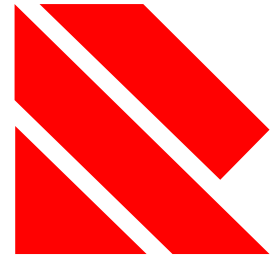


RECORDATI



RECORDATI

2004
Nine Months and 3rd Qtr Financials

Conference Call, 27 October 2004



RECORDATI

Operational highlights first nine months 2004

- **Pharmaceutical sales up 5.9%, or 10.5% excluding Sophartex**
- **International pharmaceutical sales up 16.0%**
- **Lercanidipine sales up 30.4%**
- **EBIT up 15.3% and net income up 34.0%**
- **New product licenses**
- **\$ 100 million funding from U.S. private placement**

First nine months composition of sales

(million euro)	2003	2004	Change %
PHARMACEUTICALS	308.0 86.4%	326.1 89.7%	5.9%
PHARMACEUTICAL CHEMICALS	48.6 13.6%	37.3 10.3%	(23.1)%
TOTAL	356.6 100.0%	363.4 100.0%	1.9%
ITALY	158.6 44.5%	164.8 45.4%	3.9%
INTERNATIONAL	198.0 55.5%	198.6 54.6%	0.3%



Sources of growth

(% change, first nine months 2004
over first nine months 2003)

	Volume	Price	Exchange	Total
PHARMACEUTICALS excluding Sophartex	12.8 %	(1.9) %	(0.4) %	10.5 %
SOPHARTEX	(64.0) %	-	-	(64.0) %
PHARMACEUTICAL CHEMICALS	(19.4) %	(0.7) %	(3.0) %	(23.1) %
TOTAL CHANGE	4.2 %	(1.6) %	(0.7) %	1.9 %

