>115.9</b>	<b>137.1</b>	<b>18.4%</b>

\* Sold in April 2004

# RECORDATI

## Lercanidipine sales

(million euro)	1Q 2004	1Q 2005	Change %
Italy	10.9	11.2	2.4%
France	4.9	6.6	33.9%
Spain	1.2	1.3	5.9%
<b>DIRECT SALES</b>	<b>17.1</b> 59.6%	<b>19.1</b> 56.4%	<b>11.8%</b>
<b>SALES TO LICENSEES</b>	<b>11.6</b> 40.4%	<b>14.8</b> 43.6%	<b>27.6%</b>
<b>TOTAL LERCANIDIPINE SALES</b>	<b>28.7</b> 100.0%	<b>33.9</b> 100.0%	<b>18.2%</b>





## First quarter results

(million euro)	1Q 2004*	1Q 2005	Change %
<b>Revenue</b>	<b>128.5</b>	<b>150.0</b>	<b>16.8%</b>
<b>Gross Profit</b> as % of revenue	<b>79.2</b> 61.6%	<b>95.8</b> 63.8%	<b>21.0%</b>
<b>Selling Expenses</b> as % of revenue	<b>43.1</b> 33.6%	<b>51.2</b> 34.2%	<b>18.9%</b>
<b>R&amp;D Expenses</b> as % of revenue	<b>9.4</b> 7.3%	<b>10.8</b> 7.2%	<b>15.3%</b>
<b>Operating Income</b> (before goodwill amortization) as % of revenue	<b>20.6</b> 16.0%	<b>27.3</b> 18.2%	<b>32.7%</b>
<b>Net Income</b> as % of revenue	<b>12.6</b> 9.8%	<b>16.6</b> 11.1%	<b>31.8%</b>

\* Restated for comparison purposes following introduction of new IAS/IFRS

## Operating income by business area

(million euro)	1Q 2004*	1Q 2005	Change %
<b>PHARMACEUTICALS</b> as % of revenue	<b>20.7</b> 17.9%	<b>27.0</b> 19.7%	<b>30.5%</b>
<b>PHARMACEUTICAL CHEMICALS</b> as % of revenue**	<b>(0.1)</b> (0.9)%	<b>0.3</b> 1.5%	n.s.
<b>TOTAL OPERATING INCOME</b> as % of revenue	<b>20.6</b> 16.0%	<b>27.3</b> 18.2%	<b>32.7%</b>

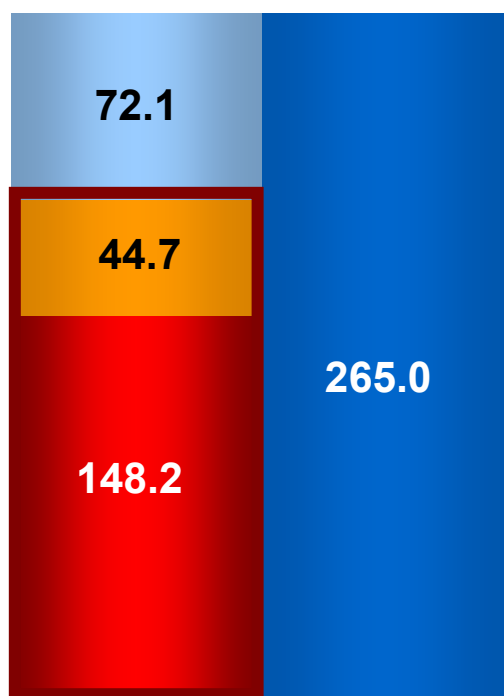
\* Restated for comparison purposes following introduction of new IAS/IFRS

