

RECORDATI

Company presentation

2nd Annual Specialty Pharmaceuticals Conference

**Salomon Smith Barney
New York, 7 March 2002**



RECORDATI

Recordati

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

Growth drivers

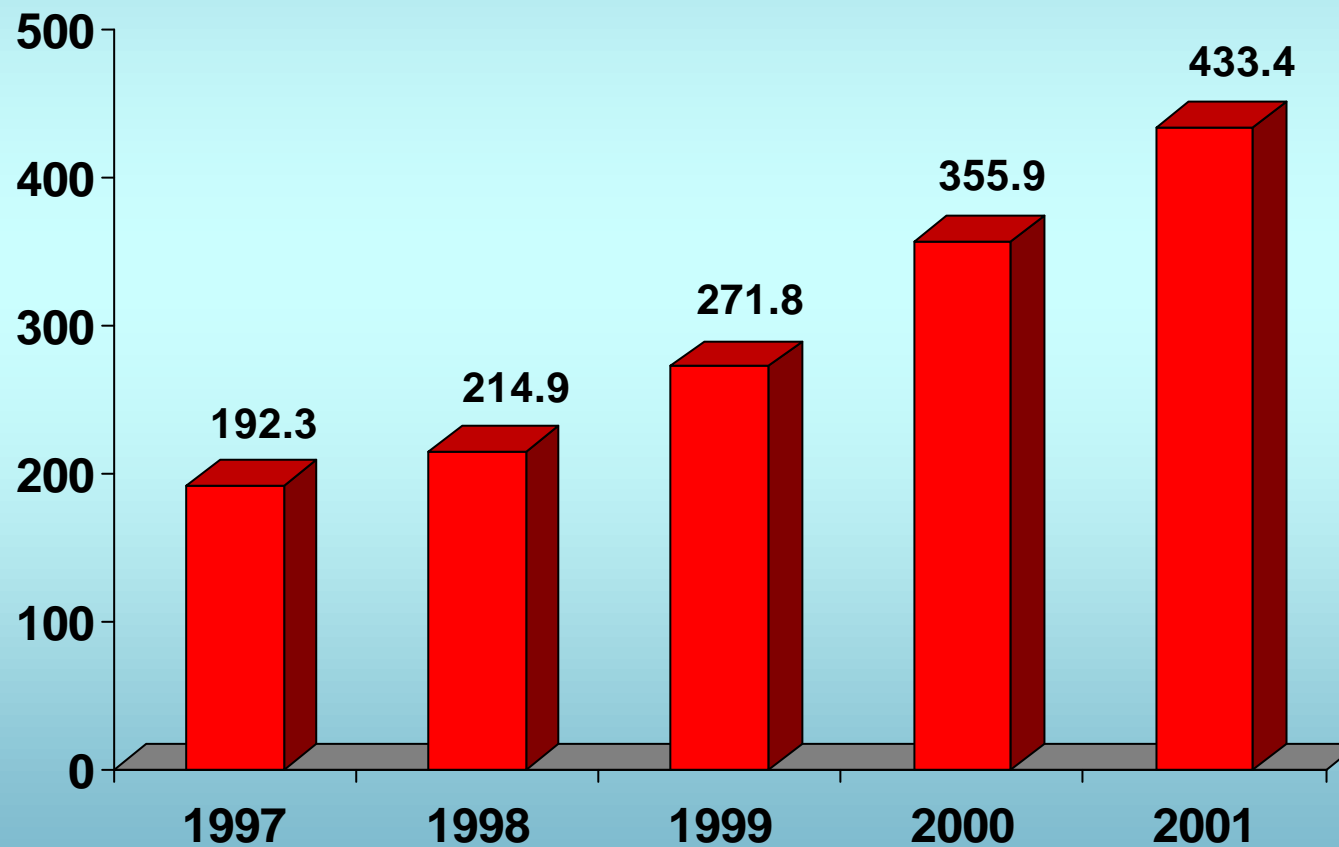
- **focused sales effort**
- **successful roll-out of lercanidipine**
- **expansion of marketing presence in Europe**



Net Sales

(million euro)

