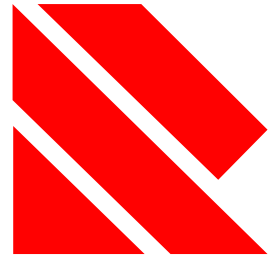


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RECORDATI

**2005**

**First nine months and 3rd Qtr Financials**

Conference Call, 28 October 2005



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## **First nine months 2005 operational highlights**

- Revenue up 18.3%, or 9.3% on a like-for-like basis
- Pharmaceutical sales up 21.6%, or 11.7% on a like-for-like basis
- International pharmaceutical sales up 41.3%
- Lercanidipine sales up 21.4%
- Operating income up 26.4% (before goodwill amortization)
- Net income up 28.5%
- Recordati enters the German and British pharmaceutical markets and starts up in Greece

## First nine months composition of revenue

(million euro)	2005	2004	Change %
PHARMACEUTICALS	396.4 92.2%	326.1 89.7%	21.6%
PHARMACEUTICAL CHEMICALS	33.4 7.8%	37.3 10.3%	(10.8)%
TOTAL	429.8 100.0%	363.4 100.0%	18.3%
ITALY	165.9 38.6%	164.8 45.4%	0.6%
INTERNATIONAL	263.9 61.4%	198.6 54.6%	32.9%



## Sources of growth

(% change, first nine months 2005  
over first nine months 2004)

	Volume	Price	Exchange	Total
<b>PHARMACEUTICALS like-for-like</b>	17.4%	(5.6)%	(0.1)%	11.7%
<b>MERCKLE RECORDATI</b>	100.0%			100.0%
<b>SOPHARTEX</b>	(100.0)%			(100.0)%
<b>PHARMACEUTICAL CHEMICALS</b>	(7.4)%	(2.1)%	(1.3)%	(10.8)%
<b>TOTAL CHANGE</b>	23.7%	(5.2)%	(0.2)%	18.3%



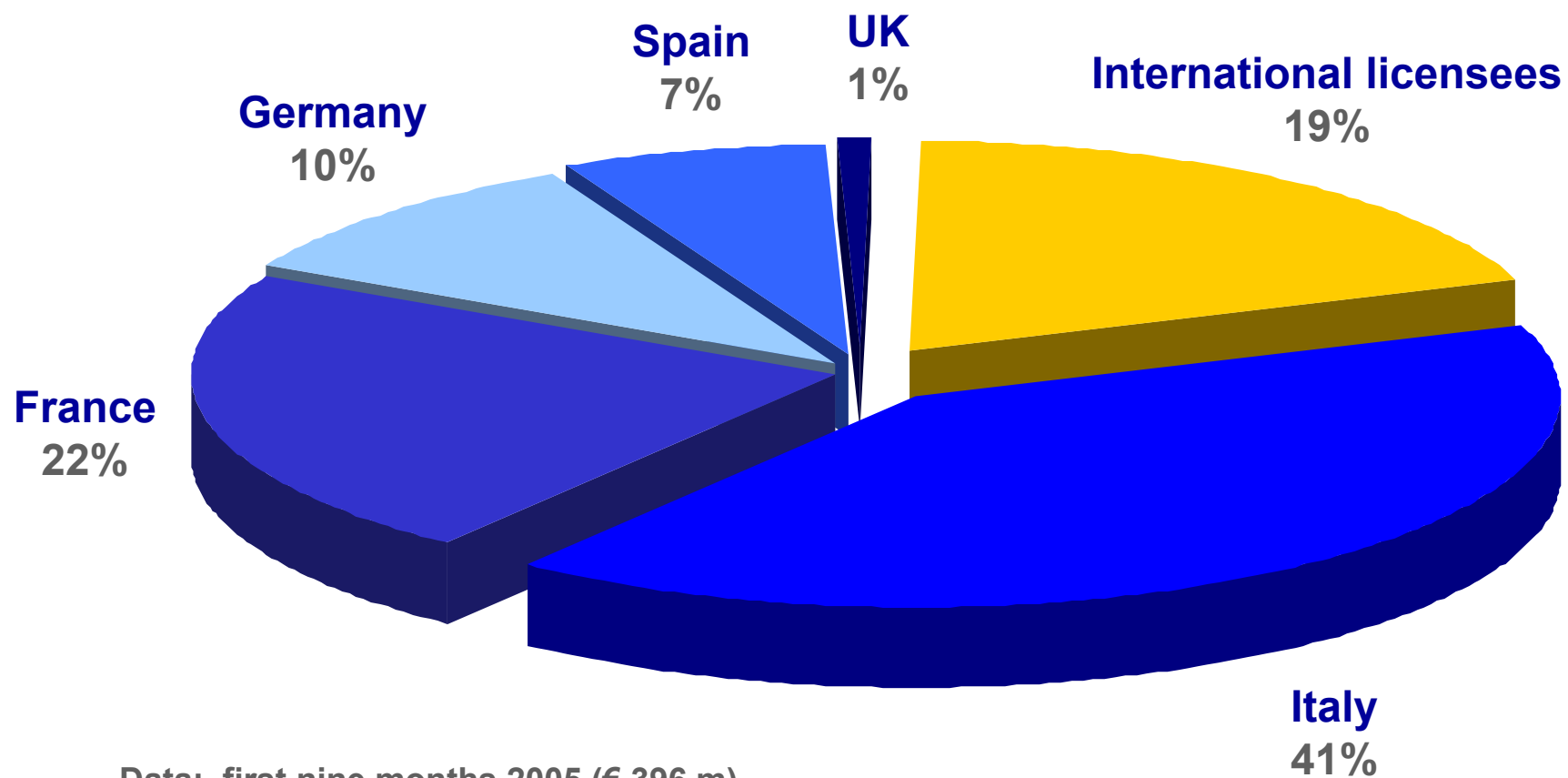
## First nine months composition of pharmaceutical revenue