\*\* Including inter-company sales

## Capital employed

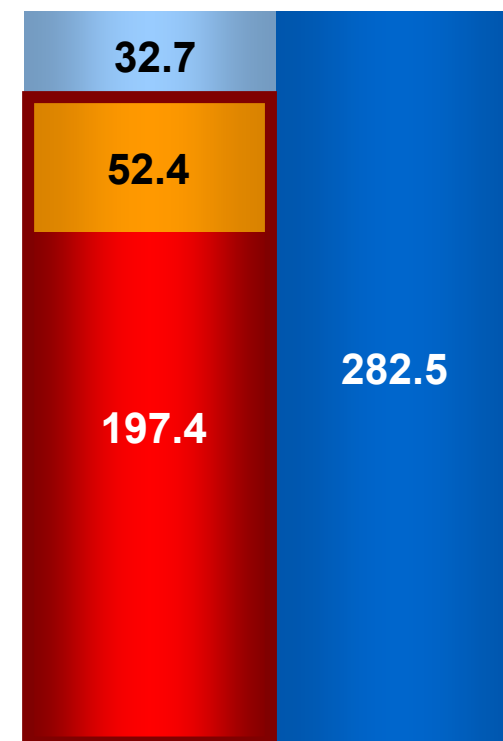
(million euro)

31 December 2004



Capital employed: **192.8**

31 March 2005



Capital employed: **249.8**

- Net working capital for operations
- Net non-current assets
- Net cash
- Shareholders' Equity  
(before hedging reserve of € -3.2 m end 2004 and € -3.0 m end March 2005)

## Net financial position

(million euro)	31 Dec 2004	31 Mar 2005	Change
Cash and marketable securities	232.2	184.7	(47.5)
Short term bank debt	(3.5)	(7.1)	(3.6)
Current portion of medium and long term debt	(25.2)	(24.6)	0.5
Medium and long term debt	(131.4)	(120.3)	11.2
<b>NET FINANCIAL POSITION</b>	<b>72.1</b>	<b>32.7</b>	<b>(39.4)</b>



## Company strategy

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- **Confirm commitment to research and development in the urological and cardiovascular fields**
- **Acquire new product licenses**
- **Expand geographical presence in Europe**

