



RECORDATI

Company presentation

New York, September 18th , 2002



RECORDATI

Recordati

- **an excellent marketing company**
- **with productive original research**

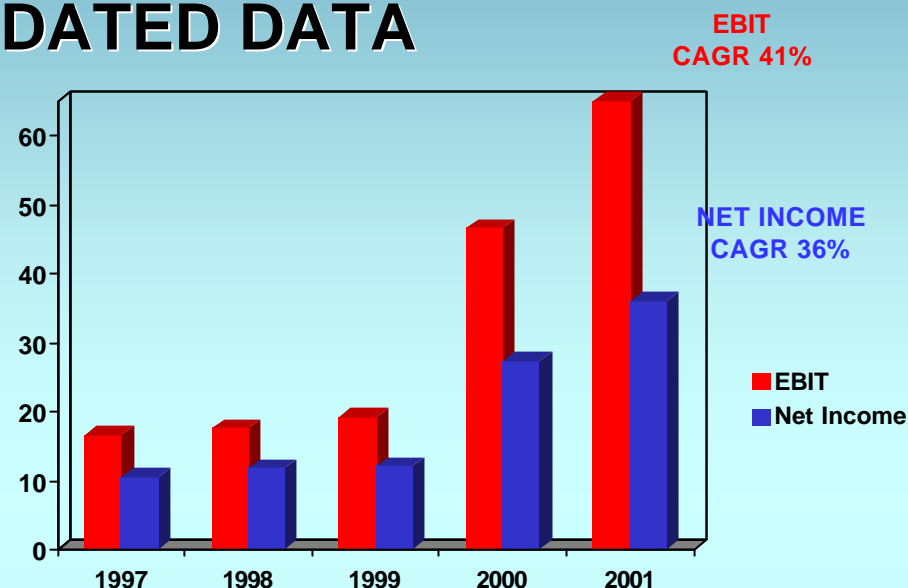
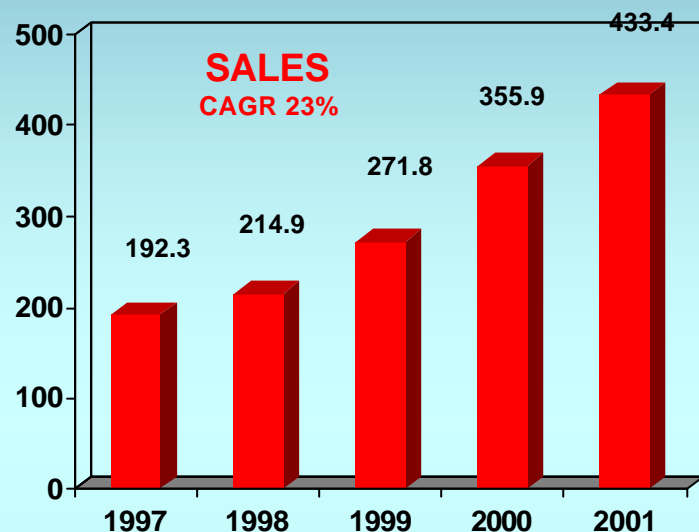
Growth drivers

- **focused sales effort**
- **successful roll-out of lercanidipine**
- **expansion of marketing presence in Europe**

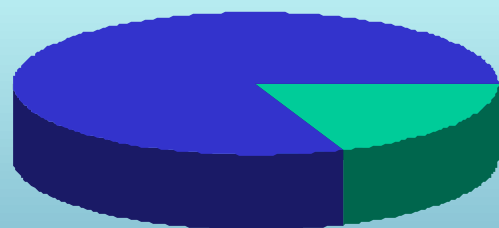


KEY CONSOLIDATED DATA

(million euro)

