



RECORDATI

**A European
Specialty Pharmaceutical Company**

September 2005



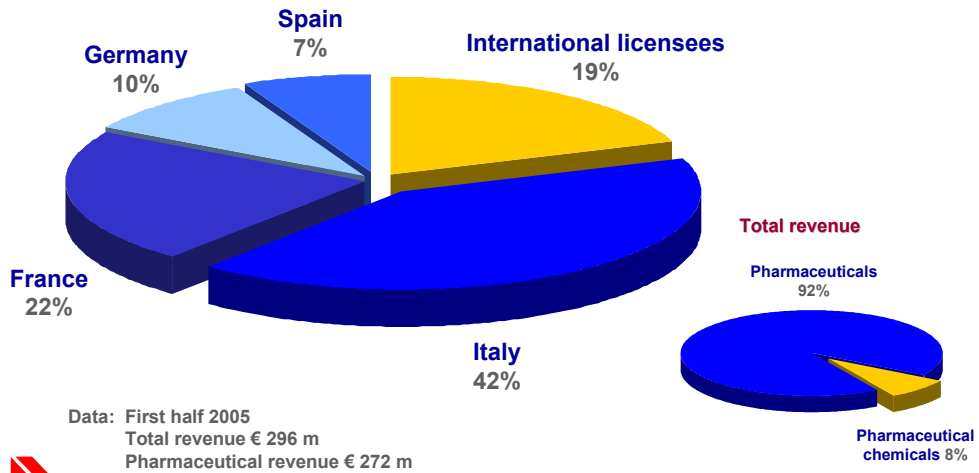
Company profile

- A fully integrated pharmaceutical company listed on the Italian Stock Exchange since 1984
- Original research focused on cardiovascular and urological fields
- Direct operations in Italy, France, Germany, Greece, Spain and the UK covering a broad range of therapeutic areas
- Proprietary products sold worldwide through licensees
- Non-core activity: manufacturing and sales of pharmaceutical API's



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Breakdown of pharmaceutical revenue

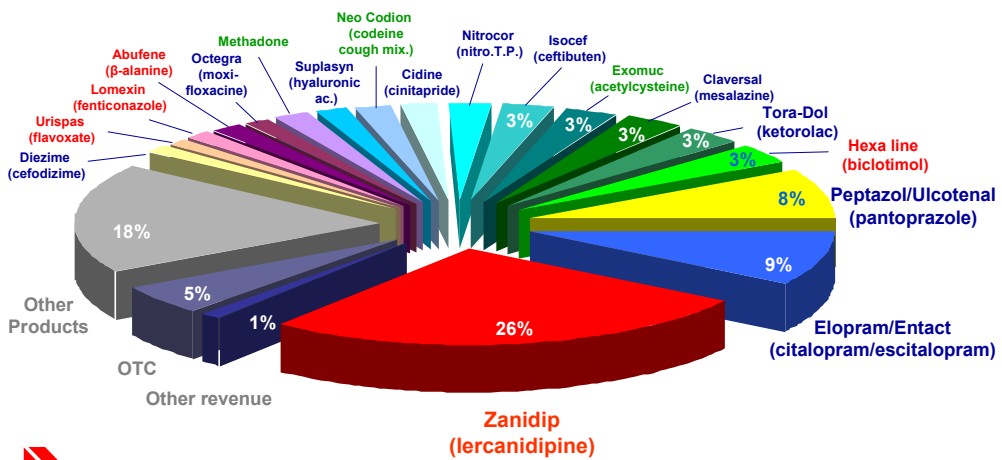


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Main products

Breakdown of first half 2005 pharmaceutical sales (€ 272 m)



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ZANIDIP® (lercanidipine)

- Latest generation calcium-channel blocker. Lipophilic dihydropyridine.
- Natural once a day. Potent, long-lasting vasodilatory activity. Highly vasoselective with gradual onset, smooth and uniform blood pressure lowering activity.
- **Efficacy as best in class.** Significantly **improved tolerability** over other DHP's.
- Hypertension market worth \$40 billion, CCB's about \$11 billion, of which around two thirds in USA and Japan.
- Leader is Norvasc® (amlodipine) with well over one third market share