(million euro)	2005	2004	Change %
Italy	162.1	160.2	1.2%
France	89.0	74.1	20.1%
Germany	40.0	-	n.a.
Spain	26.7	18.0	48.3%
United Kingdom	2.9	-	n.a.
International licensees	75.8	66.9	13.3%
Sophartex *	-	6.9	(100.0)%
<b>TOTAL PHARMACEUTICALS</b>	<b>396.4</b>	<b>326.1</b>	<b>21.6%</b>



\* Sold in April 2004

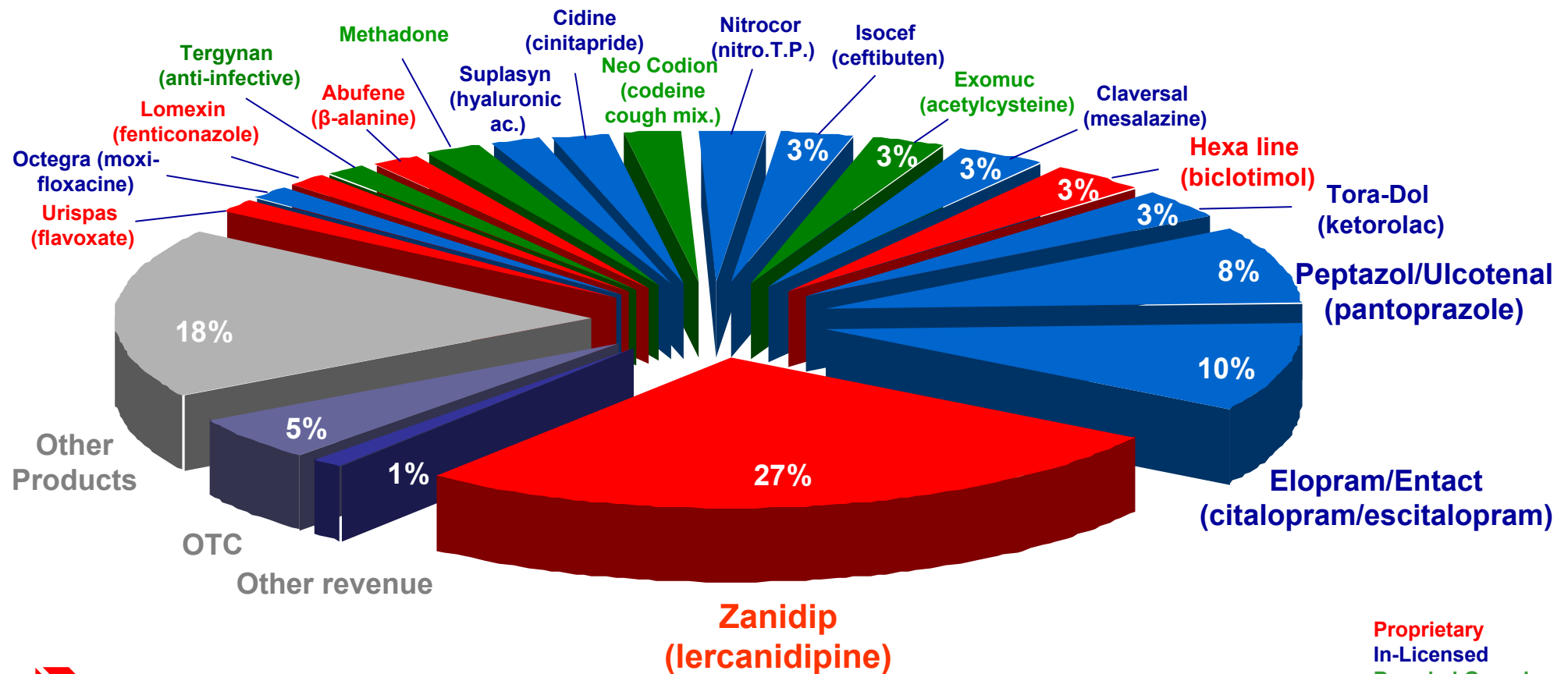
## Breakdown of pharmaceutical revenue



Data: first nine months 2005 (€ 396 m)

## Main products

Breakdown of first nine months 2005 pharmaceutical sales (€ 396 m)



Proprietary  
In-Licensed  
Branded Generics

## First nine months lercanidipine sales

(million euro)	2005	2004	Change %
Italy	32.3	28.9	11.7%
France	21.7	16.8	30.0%
Spain	4.6	3.6	27.0%
United Kingdom	2.9	-	n.a.
<b>DIRECT SALES</b>	<b>61.5</b> 58.3%	<b>49.3</b> 56.7%	<b>25.0%</b>
<b>SALES TO LICENSEES</b>	<b>44.0</b> 11.6%	<b>37.6</b> 43.3%	<b>16.8%</b>
<b>TOTAL LERCANIDIPINE SALES</b>	<b>105.5</b> 100.0%	<b>86.9</b> 100.0%	<b>21.4%</b>

## First nine months results

(million euro)	2005	2004*	Change %