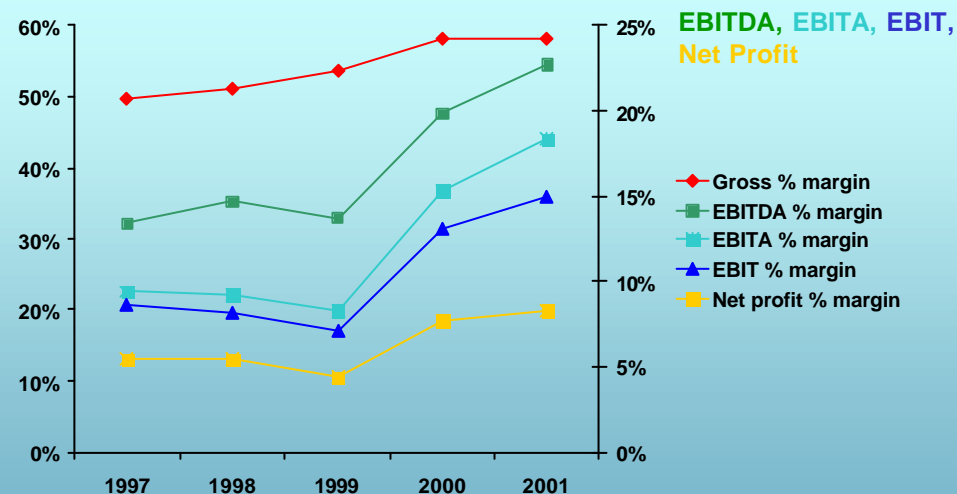


80.7%
Pharmaceuticals



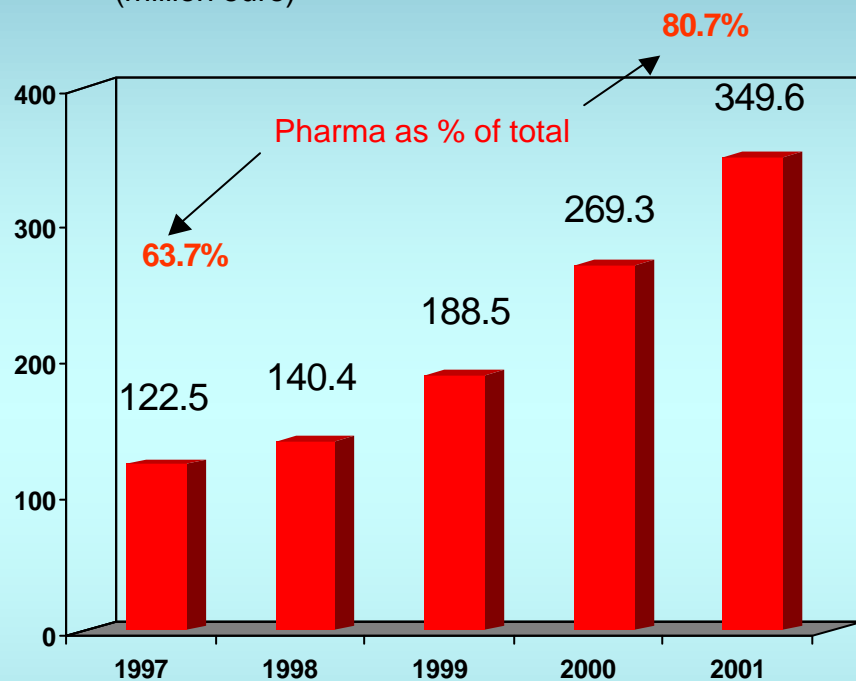
19.3%
Pharmaceutical chemicals

Gross margin

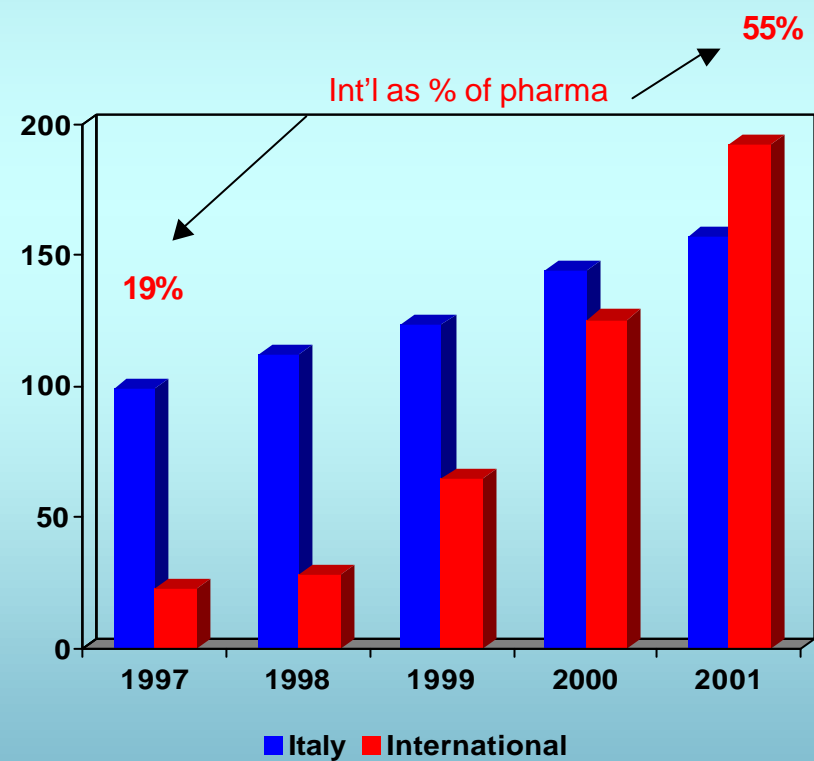


Pharmaceutical Net Sales

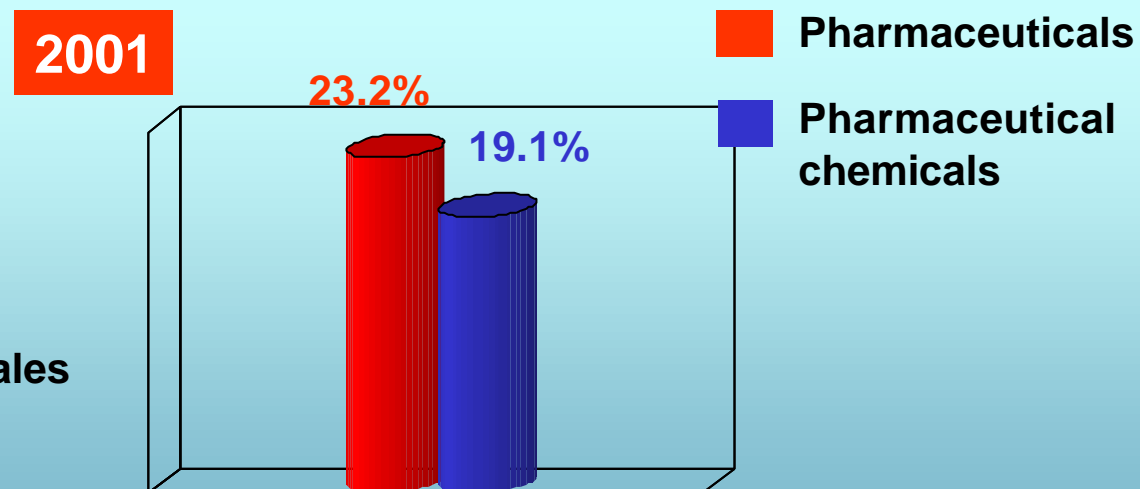
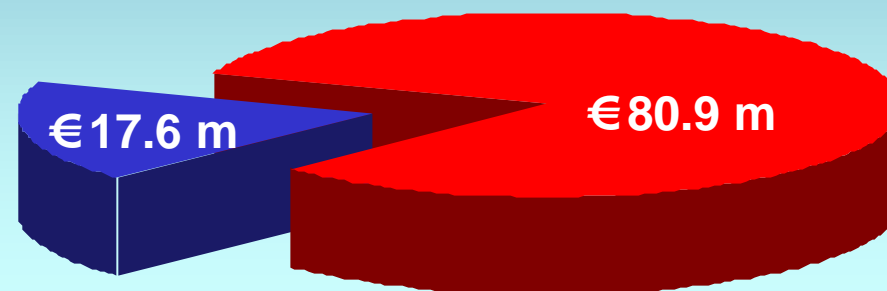
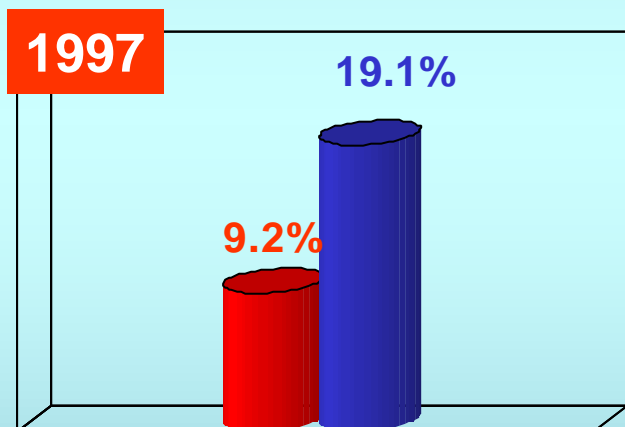
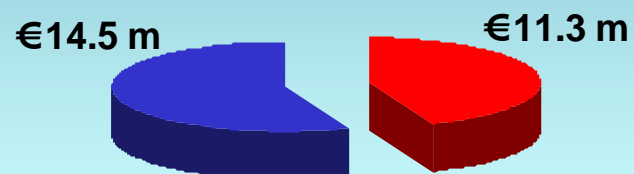
(million euro)



CAGR
30%



EBITDA



As % of sales

OPERATIONAL HIGHLIGHTS

First Half 2002

- Consolidated net sales up 18.9%
- Pharmaceutical sales up 25.3%
- International pharmaceutical sales up 29.6%
- Lercanidipine sales up 46.3%
- Increase in profits continues



FIRST HALF COMPOSITION OF SALES

(million euro)	1H 2001	1H 2002	Change %
PHARMACEUTICALS	168.5 78.9%	211.2 83.1%	25.3%
PHARMACEUTICAL CHEMICALS	45.2 21.1%	42.8 16.9%	(5.2)%