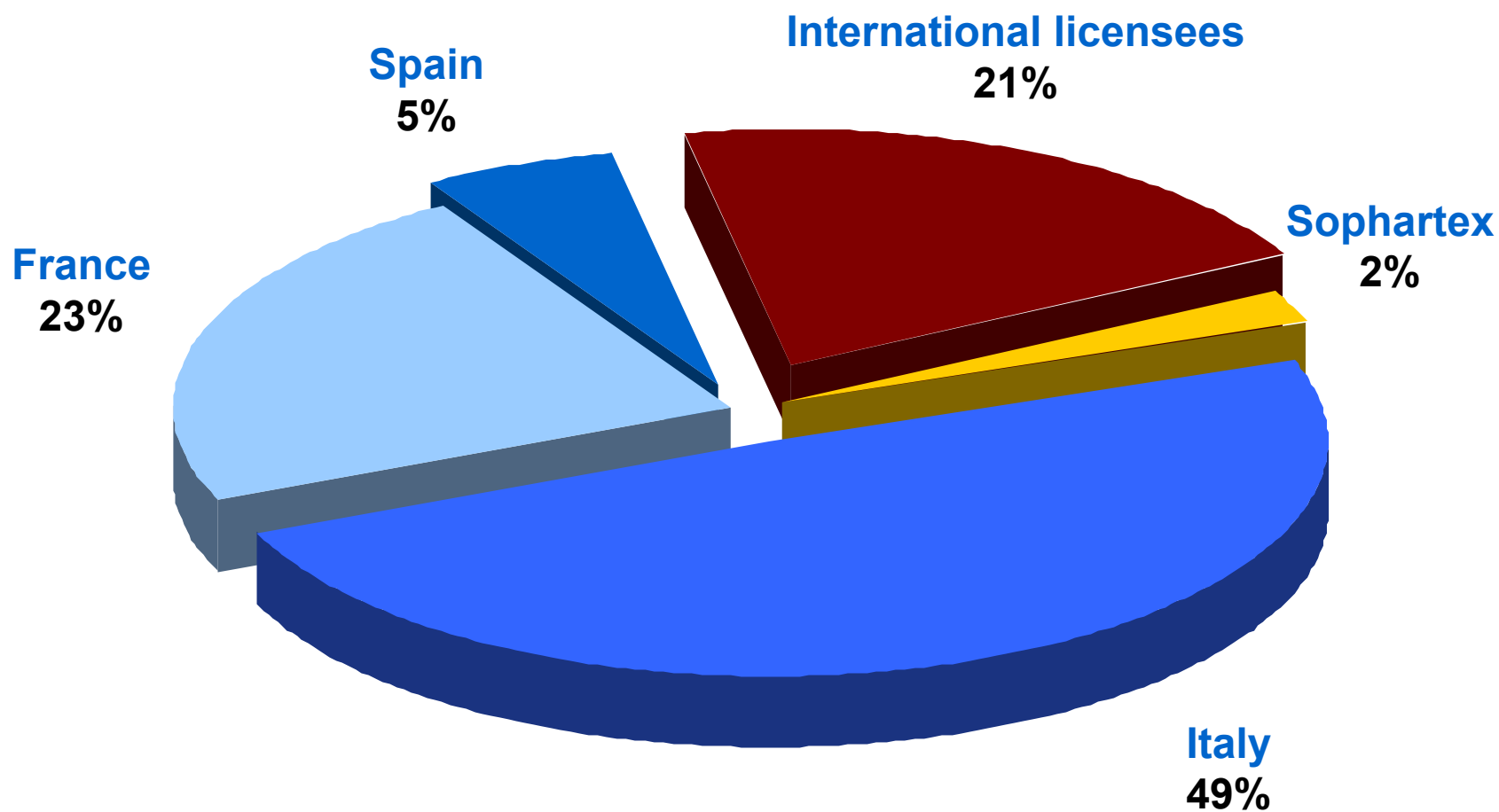


First nine months composition of pharmaceutical sales

(million euro)	2003	2004	Change %
Pharmaceuticals Italy	151.8	160.2	5.6%
Pharmaceuticals France	65.4	74.1	13.3%
Pharmaceuticals Spain	15.8	18.0	13.7%
International licensees	55.8	66.9	19.7%
Sophartex *	19.2	6.9	(64.0)%
TOTAL PHARMACEUTICALS	308.0	326.1	5.9%
<i>Excluding Sophartex</i>	<i>288.9</i>	<i>319.2</i>	<i>10.5%</i>