<b>Revenue</b>	<b>429.8</b>	<b>363.4</b>	<b>18.3%</b>
<b>Gross Profit</b> as % of revenue	<b>276.6</b> 64.4%	<b>226.3</b> 62.3%	<b>22.2%</b>
<b>Selling Expenses</b> as % of revenue	<b>144.5</b> 33.6%	<b>118.0</b> 32.5%	<b>22.4%</b>
<b>R&amp;D Expenses</b> as % of revenue	<b>31.6</b> 7.4%	<b>26.8</b> 7.4%	<b>17.8%</b>
<b>Operating Income</b> (before goodwill amortization) as % of revenue	<b>82.7</b> 19.3%	<b>65.4</b> 18.0%	<b>26.4%</b>
<b>Net Income</b> as % of revenue	<b>51.1</b> 11.9%	<b>39.8</b> 10.9%	<b>28.5%</b>

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

## First nine months operating income by business area

(million euro)	2005	2004*	Change %
<b>PHARMACEUTICALS</b> as % of revenue	<b>83.8</b> 21.1%	<b>64.8</b> 19.9%	<b>29.4%</b>
<b>PHARMACEUTICAL CHEMICALS</b> as % of revenue**	<b>(1.1)</b> (2.6)%	<b>0.6</b> 1.4%	<b>n.s.</b>
<b>TOTAL OPERATING INCOME</b> as % of revenue	<b>82.7</b> 19.3%	<b>65.4</b> 18.0%	<b>26.4%</b>

\* Restated following introduction of new IAS/IFRS and before goodwill amortization