TOTAL	213.7 100.0%	254.0 100.0%	18.9%
ITALY	86.8 40.6%	104.0 40.9%	19.8%
INTERNATIONAL	126.9 59.4%	150.0 59.1%	18.2%



SOURCES OF GROWTH

(% change, first half 2002 over first half 2001)

Volume

**Price /
Exchange**

Total

PHARMACEUTICALS

19.1 %

(1.8) %

17.3 %

**PHARMACEUTICAL
CHEMICALS**

5.6 %

(10.8) %

(5.2) %

ORGANIC GROWTH, TOTAL

16.3 %

(3.7) %

12.6 %

**CHANGE OF CONSOLIDATION
PERIMETER**

6.3 %

6.3 %

TOTAL GROWTH

22.6 %

(3.7) %

18.9 %



FIRST HALF EBITDA BY BUSINESS AREA

(million euro)	1H 2001	1H 2002	Change %
PHARMACEUTICALS as % of sales	35.9 21.3%	47.7 22.6%	33.0%
PHARMACEUTICAL CHEMICALS as % of sales*	11.2 22.5%	8.4 17.0%	(25.4)%
TOTAL as % of sales	47.1 22.0%	56.0 22.1%	19.1%
OPERATING DEPRECIATION	9.4	11.2	18.7%
GOODWILL AMORTIZATION	6.7	7.5	12.2%
EBIT as % of sales	31.0 14.5%	37.4 14.7%	20.7%