CAGR
22.5%

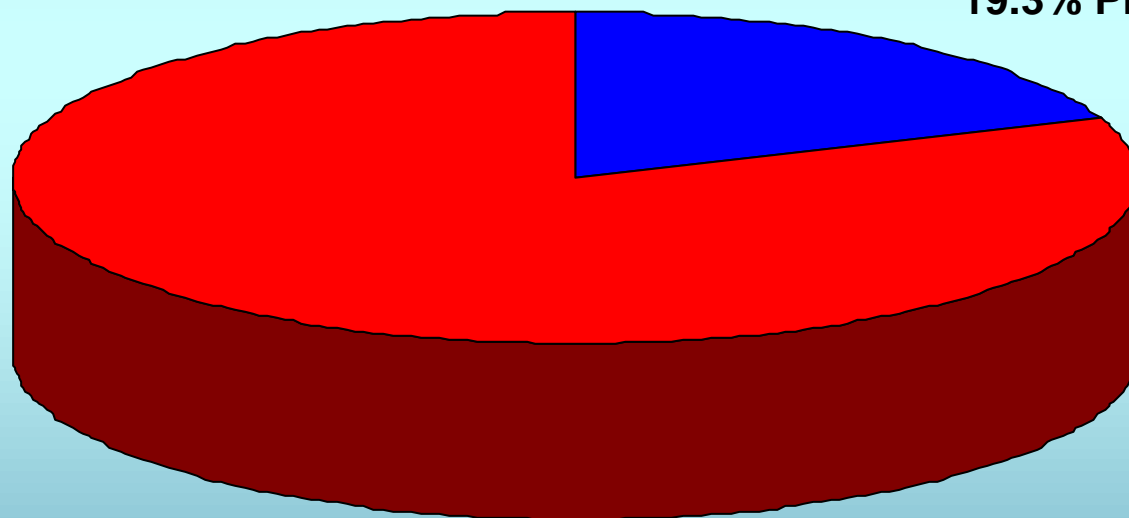


Business Segments

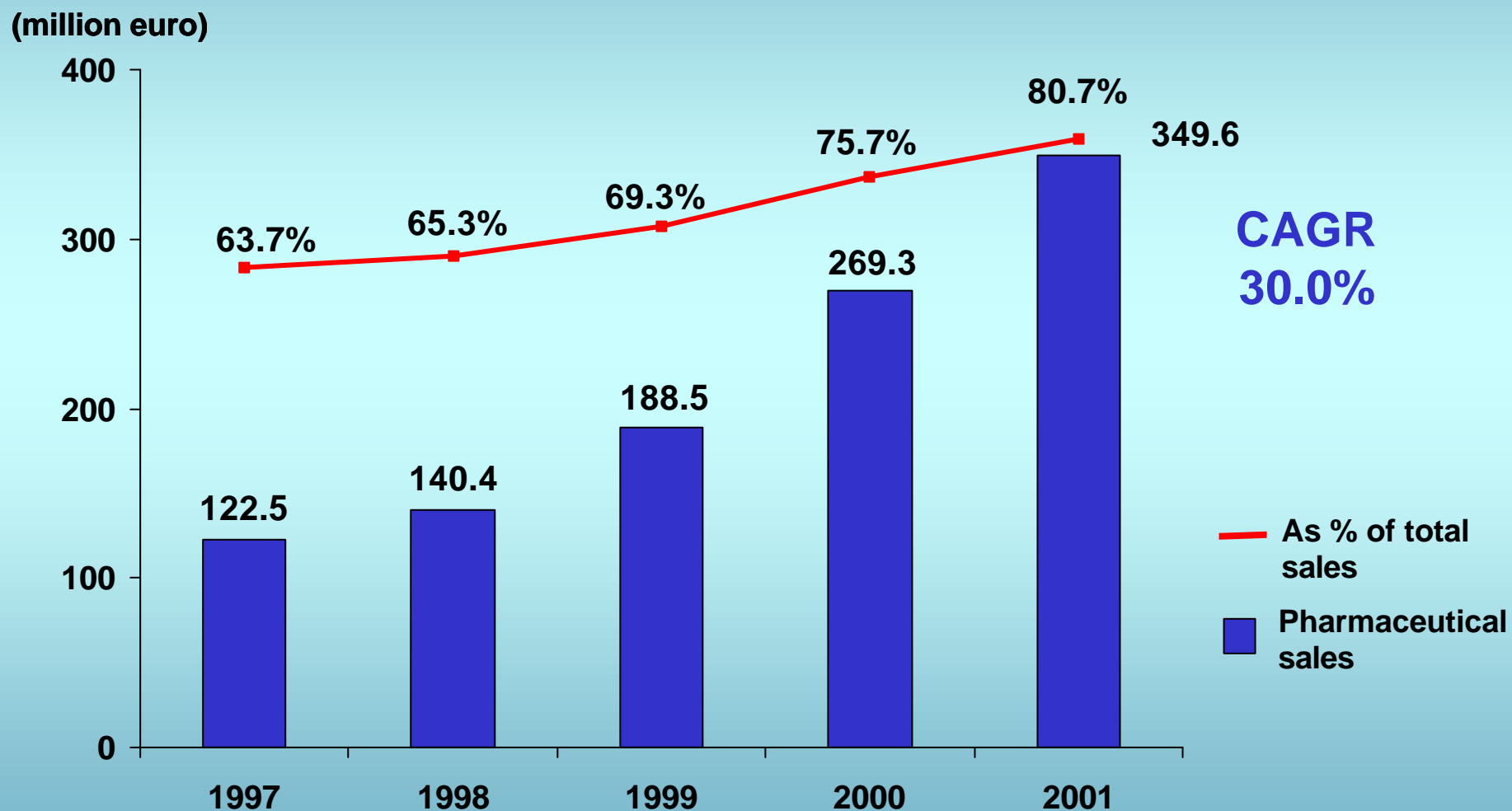
Sales breakdown as of December 31, 2001

80.7% Pharmaceuticals