* Sold in April and consolidated only in 1Q 2004

Breakdown of first nine months 2004 pharmaceutical sales



First nine months lercanidipine sales

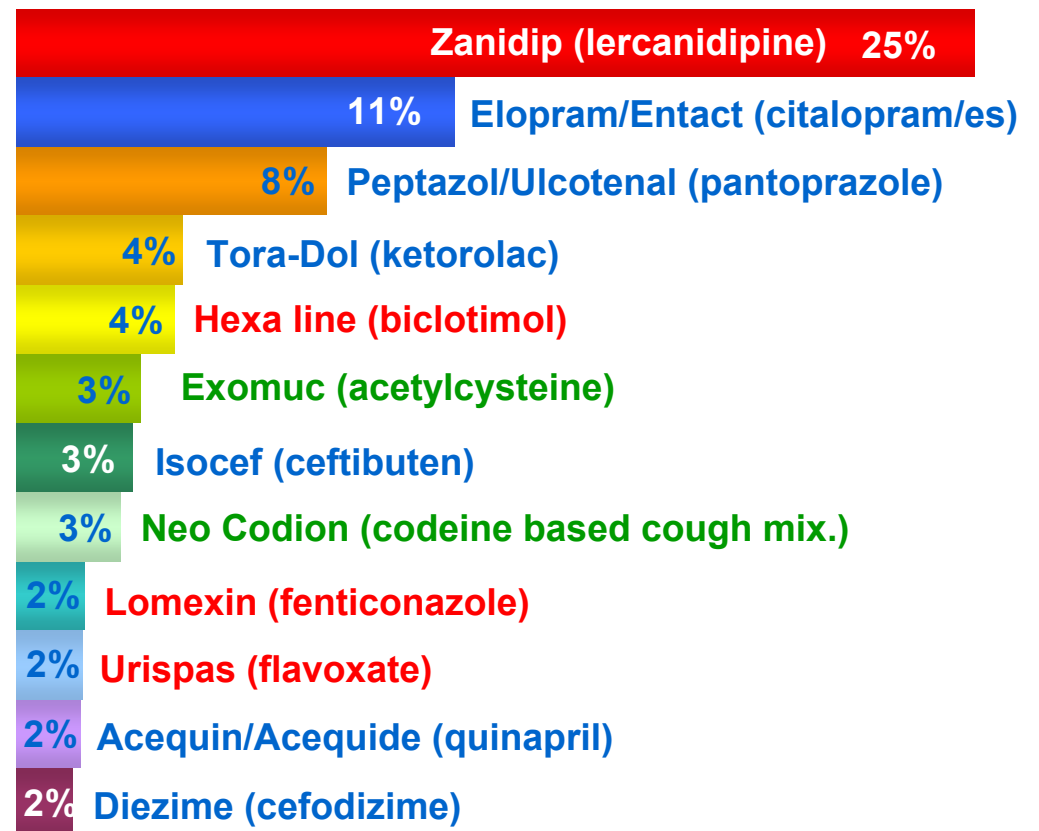
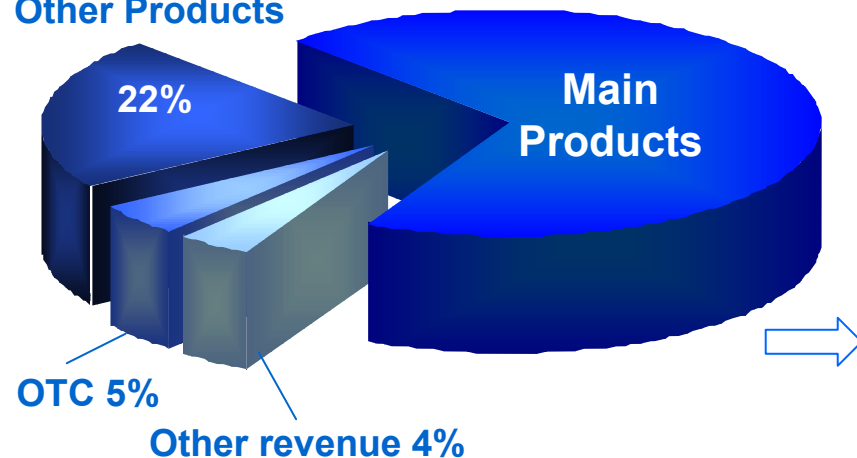
(million euro)	2003	2004	Change %
Italy	24.3	28.9	19.3%
France	10.5	16.8	58.8%
Spain	3.2	3.6	12.2%
DIRECT SALES	38.0 57.0%	49.3 56.7%	29.7%
SALES TO LICENSEES	28.6 43.0%	37.6 43.3%	31.4%
TOTAL LERCANIDIPINE SALES	66.6 100.0%	86.9 100.0%	30.4%



Main products

Breakdown of 12 months pharmaceutical sales at September 2004
(€ 442 m)

Other Products



First nine months results

(million euro)	2003	2004	Change %
Net Sales	356.6	363.4	1.9%
Gross Profit as % of sales	209.2 58.6%	226.7 62.4%	8.4%
Selling Expenses as % of sales	109.0 30.5%	117.2 32.3%	7.6%
R&D Expenses as % of sales	24.9 7.0%	26.7 7.3%	7.5%
EBITDA as % of sales	76.8 21.5%	80.9 22.3%	5.4%
EBIT as % of sales	56.0 15.7%	64.6 17.8%	15.3%
Net Income as % of sales	30.0 8.4%	40.2 11.1%	34.0%

First nine months EBIT by business area

(million euro)	2003	2004	Change %
PHARMACEUTICALS as % of sales	59.1 19.2%	63.6 19.5%	7.5%
PHARMACEUTICAL CHEMICALS as % of sales*	(3.1) (5.5)%	1.0 2.2%	n.s.
TOTAL EBIT as % of sales	56.0 15.7%	64.6 17.8%	15.3%