* Including inter-company sales

FIRST HALF RESULTS

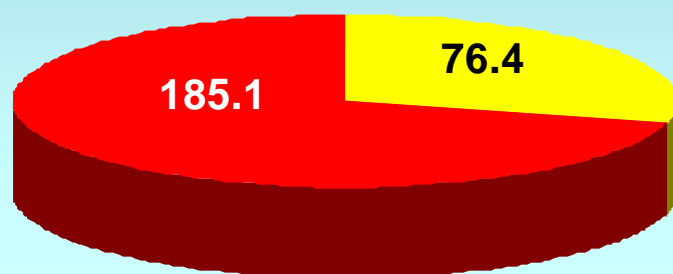
(million euro)	1H 2001	1H 2002	Change %
Net Sales	213.7	254.0	18.9%
Gross Profit as % of sales	126.3 59.1%	147.5 58.1%	16.8%
Selling Expenses as % of sales	64.0 29.9%	73.4 28.9%	14.8%
R&D Expenses as % of sales	15.1 7.1%	18.4 7.3%	22.2%
EBITDA as % of sales	47.1 22.0%	56.0 22.1%	19.1%
EBIT as % of sales	31.0 14.5%	37.4 14.7%	20.7%
Net Income as % of sales	17.6 8.2%	20.8 8.2%	18.3%



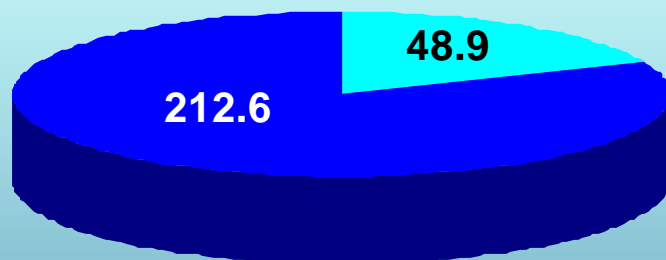
CAPITAL EMPLOYED

(million euro)