19.3% Pharmaceutical chemicals

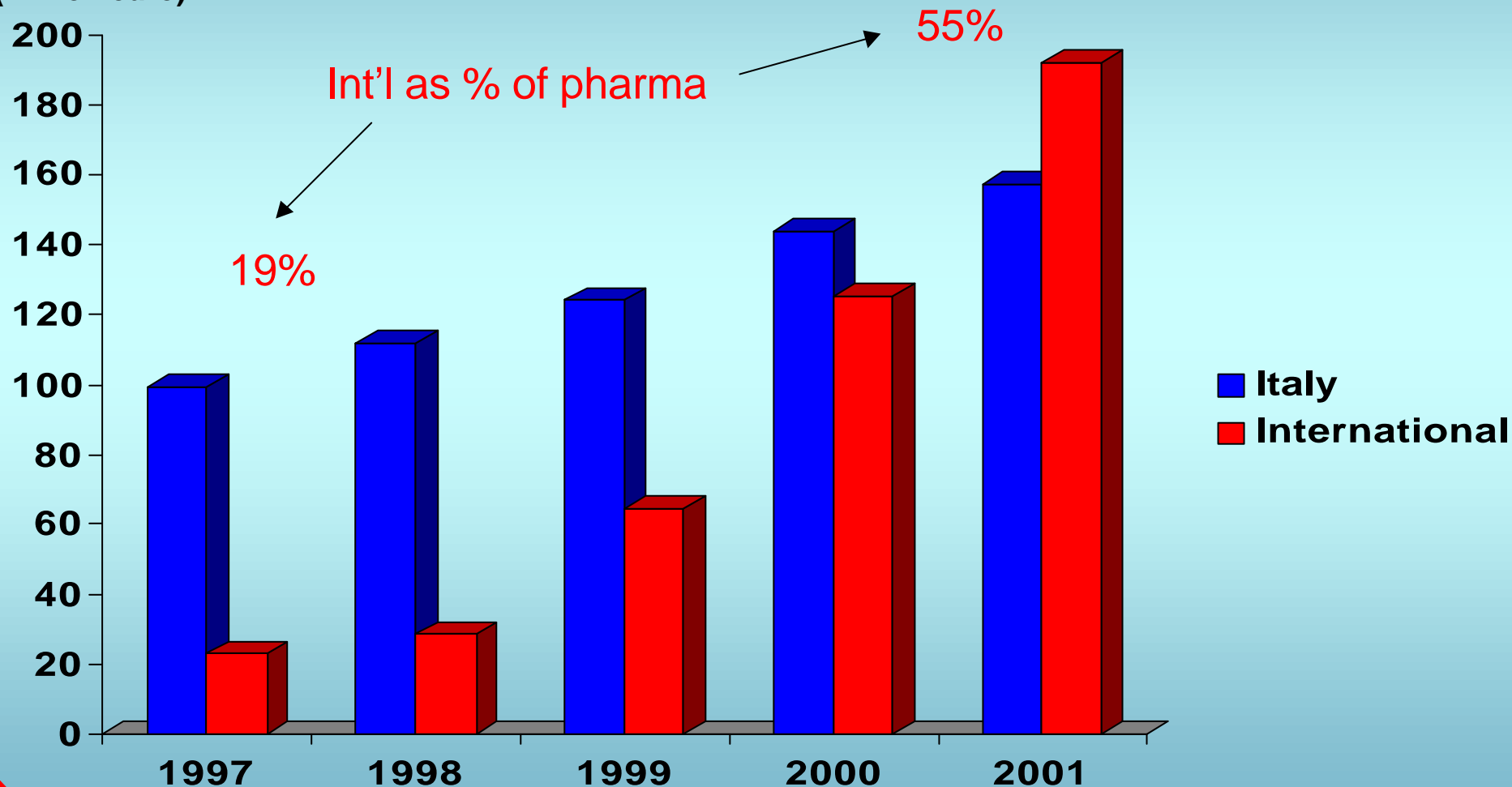


Pharmaceutical Net Sales



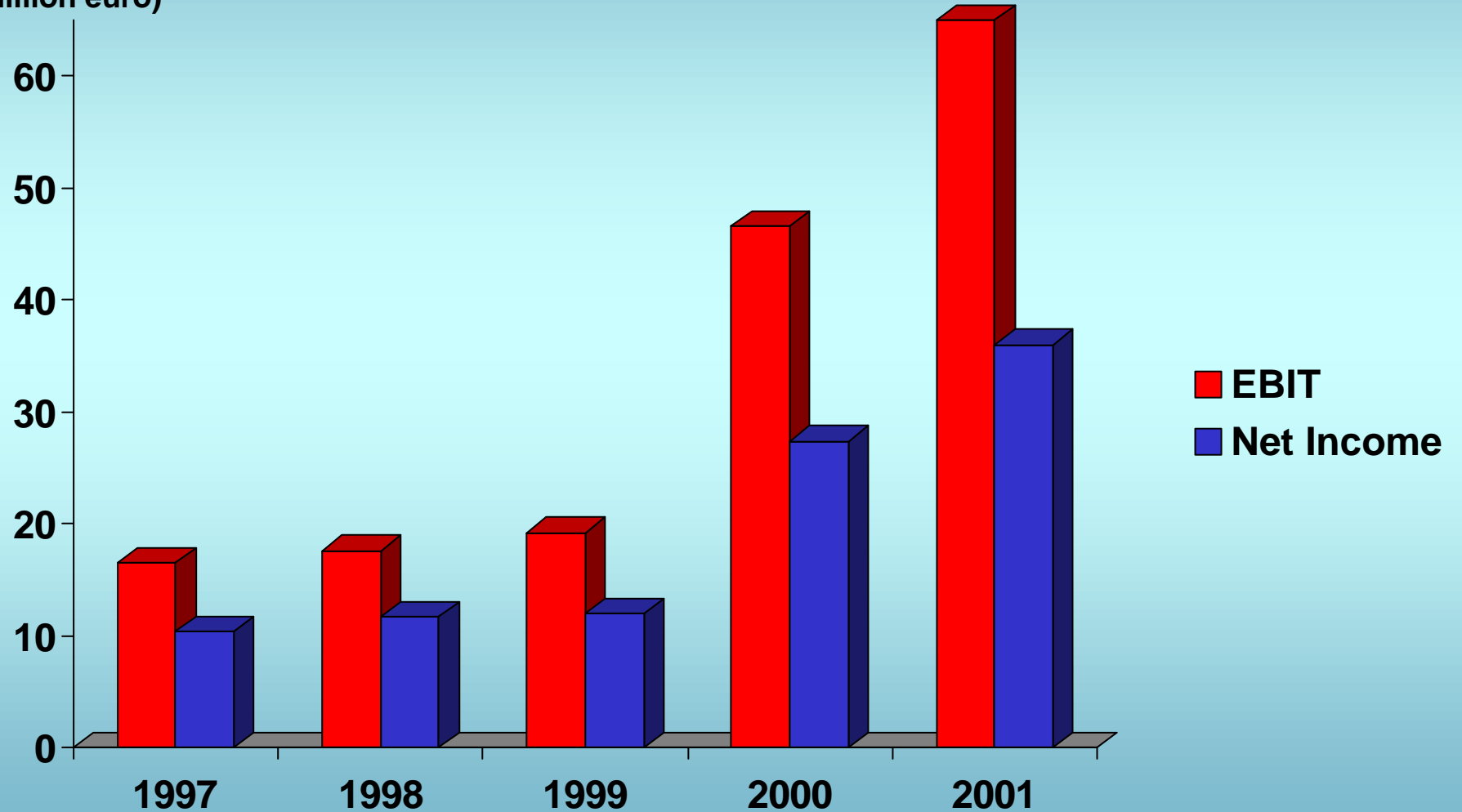
Pharmaceutical Net Sales - International development

