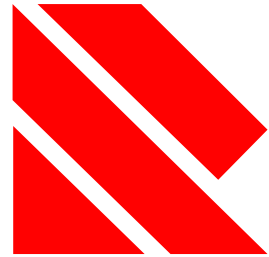


RECORDATI

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RECORDATI

**A European  
Specialty Pharmaceutical Company**

ING 2005 European Healthcare Conference  
London, 6 December 2005



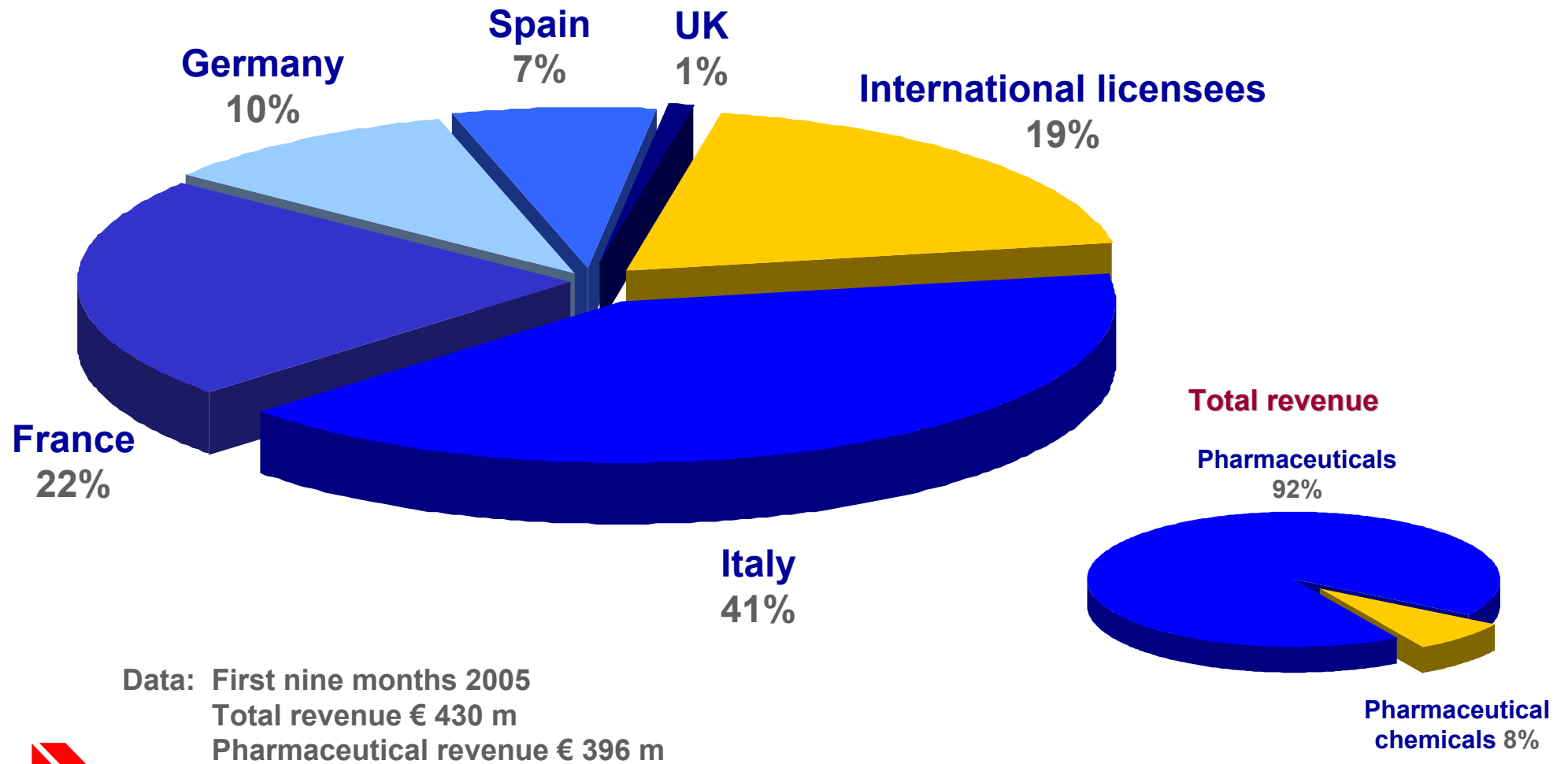
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## Company profile