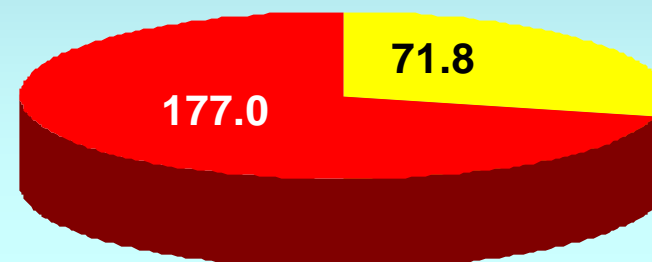
31 December 2001



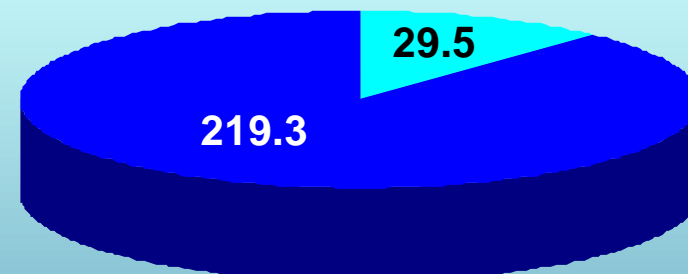
Capital employed: 261.5



30 June 2002



Capital employed: 248.8

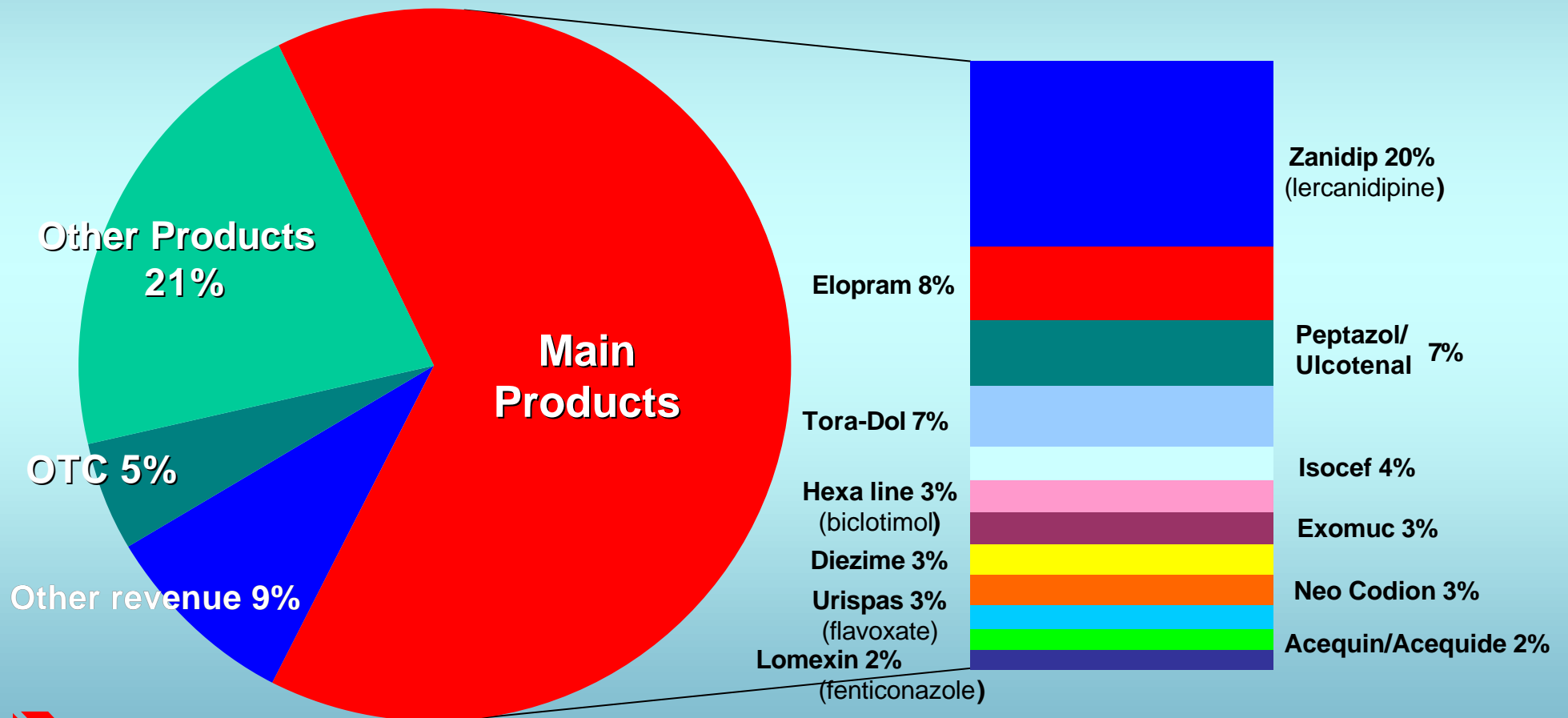


■ Net working capital for operations
■ Net non-current assets

■ Net debt
■ Shareholders' equity

MAIN PRODUCTS

Breakdown of first half 2002 pharmaceutical sales



ZANIDIP[®] (LERCANIDIPINE)

- **Next generation calcium-channel blocker** and first lipophilic DHP CCB to be filed with the FDA.
- **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 well over \$30 billion, CCB's about \$10 billion, of which around two thirds in U.S.A. and Japan.
- Leader is Norvasc[®] (amlodipine) with over one third market share



ROLL OUT STATUS AND PLAN

LAUNCHED

38 countries
(approx. 1/3
of world market)

APPROVED

20 countries

FILED

34 countries



ROLL OUT IN MAJOR MARKETS

EUROPE FIVE

1998 ITALY, SPAIN, UK

2000 GERMANY

2001 FRANCE

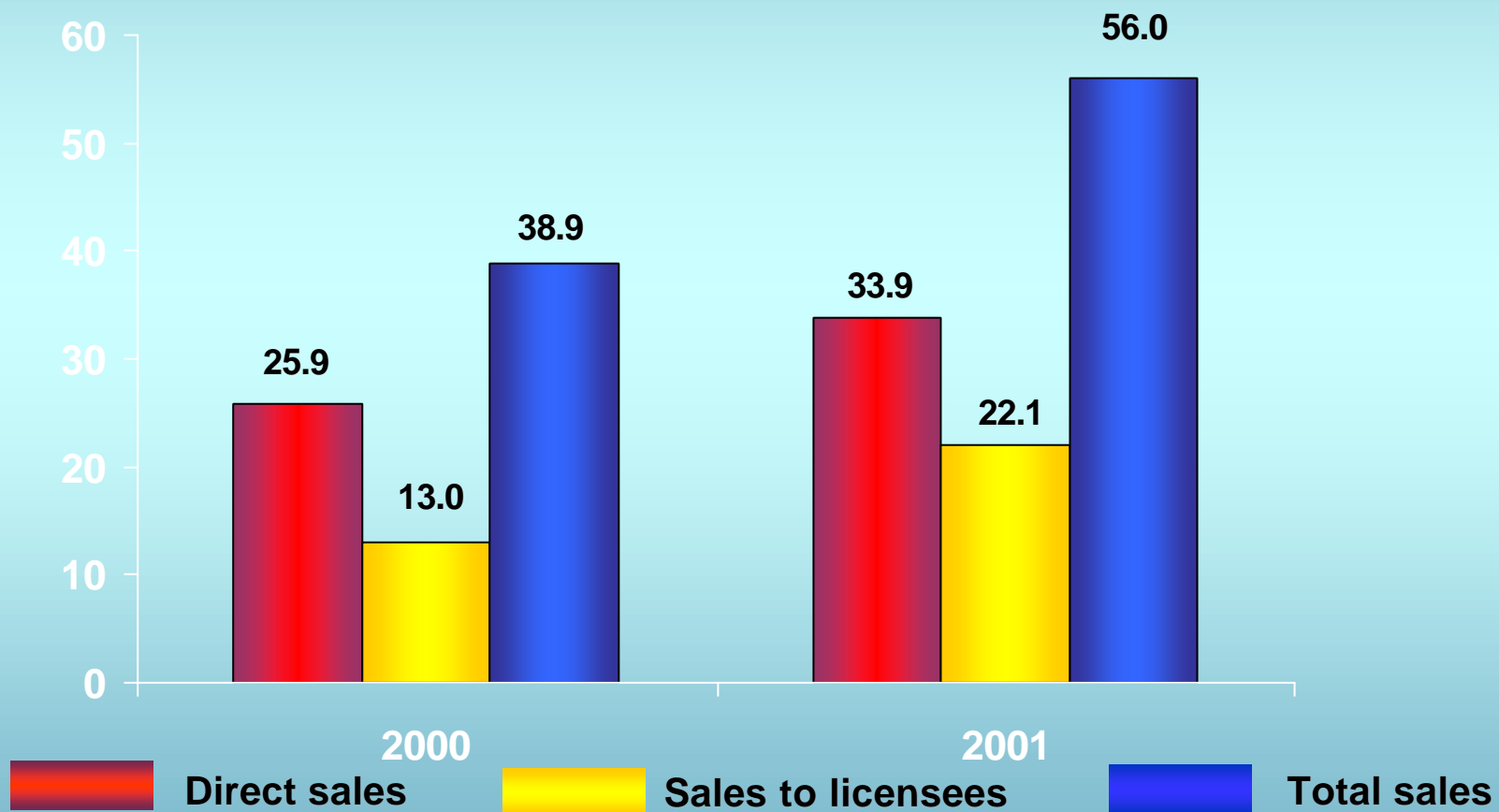
USA (filed 4Q 2001, approvable letter received)