(million euro)

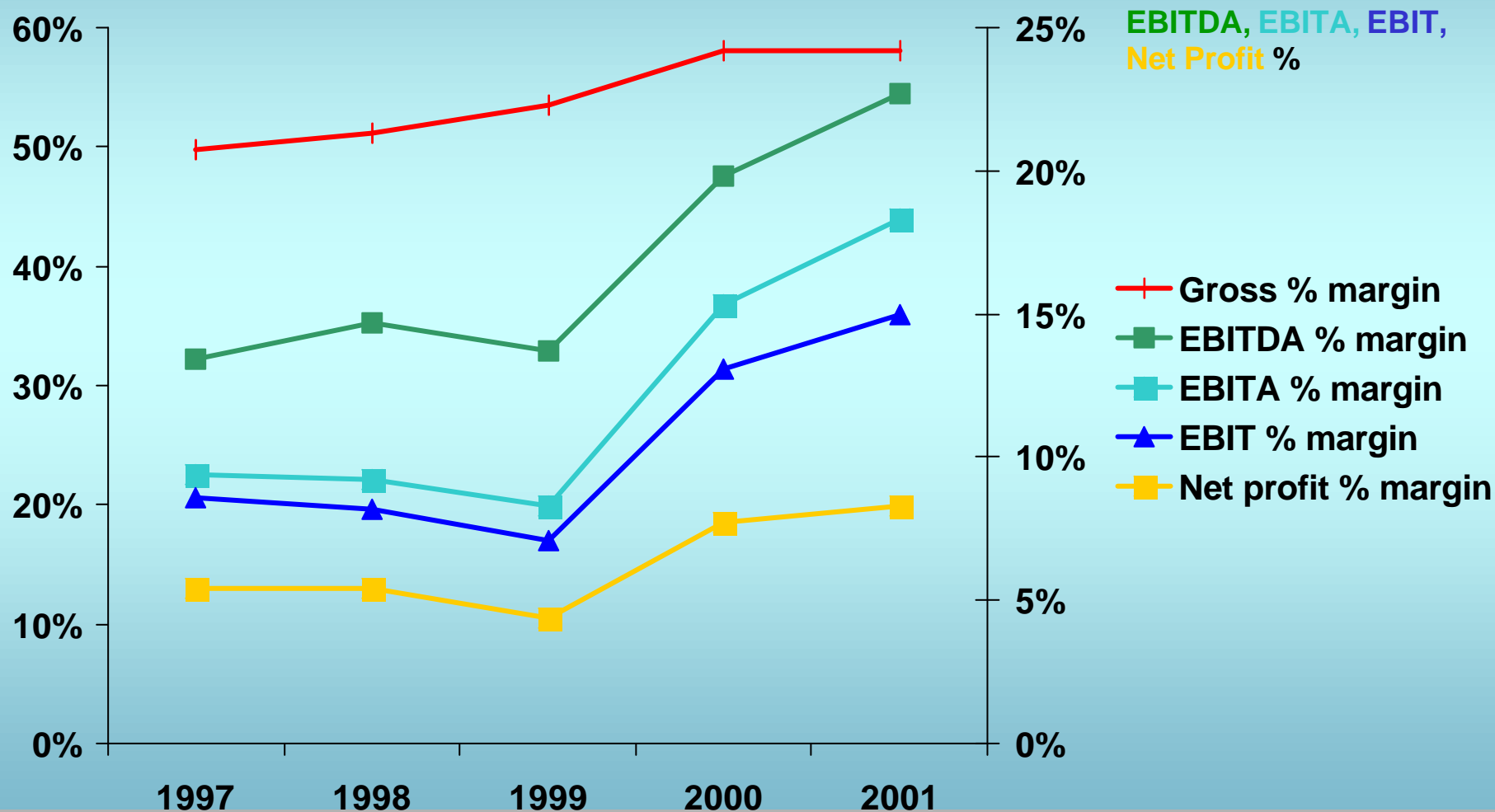


EBIT and Net Income

(million euro)