* Including inter-company sales

Third quarter results

(million euro)	3Q 2003	3Q 2004	Change %
Net Sales	109.5	111.1	1.5%
Gross Profit as % of sales	64.6 59.0%	68.2 61.4%	5.6%
Selling Expenses as % of sales	31.6 28.8%	32.8 29.5%	3.9%
R&D Expenses as % of sales	7.8 7.1%	8.6 7.7%	10.9%
EBITDA as % of sales	25.7 23.5%	26.4 23.8%	2.8%
EBIT as % of sales	18.9 17.3%	21.4 19.3%	13.0%
Net Income as % of sales	10.1 9.3%	12.8 11.5%	25.9%



Third quarter EBIT by business area

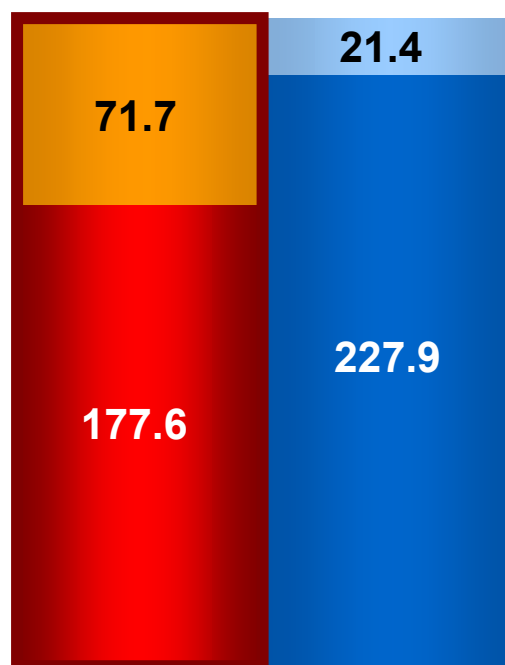
(million euro)	3Q 2003	3Q 2004	Change %
PHARMACEUTICALS as % of sales	20.2 21.5%	21.4 21.4%	5.9%
PHARMACEUTICAL CHEMICALS as % of sales*	(1.3) (7.2)%	0 (0.2)%	n.s.
TOTAL EBIT as % of sales	18.9 17.3%	21.4 19.3%	13.0%

* Including inter-company sales

Capital employed

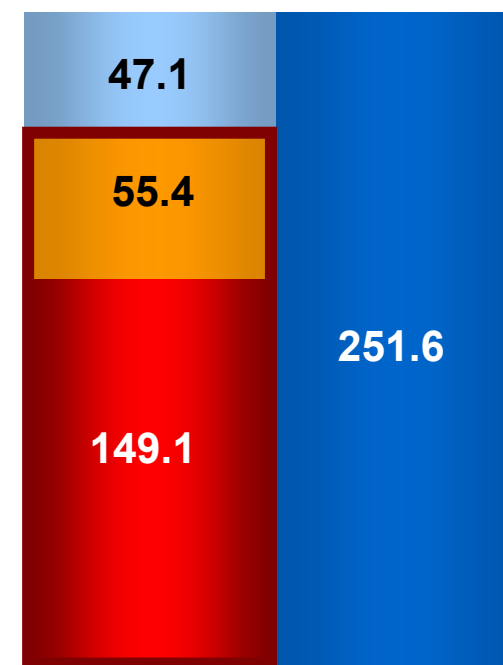
(million euro)

31 December 2003



Capital employed: **249.3**

30 September 2004



Capital employed: **204.5**

First nine months cash flow

(million euro)	2003	2004
Net income	30.0	40.2
Depreciation of fixed assets	12.4	9.3
Amortization of intangible assets	8.3	7.0
Cash Flow from Operations	50.7	56.5
Change in working capital	(2.9)	14.4
Changes in non-current items	1.5	(5.3)
Net investments in fixed assets	(11.7)	4.8
Net investments in intangible assets	(3.7)	(3.8)
Free Cash Flow	33.9	66.6
Dividend paid	(18.3)	(18.4)
Purchase of treasury stock	(2.9)	-



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 0003074447), dedicated to the research, development, manufacturing and marketing of pharmaceuticals and pharmaceutical chemicals, with headquarters in Milan, Italy and operating subsidiaries in France, Ireland, Portugal, Spain, Switzerland and the United States.

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