JAPAN (local phase III studies, launch target 2005)



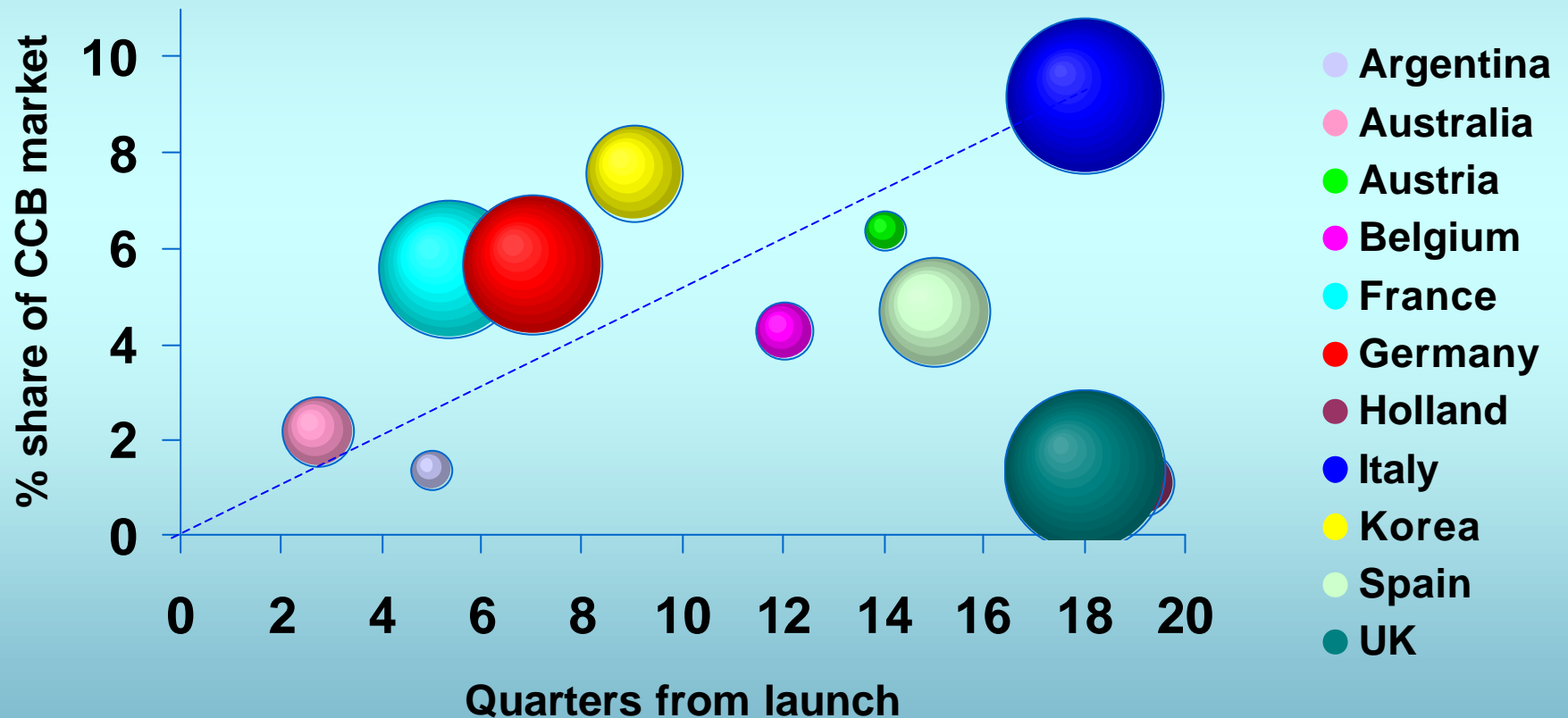
LERCANIDIPINE SALES

(million euro)