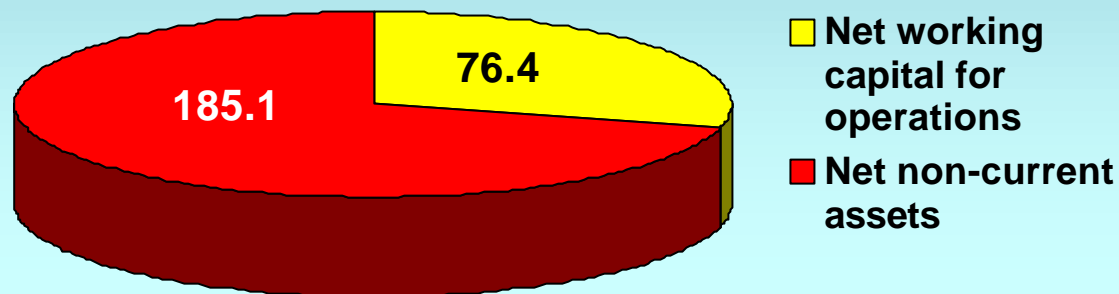


Gross margin % Development of profit % margins

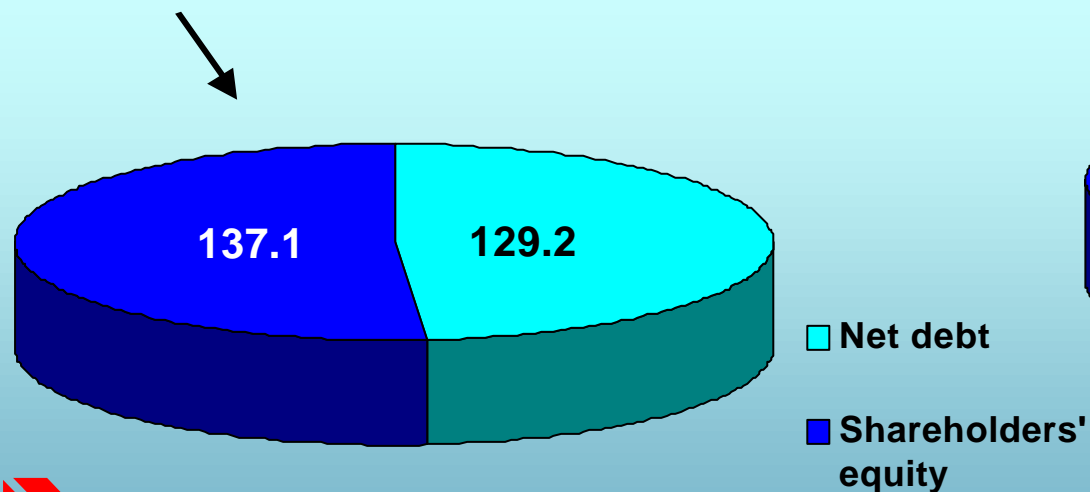


Capital Employed - as of 31 December 2001

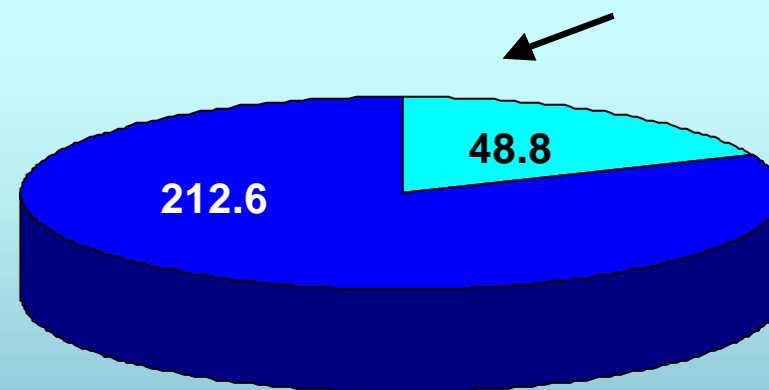
(million euro)