- 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



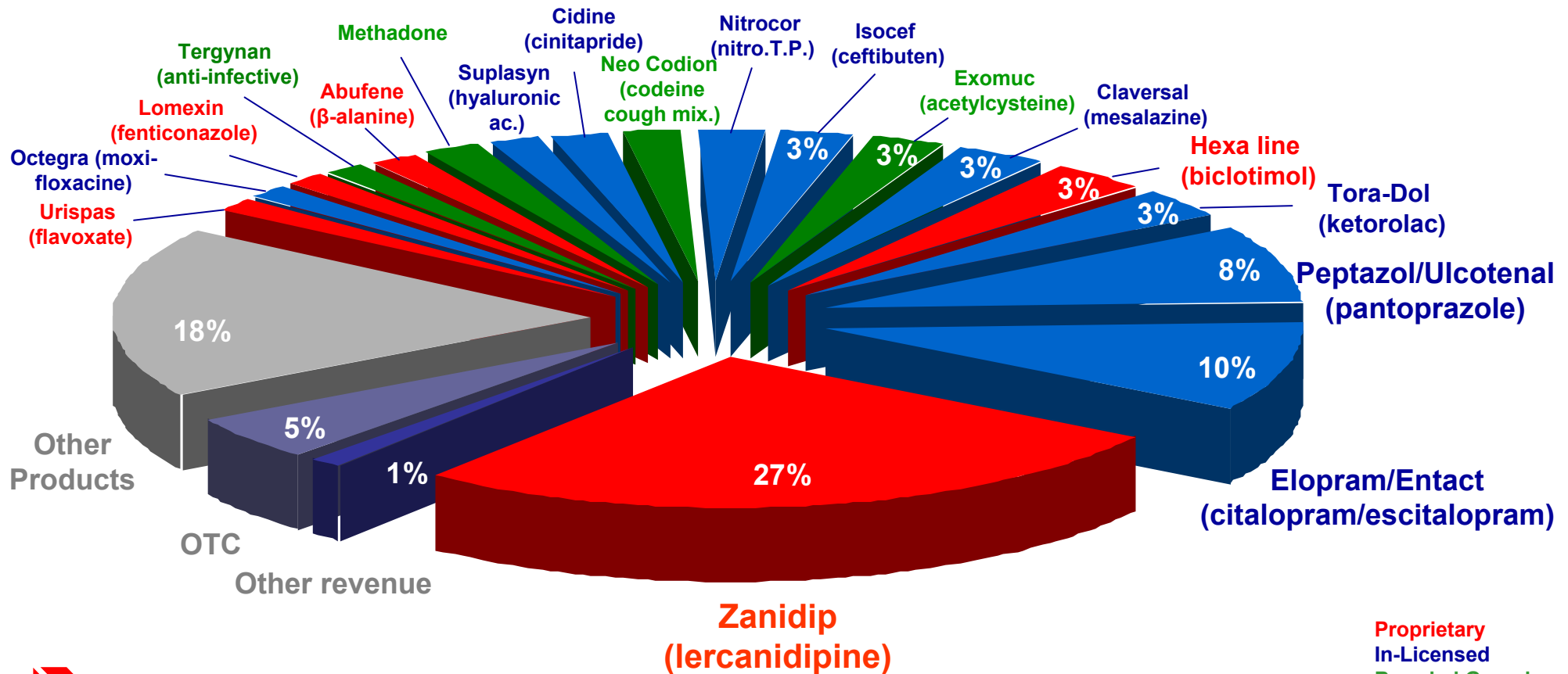
## Breakdown of pharmaceutical revenue



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## Main products

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



Proprietary  
In-Licensed  
Branded Generics

## ZANIDIP<sup>®</sup> (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<sup>®</sup> (amlodipine) with well over one third market share