Lercanidipine launch status

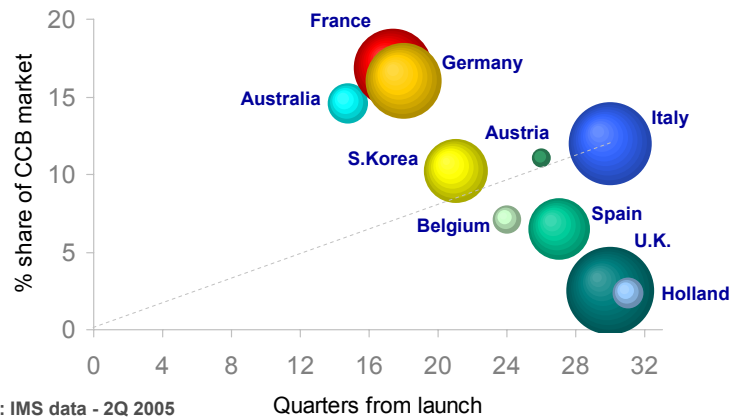
- Launched in **72** countries, approximately one third of world market for calcium channel blockers
- Major European launches
 - 1998 Italy, Spain, UK
 - 2000 Germany
 - 2001 France
- Approved in additional **22** countries
- Filed for approval in additional **14** countries



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Lercanidipine as a % of all calcium channel blockers

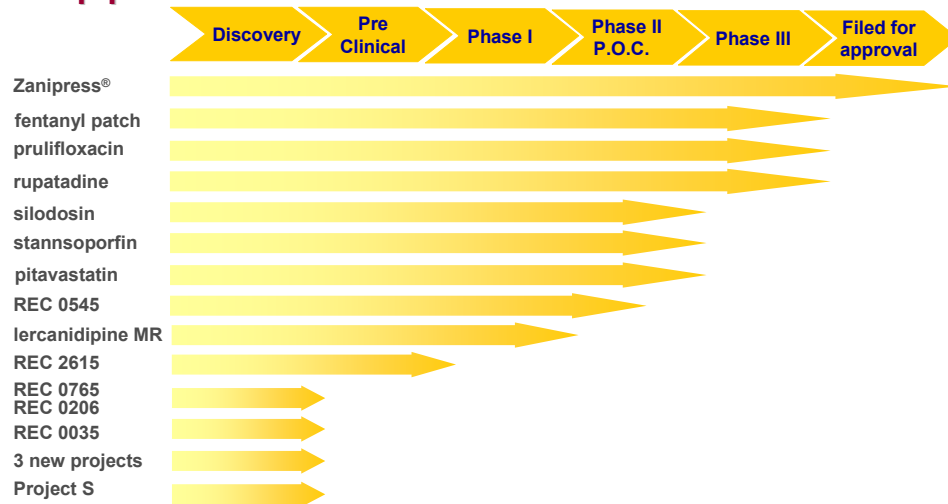
Bubble size represents \$ market value of CCB's



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R&D pipeline



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ZANIPRESS®

- Lercanidipine-enalapril fixed combination for the treatment of hypertension
- New aggressive targets for blood pressure control
- Combination of drugs needed for most patients
- Patient compliance
- Fixed combinations will play a significant role in the future hypertension market
- Filed for approval, Germany to be Reference Member State



Lercanidipine life cycle management

- 20mg strength approved in Europe and other countries. Launched in 13 countries, roll-out continues
- Modified release formulation under development with Forest Labs for the U.S. market
- Agreements with LifeCycle Pharma and Eurand for the development of modified release formulations for the European and other markets
- Patent life in extension, two new patent applications published



Fentanyl transdermal patch

- Central-acting potent analgesic to treat moderate to severe chronic pain such as that experienced in cancer
- Transdermal patch designed to deliver fentanyl through the skin for up to three days
- Originator: Lavipharm
- Market of reference: class N2A sales in the 5 major EU pharma markets, over € 700 million (of which transdermals represent 40-50%)
- Launches expected between 2006 and 2008