LERCANIDIPINE AS A % OF ALL CALCIUM CHANNEL BLOCKERS

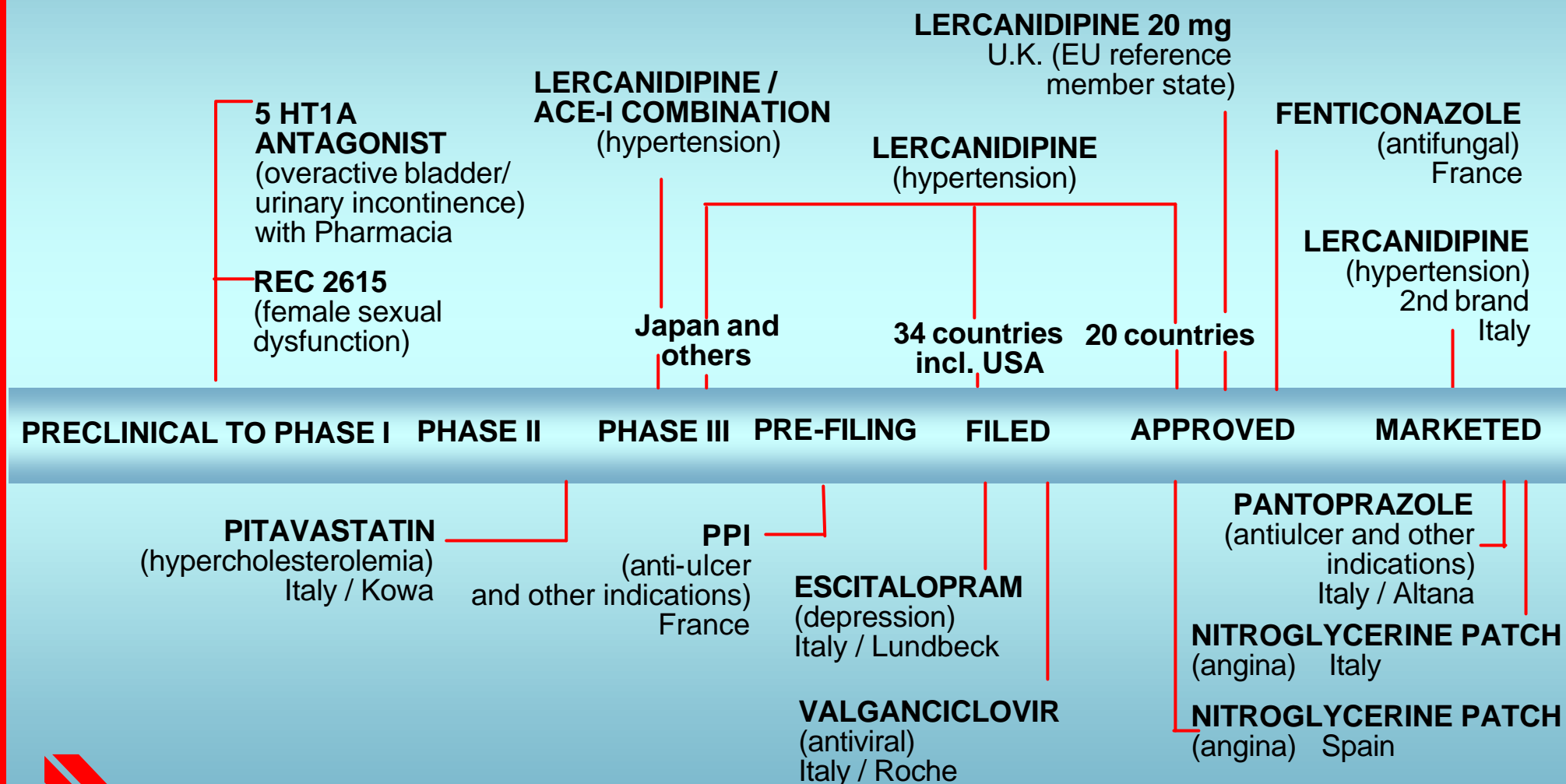
IMS data - 2Q 2002 - bubble size represents \$ market value of CCB's



ZANIDIP® (LERCANIDIPINE) U.S. POTENTIAL

- **Hypertension affects over 50 million people in the U.S.. The market exceeds \$ 13 billion of which CCB's account for some 30%**
- **Lercanidipine is licensed to Forest Labs for the U.S. market**
- **NDA filed October 1st 2001, approvable letter received in August 2002**
- **Analysts' estimates of peak sales in the U.S. range from \$ 100 million to \$ 500 million**

PRODUCT PIPELINE



FILLING THE PIPELINE: ONGOING R&D

- **Lercanidipine:**
 - **Advantageous clinical profile consolidates**
 - **Patent life in extension, two new patents filed**
 - **20mg strength approved by U.K. Medicines Control Agency, mutual recognition to follow**