31 December 2000

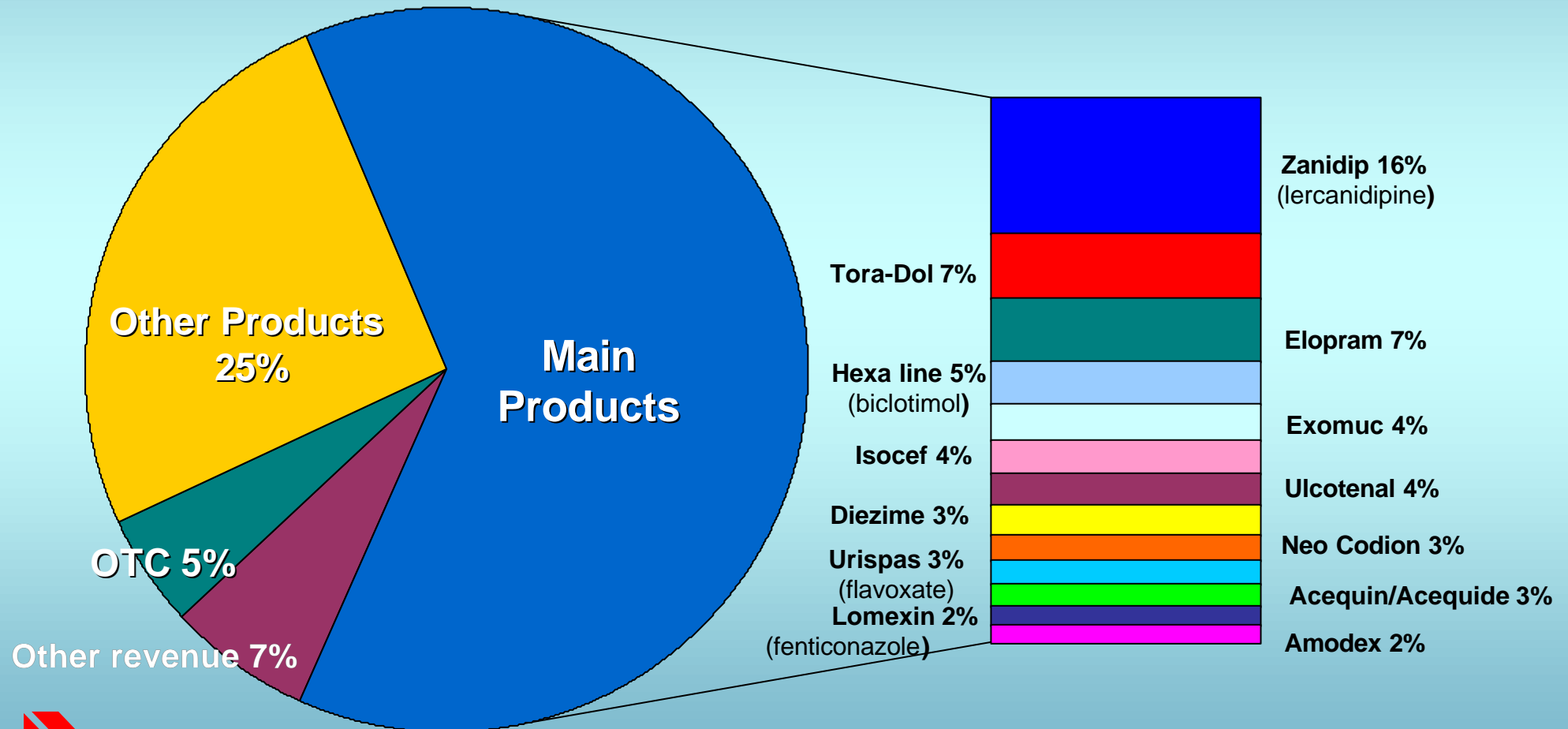


31 December 2001



MAIN PRODUCTS

Breakdown of 2001 pharmaceutical sales

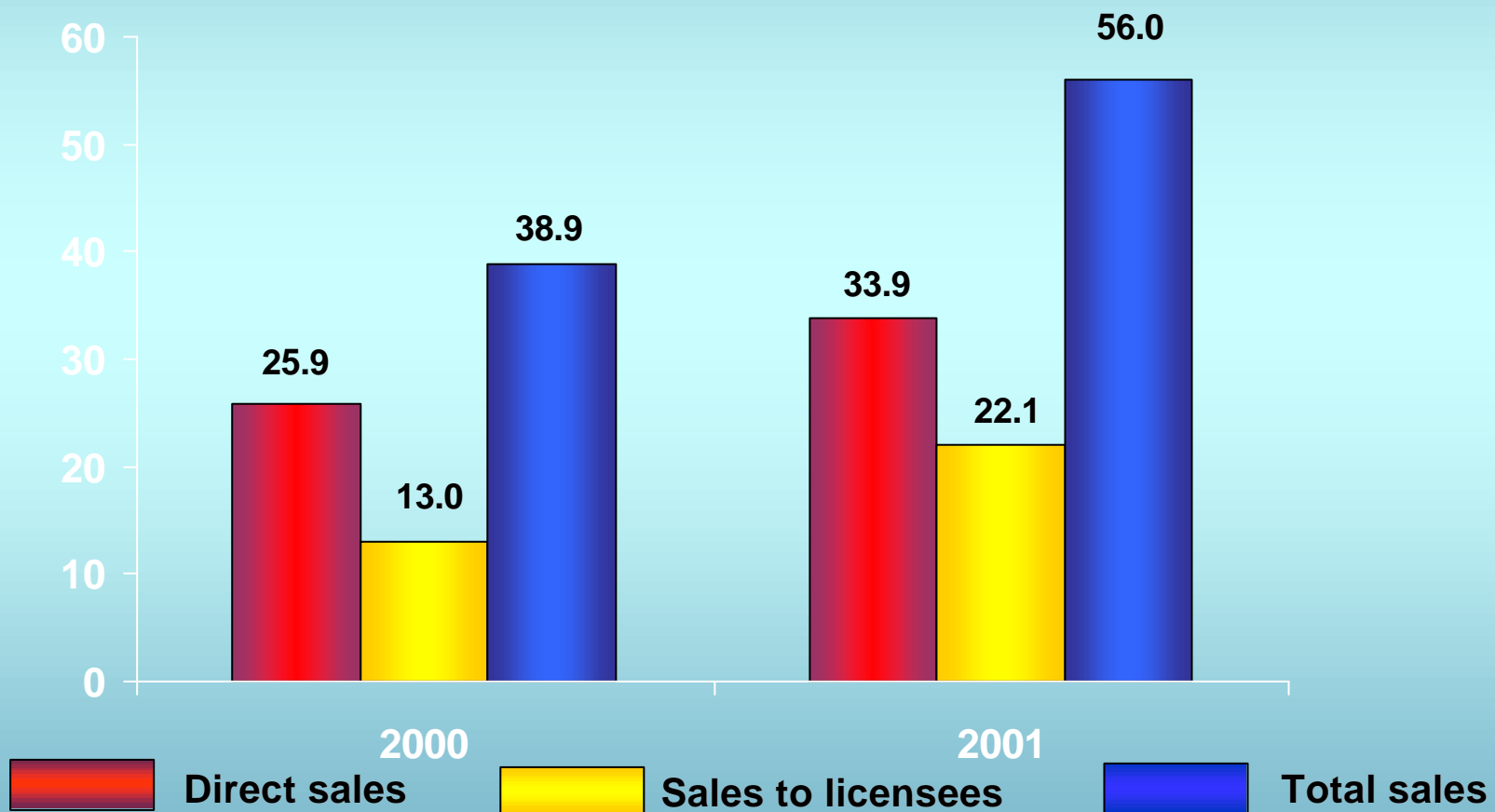


ZANIDIP[®] (LERCANIDIPINE)