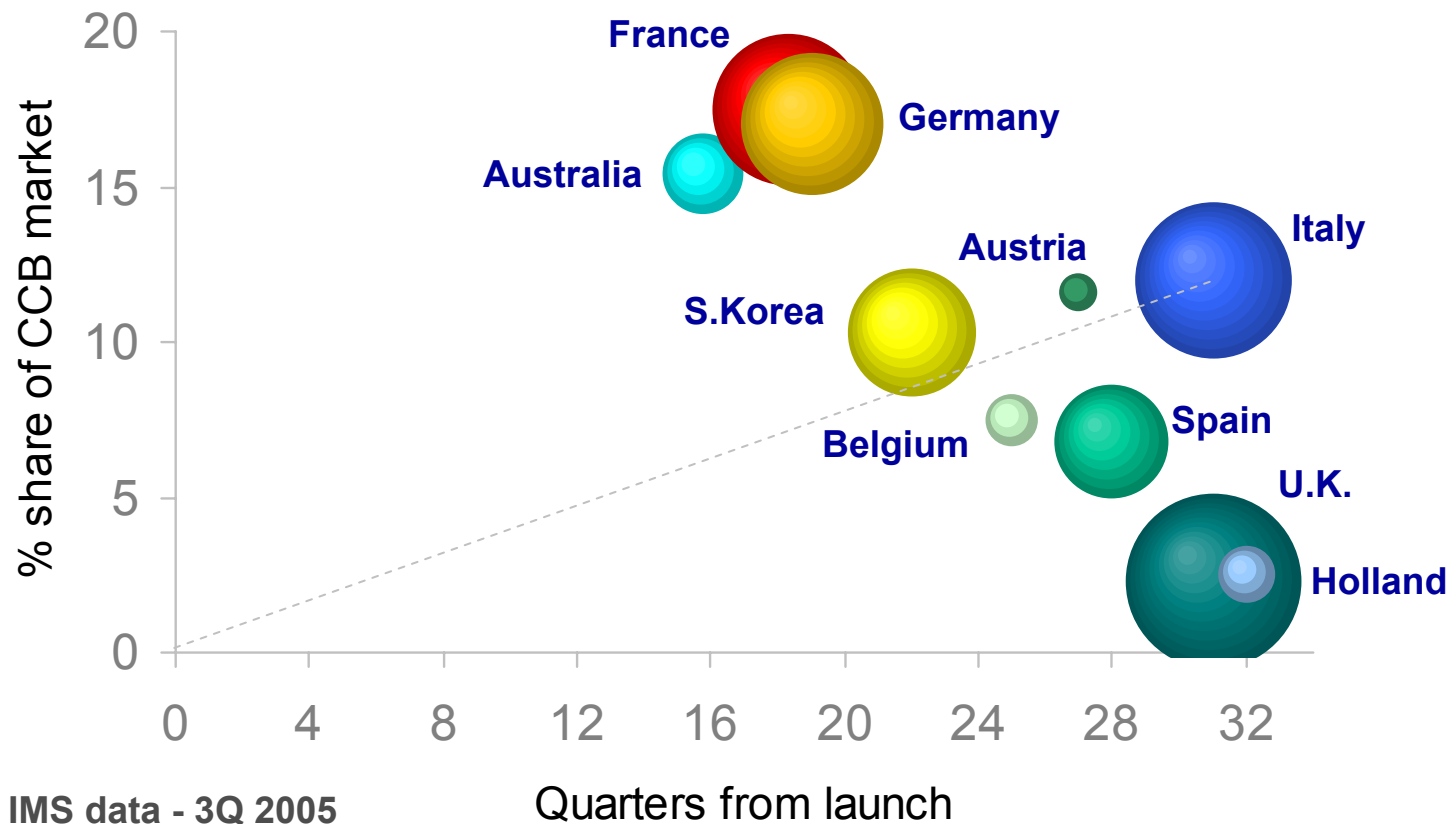
## Lercanidipine launch status

- Launched in **74** 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 **21** countries
- Filed for approval in additional **13** countries