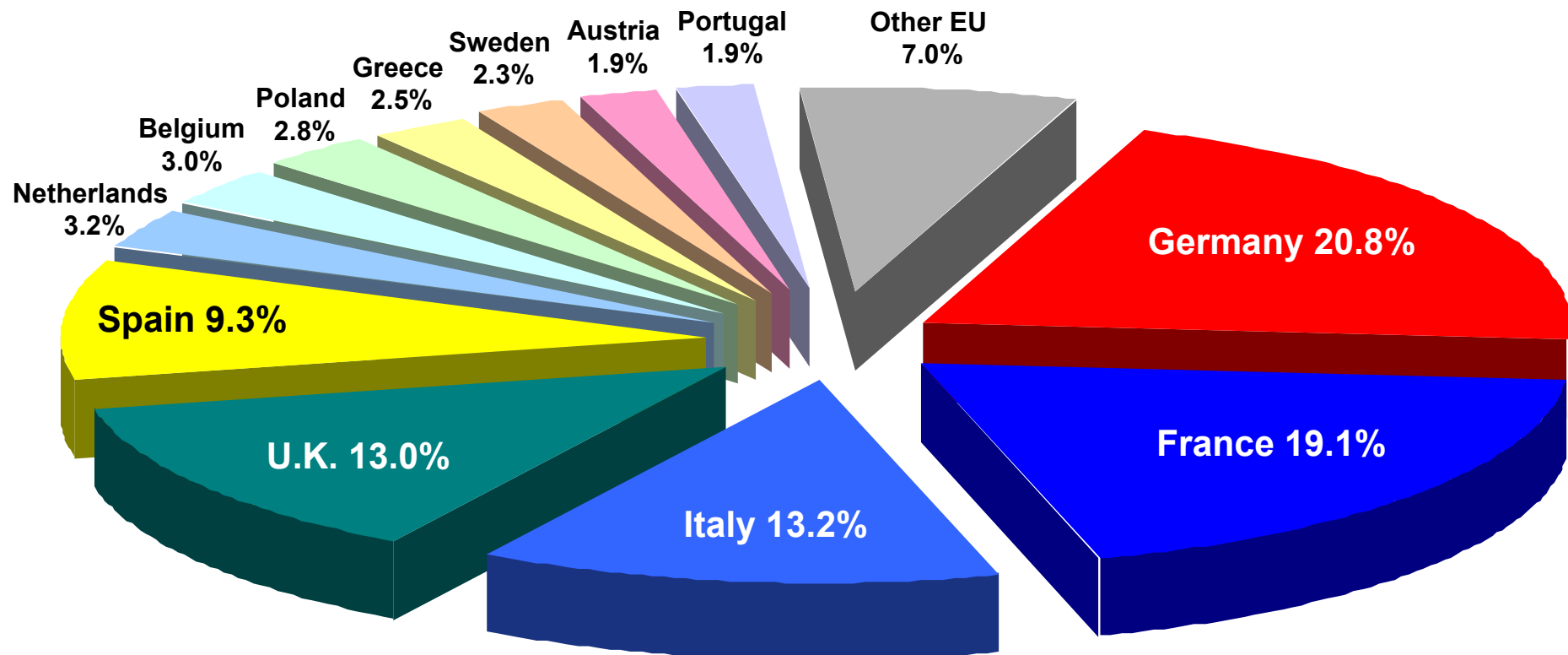
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NAME	ORIGINATOR	INDICATION	DISCOVERY	PRE CLINICAL	PHASE I	PHASE II PoC	PHASE III	PRE-REGISTRATION	FILED FOR APPROVAL
Project S	Recordati	Chronic Heart Failure (CHF)							
3 new projects	Recordati	Overactive bladder and Incontinence							
REC 0035	Recordati	Benign prostatic hyperplasia							
REC 0765 REC 0206	Recordati	Overactive bladder and Incontinence							
REC 2615	Recordati	Sexual dysfunction, female							
Iercanidipine MR	Different technology platforms	Hypertension, general							
REC 0545	Recordati	Overactive bladder and Incontinence (5HT1a antagonist)							
pitavastatin	Kowa	Hyperlipidemia, general							
silodosin	Kissei	Benign prostatic hyperplasia							
rupatadine	Uriach	Rhinitis, allergic, seasonal / perennial							
prulifloxacin	Nippon Shinyaku/Angelini	Infection, respiratory tract Infection, urinary tract							
Zanipress®	Recordati	Hypertension, general (enalapril + Iercanidipine)							



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## Breakdown of the European pharmaceutical market (EU 25 countries)



Source: IMS 2003 data

## Plan 2005 – 2008

(million euro)	2005	2008	CAGR
SALES	560	650	5.0%
OPERATING INCOME	104	135	9.0%
NET INCOME	63	85	10.5%

**Assumptions:** • Excluding any future acquisitions



*Statements contained in this presentation, other than historical facts, are “forward-looking statements” (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are based on currently available information, on current best estimates, and on assumptions believed to be reasonable. This information, these estimates and assumptions may prove to be incomplete or erroneous, and involve numerous risks and uncertainties, beyond the Company’s control. Hence, actual results may differ materially from those expressed or implied by such forward-looking statements.*

*All mentions and descriptions of Recordati products are intended solely as information on the general nature of the company’s activities and are not intended to indicate the advisability of administering any product in any particular instance.*

**Recordati, established in 1926, is a European pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), dedicated to the research, development, manufacturing and marketing of pharmaceuticals and pharmaceutical chemicals, with headquarters in Milan, Italy and operating subsidiaries in France, Germany, Ireland, Spain, Switzerland and the United States.**

## **Contact Information**

### **Offices:**

**Recordati S.p.A.  
Via M. Civitali 1  
20148 Milano  
Italy**

### **Investor Relations:**

**Marianne Tatschke  
+39 02 48787 393  
tatschke.m@recordati.it**

### **Website:**

**[www.recordati.com](http://www.recordati.com)**