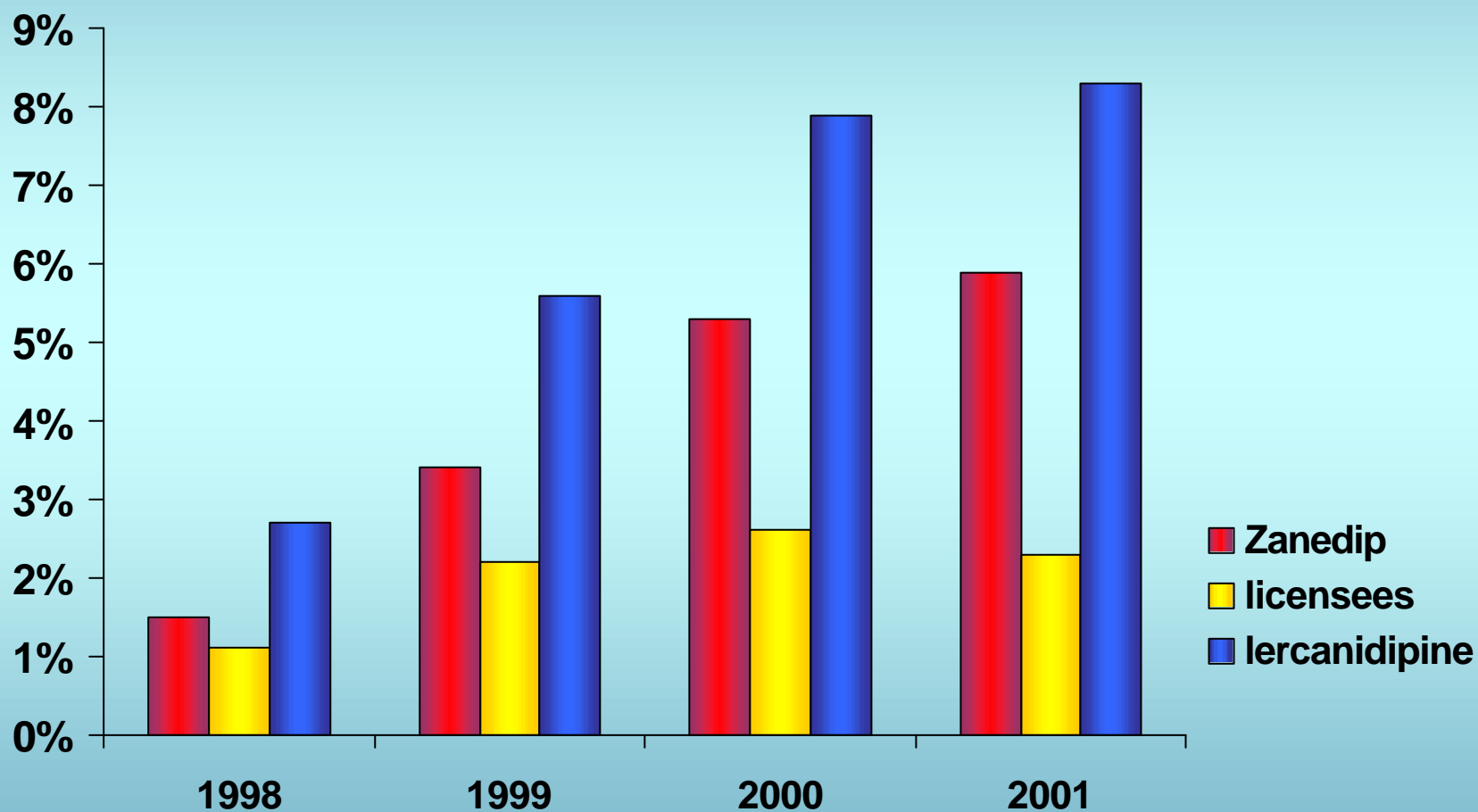
- Latest generation calcium-channel blocker
- Natural once a day
- Efficacy as best in class, superior tolerability
- Hypertension market > \$30 billion, CCB's about \$10 billion
- Leader is Norvasc[®] (amlodipine) with over one third market share

LERCANIDIPINE SALES

(million euro)

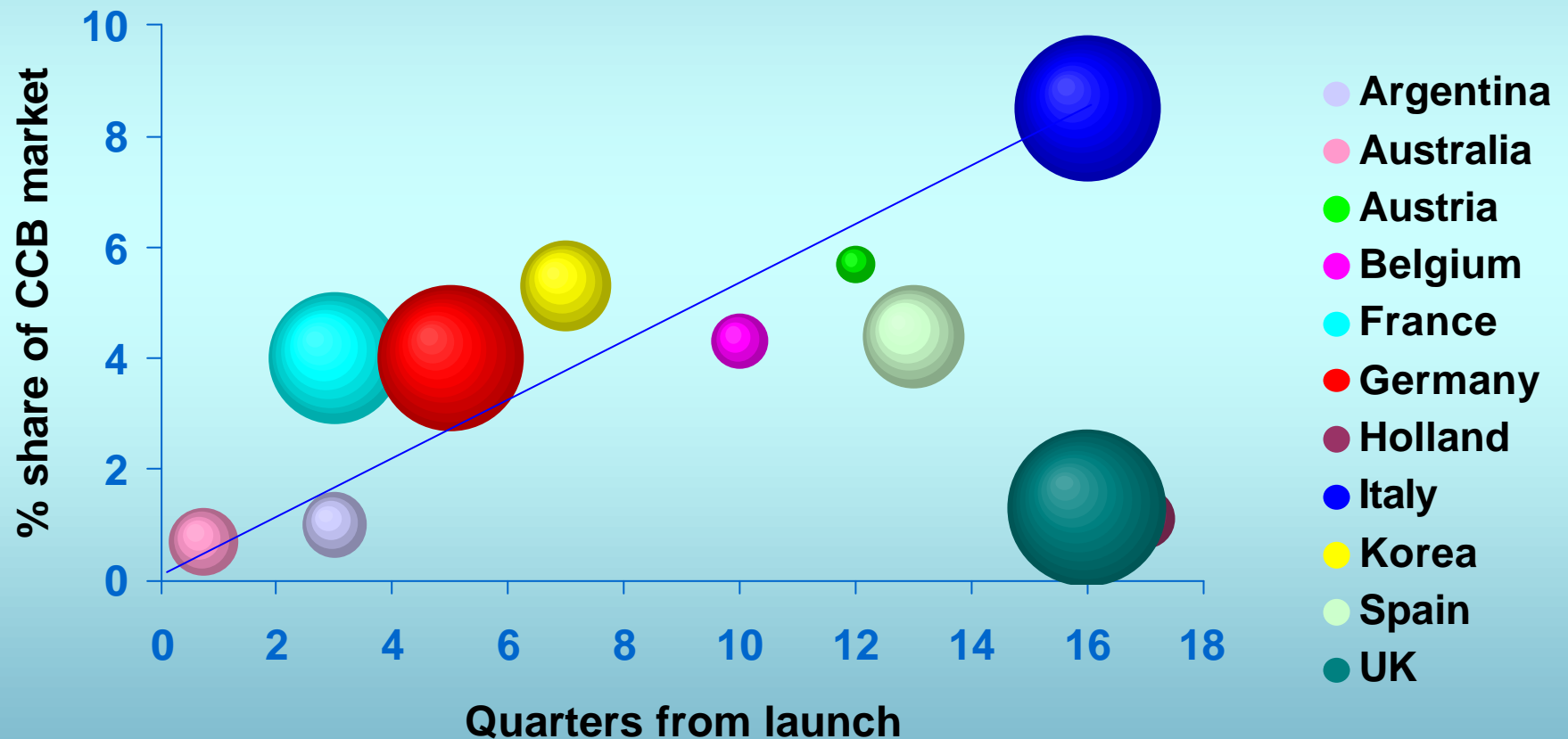


LERCANIDIPINE IN ITALY - Market share as a % of all CCB's



LERCANIDIPINE AS A % OF ALL CALCIUM CHANNEL BLOCKERS

IMS data - 4Q 2001 - bubble size represents \$ market value of CCB's



ZANIDIP[®] (LERCANIDIPINE): Product Highlights

- **The first lipophilic DHP CCB to be filed with the FDA**
- **Potent, long-lasting vasodilatory activity allows once-a-day dosing in hypertension**
- **Highly vasoselective (no negative inotropic effect) with a gradual-onset, smooth and uniform BP lowering activity**
- **Greatly improved tolerability over other DHP's**
- **No accumulation in the elderly results in simple dosing recommendations**