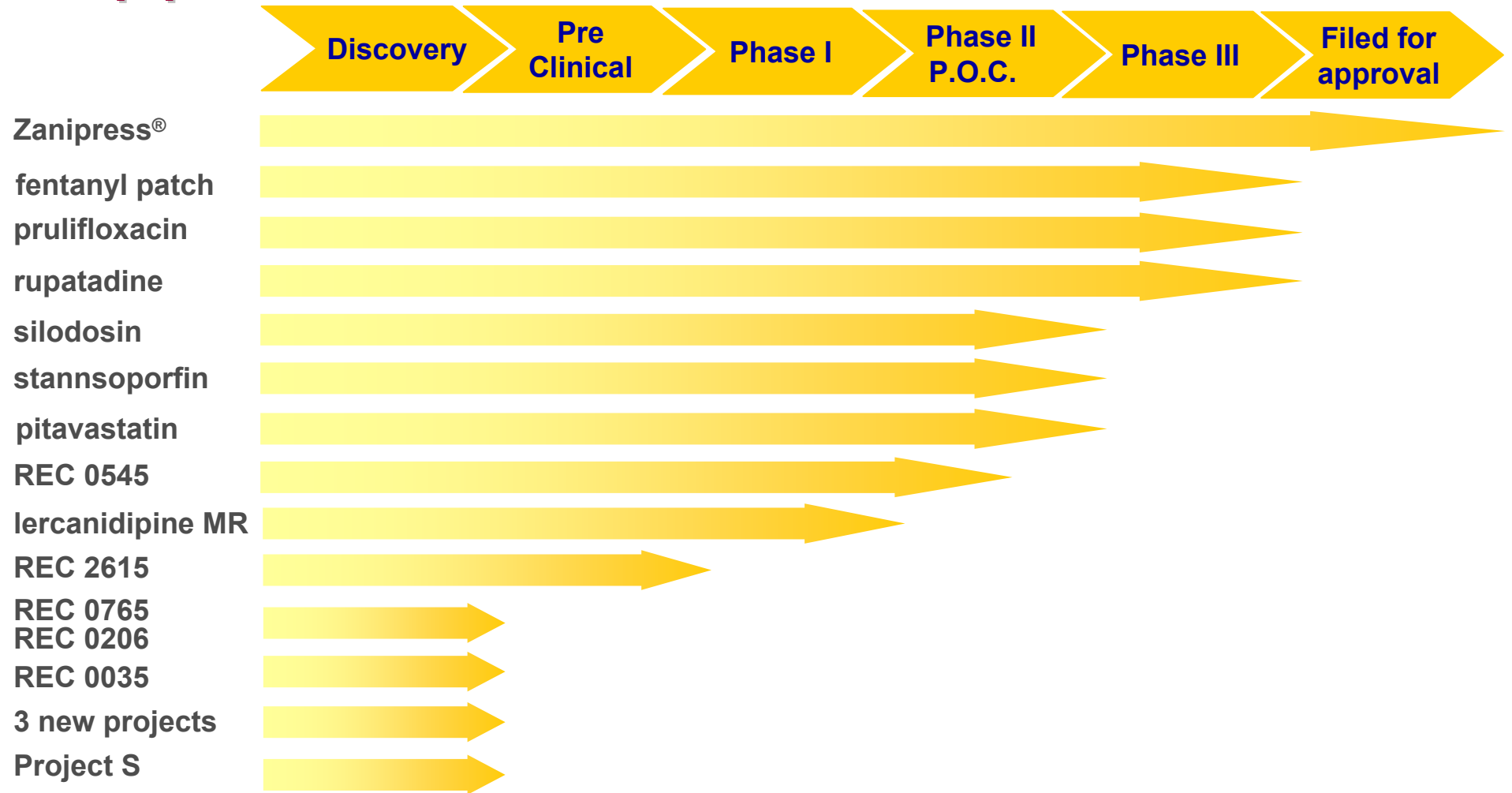
## Lercanidipine as a % of all calcium channel blockers

Bubble size represents \$ market value of CCB's



Source: IMS data - 3Q 2005

## R&D pipeline





## 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<sup>®</sup>), 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



## Rec 0545

- Rec 0545 is a potent and selective antagonist of the 5-HT<sub>1A</sub> 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

## Other urogenital programs

- Potent antagonists of the  $\alpha_1$ -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



## 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 %
<b>PHARMACEUTICALS</b>	<b>396.4</b> 92.2%	<b>326.1</b> 89.7%	<b>21.6%</b>
<b>PHARMACEUTICAL CHEMICALS</b>	<b>33.4</b> 7.8%	<b>37.3</b> 10.3%	<b>(10.8)%</b>
<b>TOTAL</b>	<b>429.8</b> 100.0%	<b>363.4</b> 100.0%	<b>18.3%</b>
<b>ITALY</b>	<b>165.9</b> 38.6%	<b>164.8</b> 45.4%	<b>0.6%</b>
<b>INTERNATIONAL</b>	<b>263.9</b> 61.4%	<b>198.6</b> 54.6%	<b>32.9%</b>