FILLING THE PIPELINE: ONGOING R&D

- **Lercanidipine-ACEI fixed combination:**
 - **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**
 - **Currently in phase III**

FILLING THE PIPELINE: ONGOING R&D

- **Urology:**
 - **Collaboration agreement with Pharmacia**
 - **Lead optimization in the area of overactive bladder is at an advanced stage**
 - **Formulation activities are underway on a lead compound for female sexual dysfunction**
 - **Program on-going**

Basis for 2002 - 2005 targets

- **Current business**
- **Current products / late stage projects**
- **Current geography**
- **Zanidip® in U.S. included**
 - Pipeline buildup in 2002
 - 2003 approval and launch
 - Analysts' estimates of peak sales in the U.S. range from \$ 100 million to \$ 500 million
- **Zanidip® in Japan not included**

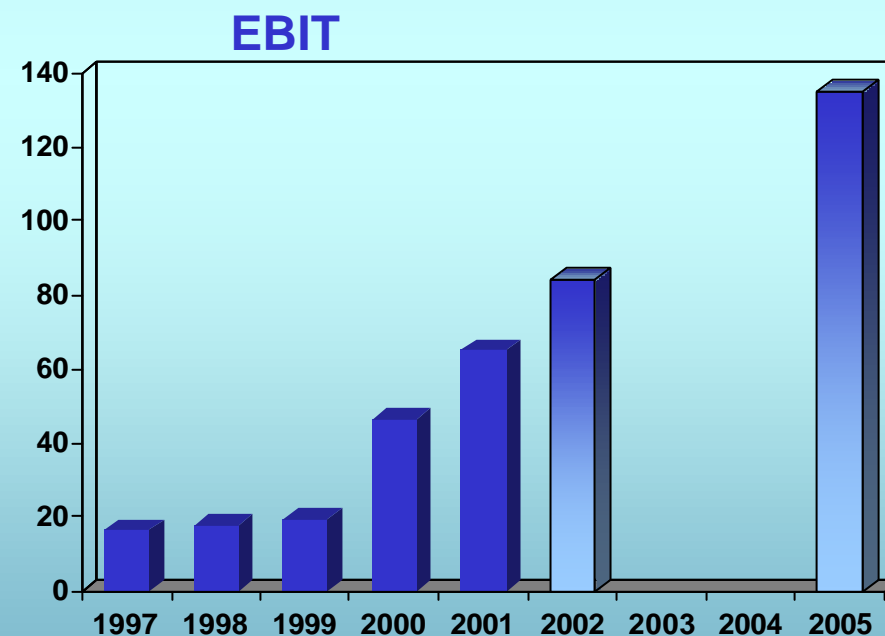
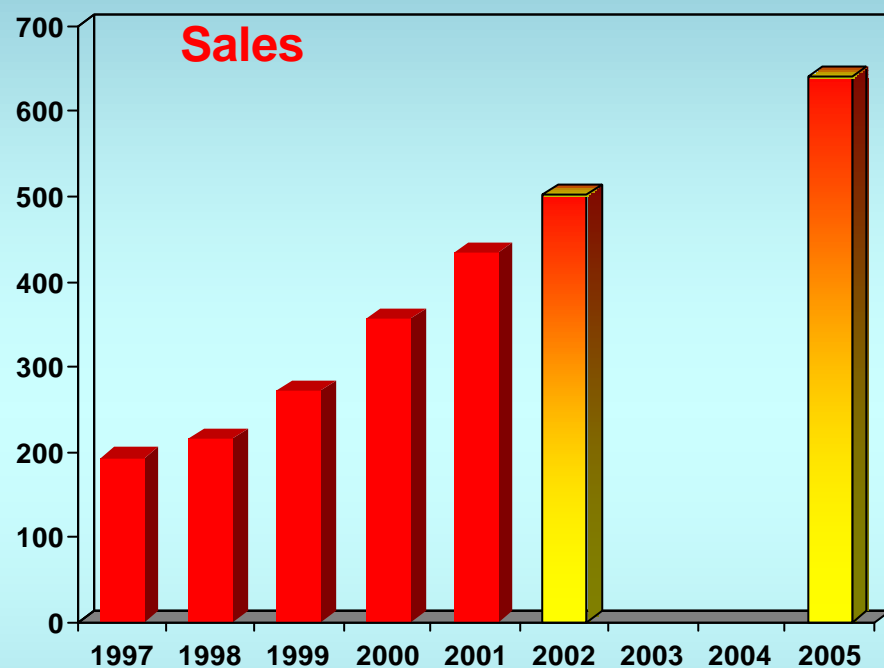
2002-2005 TARGETS

(million euro)	2001	2002	2005	CAGR 2001-2005
Net Sales	433.4	502	640	10.2%
Gross Profit as % of sales	251.3 58.0%	301 60.0%	400 62.5%	12.3%
R&D as % of sales	30.9 7.1%	40 8.0%	65 10.2%	20.4%
EBIT as % of sales	65.1 15.0%	84 16.7%	135 21.1%	20.0%
EPS (euro)	0.72	EPS CAGR to equal or exceed EBIT CAGR		



(million euro)

SALES and EBIT



RECORDATI

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