Rupatadine

- Latest generation systemic antihistamine indicated for the treatment of allergies
- Originator: Uriach
- Market of reference: class R6A sales in the 5 major EU pharma markets, approx. € 700 million.
- Launched in Spain (Alergoliber®), further launches expected by 2007



Silodosin

- Selective alpha-1A receptor antagonist indicated for the treatment of symptoms associated with benign prostatic hyperplasia
- Benign prostatic hyperplasia increasing in frequency due to the progressive ageing of the population
- Originator: Kissei
- Market of reference: class G4C European sales, approx. €1.2 billion.
- Recordati will complete the clinical development of silodosin in Europe. Launch expected 2008/2009.



Stannsoporfin

- Inhibits the production of bilirubin in cases of hyperbilirubinemia of different origin. Under development by InfaCare for the treatment of neonatal hyperbilirubinemia (jaundice).
- Severe hyperbilirubinemia, if untreated, can lead to severe brain damage. If approved, stannsoporfin could be used immediately in infants not responding to phototherapy.
- Originator: Rockefeller U. / InfaCare
- Recordati will complete the clinical development of stannsoporfin in Europe in accordance with the requirements of the EMEA



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Rec 0545

- Rec 0545 is a potent and selective antagonist of the 5-HT_{1A} serotonergic receptor under study for the treatment of overactive bladder and incontinence
- A completely new approach for controlling overactive bladder. Increases bladder volume capacity (or time between micturitions) without blunting bladder contractility (differently from antimuscarinics /anticholinergics)
- Originator: Recordati
- Sales of drugs for urge incontinence are estimated to reach \$ 1.6 billion worldwide in 2008
- Currently in proof-of-concept clinicals



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Other urogenital programs

- Potent antagonists of the α_1 -adrenergic receptors, highly selective for the lower urogenital tract, were pioneered by Recordati and are potentially useful in the development of treatments for benign prostatic hyperplasia (BPH)
- Two other potential biological targets for new drugs for the treatment of micturition disorders have been identified and new candidates are being synthesized for further development
- Rec 2615 is another new active compound identified by Recordati. It is in development for the treatment of female sexual dysfunction, and is approaching the clinical phase



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First half 2005 operational highlights

- Revenue up 17.4%, or 9.9% on a like-for-like basis
- Pharmaceutical sales up 20.5%, or 12.2% on a like-for-like basis
- International sales up 30.5%
- Lercanidipine sales up 19.6%
- Operating income up 24.2% (before goodwill amortization)
- Net income up 23.9%
- Recordati enters the German and British pharmaceutical markets



Composition of revenue

(million euro)	1H 2005	1H 2004	Change %
PHARMACEUTICALS	272.4 91.9%	226.0 89.5%	20.5%
PHARMACEUTICAL CHEMICALS	24.0 8.1%	26.4 10.5%	(9.0)%
TOTAL	296.4 100.0%	252.4 100.0%	17.4%
ITALY	116.3 39.2%	114.4 45.3%	1.7%
INTERNATIONAL	180.1 60.8%	138.0 54.7%	30.5%



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Sources of growth

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

	Volume	Price	Exchange	Total
PHARMACEUTICALS like-for-like	19.3%	(7.0)%	(0.1)%	12.2%
MERCKLE RECORDATI	100.0%			100.0%
SOPHARTEX	(100.0)%			(100.0)%
PHARMACEUTICAL CHEMICALS	(5.3)%	(2.0)%	(1.7)%	(9.0)%
TOTAL CHANGE	23.9%	(6.3)%	(0.2)%	17.4%



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Composition of pharmaceutical revenue

(million euro)

	1H 2005	1H 2004	Change %
Italy	113.5	110.8	2.5%
France	60.8	49.7	22.5%
Germany	26.5	-	n.a.
Spain	18.7	11.8	57.9%
International licensees	52.8	46.8	12.9%
Sophartex *	-	6.9	(100.0)%
TOTAL PHARMACEUTICALS	272.4	226.0	20.5%