## 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

## 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>

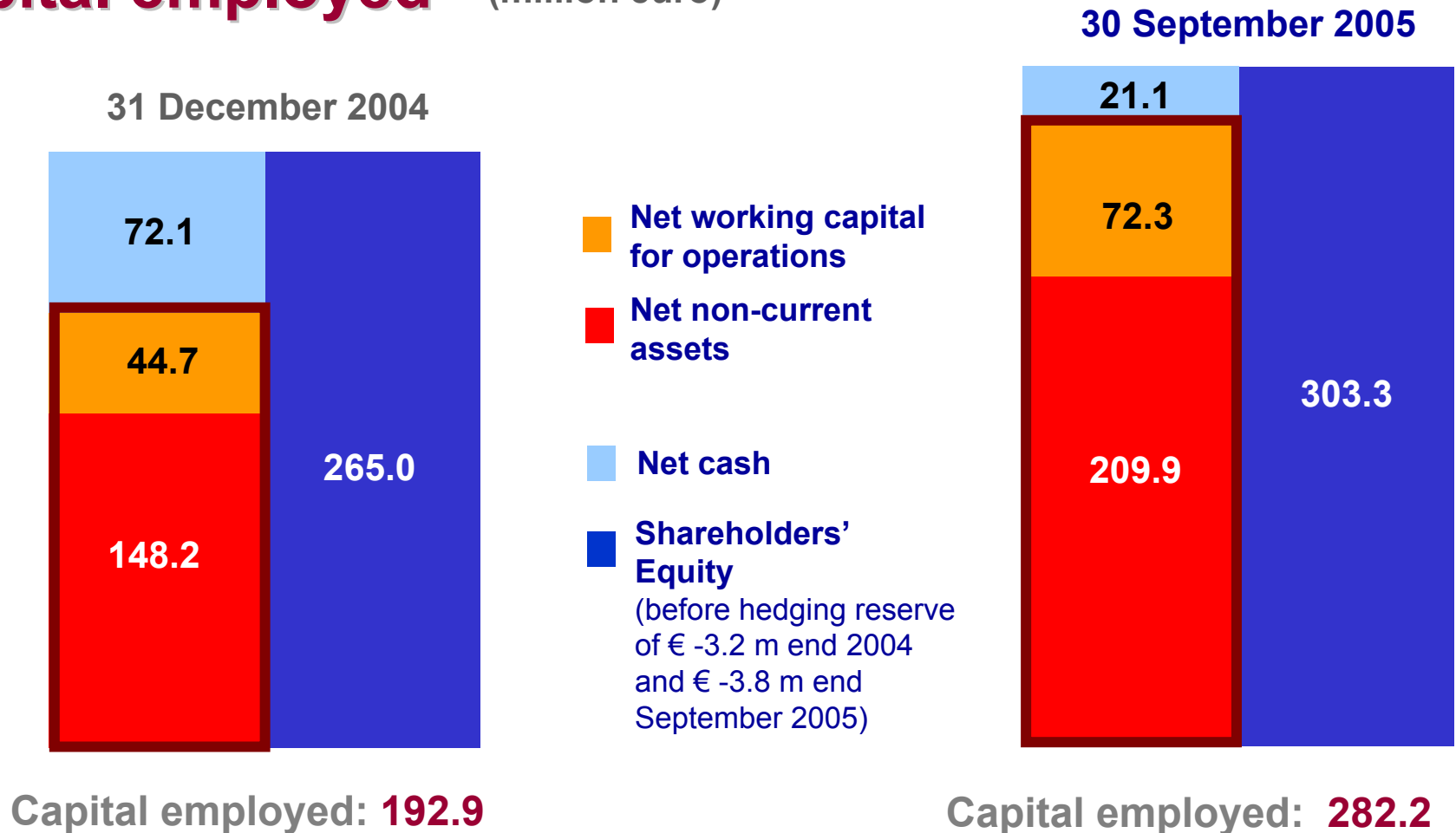


## First nine months results

(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

## Capital employed (million euro)



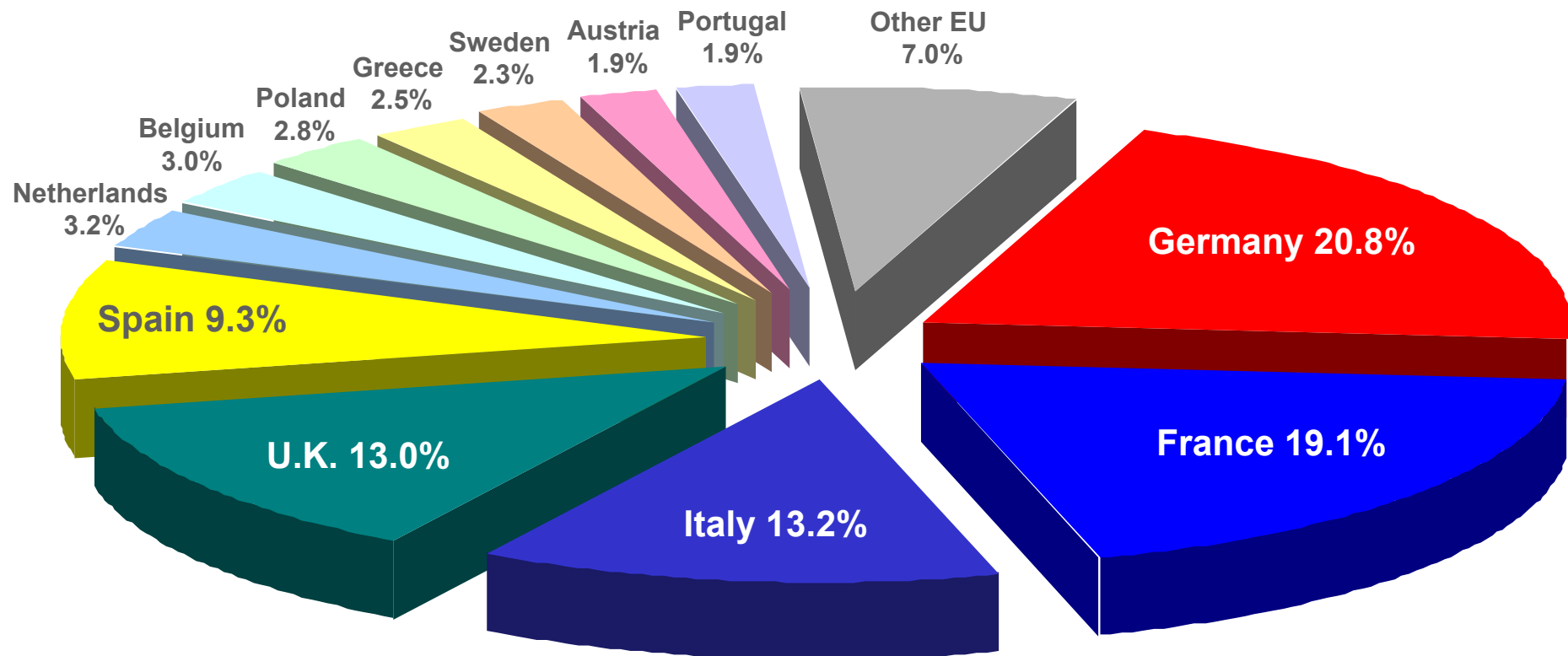
## Company strategy

- Confirm commitment to research and development in the urological and cardiovascular fields
- Acquire new product licenses
- Reinforce and 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, with headquarters in Milan, Italy, operations in the main European countries, and a total staff of over 2,000. A European field force of over 1,000 medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas. Recordati’s current and growing coverage of the European pharmaceutical market makes it a partner of choice for new product licenses from companies which do not have European marketing organizations. Recordati is committed to the research of new drug entities within the cardiovascular and urogenital therapeutic areas in which its research team has proven scientific competence and a track record of discovery and development of original drugs, the most recent of which, lercanidipine, a latest generation calcium channel blocker for the treatment of hypertension, is the company’s leading product. Consolidated revenue for 2004 was € 488.3 million, operating income was € 90.4 million and net income was € 54.0 million.*

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