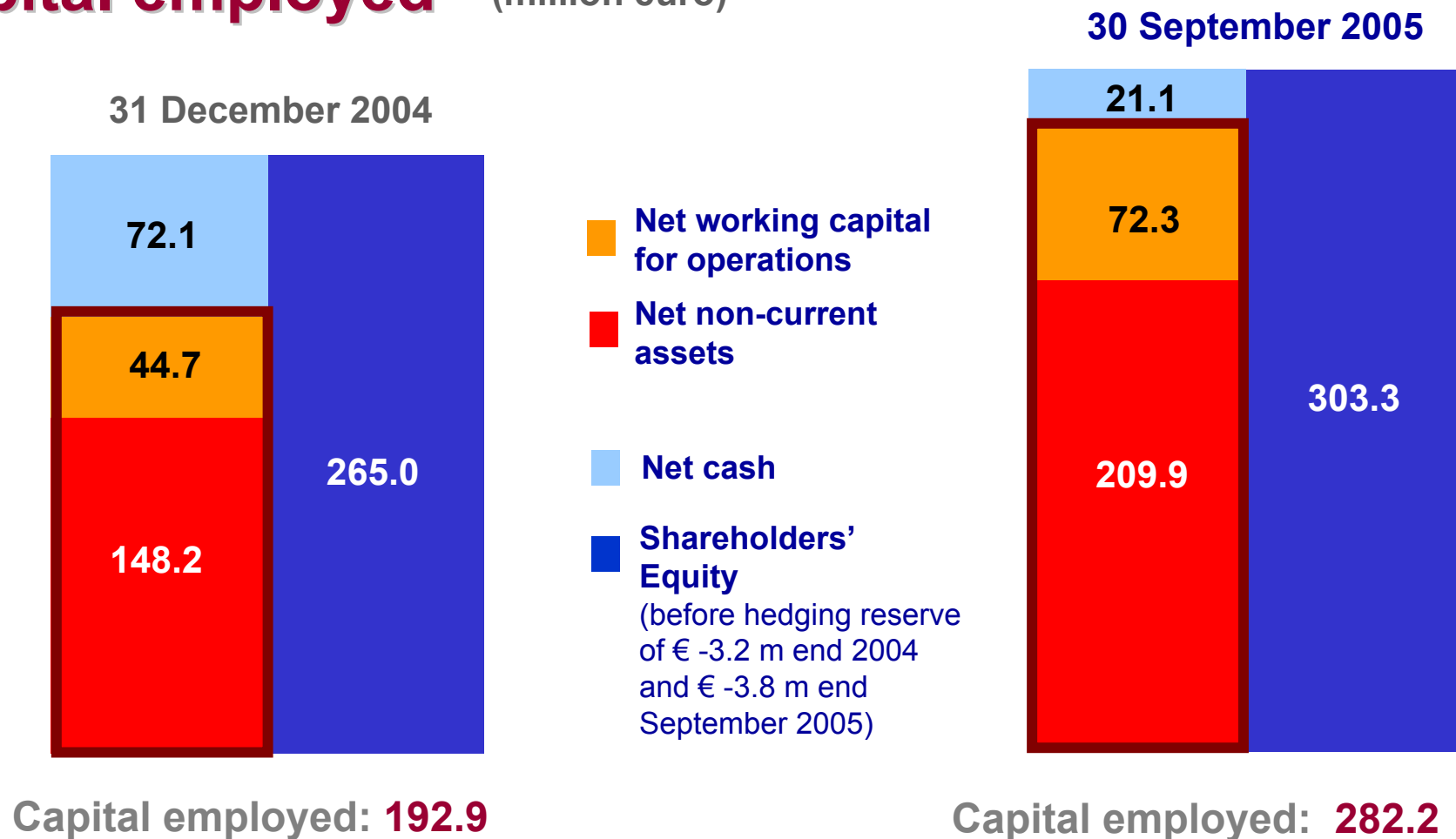
\*\* Including inter-company sales

## Third quarter results

(million euro)	3Q 2005	3Q 2004*	Change %
<b>Revenue</b>	<b>133.4</b>	<b>111.1</b>	<b>20.1%</b>
<b>Gross Profit</b> as % of revenue	<b>85.9</b> 64.4%	<b>68.2</b> 61.4%	<b>26.1%</b>
<b>Selling Expenses</b> as % of revenue	<b>42.6</b> 31.9%	<b>33.2</b> 29.9%	<b>28.5%</b>
<b>R&amp;D Expenses</b> as % of revenue	<b>9.5</b> 7.2%	<b>8.7</b> 7.8%	<b>10.2%</b>
<b>Operating Income</b> (before goodwill amortization) as % of revenue	<b>27.9</b> 20.9%	<b>21.3</b> 19.2%	<b>31.0%</b>
<b>Net Income</b> as % of revenue	<b>17.4</b> 13.1%	<b>12.6</b> 11.3%	<b>38.6%</b>

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

## Capital employed (million euro)



*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.*

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