* Sold in April 2004

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Lercanidipine sales

(million euro)	1H 2005	1H 2004	Change %
Italy	22.6	19.6	15.3%
France	14.2	10.9	30.7%
Spain	3.1	2.4	28.0%
DIRECT SALES	39.9 55.6%	32.9 54.8%	21.3%
SALES TO LICENSEES	31.9 44.4%	27.1 45.2%	17.4%
TOTAL LERCANIDIPINE SALES	71.8 100.0%	60.0 100.0%	19.6%



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First half results

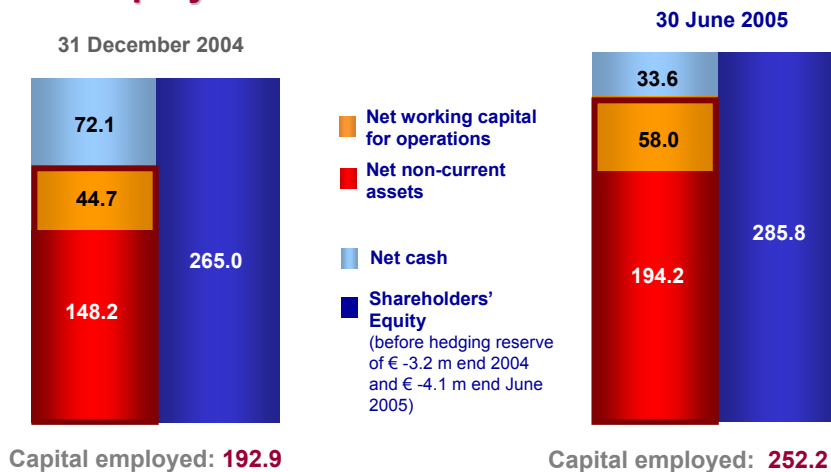
(million euro)	1H 2005	1H 2004*	Change %
Revenue	296.4	252.4	17.4%
Gross Profit as % of revenue	190.7 64.3%	158.1 62.7%	20.6%
Selling Expenses as % of revenue	101.8 34.4%	84.8 33.6%	20.1%
R&D Expenses as % of revenue	22.1 7.4%	18.2 7.2%	21.5%
Operating Income (before goodwill amortization) as % of revenue	54.8 18.5%	44.1 17.5%	24.2%
Net Income as % of revenue	33.7 11.4%	27.2 10.8%	23.9%



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

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Capital employed (million euro)



Net financial position

(million euro)	30 Jun 2005	31 Dec 2004	Change
Cash and short-term financial investments	186.6	232.2	(45.6)
Short term bank debt	(9.1)	(3.5)	(5.6)
Current portion of medium and long-term debt	(24.6)	(25.2)	0.6
Medium and long term debt	(119.3)	(131.4)	12.1
NET FINANCIAL POSITION	33.6	72.1	(38.5)

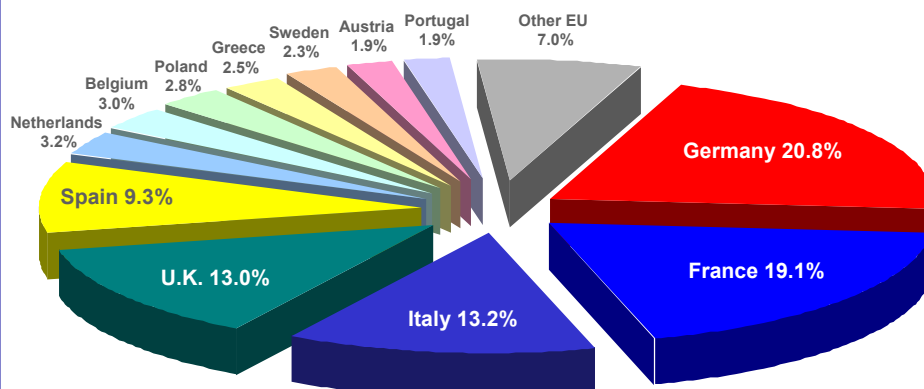


Company strategy

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



Breakdown of the European pharmaceutical market (EU 25 countries)



Source: IMS 2003 data



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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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