ROLL OUT STATUS AND PLAN

LAUNCHED

32 countries
(approx. 30%
of world market)

**PLANNED 2002
LAUNCHES**

9 countries

APPROVED

13 countries

FILED

37 countries

Licensed in >25 additional countries



ROLL OUT IN MAJOR MARKETS

EUROPE FIVE

1998 ITALY, SPAIN, UK

2000 GERMANY

2001 FRANCE

USA (filed 4Q 2001)

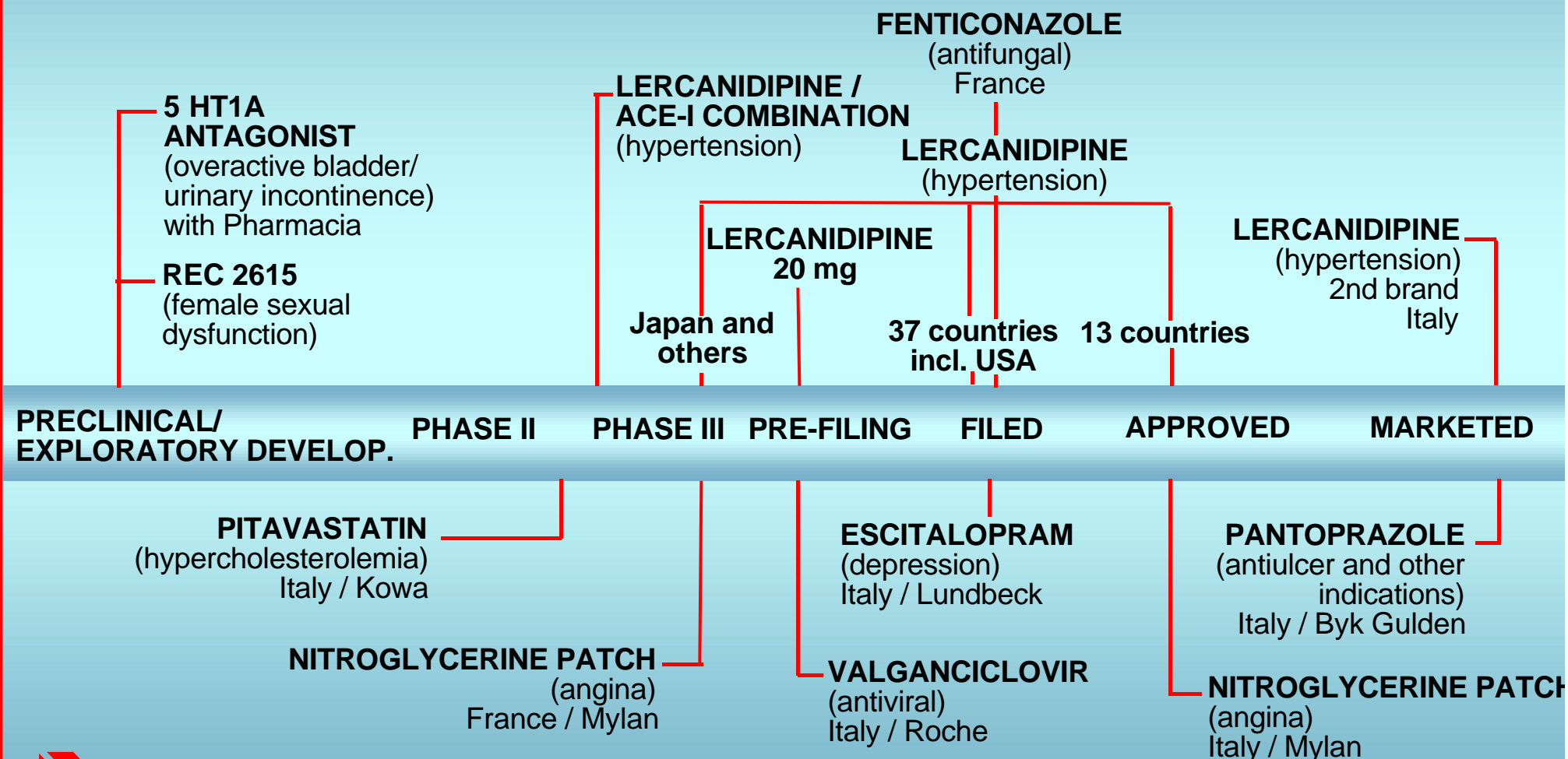
JAPAN (local phase III studies, launch target 2005)



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**
- **Early analysts' estimates of peak sales in the U.S. range from \$ 100 million to over \$ 400 million**

PRODUCT PIPELINE



NEW PRODUCTS: LERCADIP® (lercanidipine)

- **As of December 2001 a second brand of lercanidipine, Lercadip® is being sold directly on the Italian market**
- **A new sales force, under the company name Innova Pharma, is re-launching Lercadip®**
- **Lercadip® was marketed previously by AstraZeneca booking sales of around €6 million annually**



NEW PRODUCTS: PEPTAZOL[®] (pantoprazole)

- **Peptazol[®] (pantoprazole), an anti-ulcer drug (PPI) originated by Byk Gulden, for Italy**
- **Pantoprazole, under the brand name Ulcotenal[®], is Recordati's main product in Spain**
- **The anti-ulcer drugs market in Italy is worth around €470 million with growth rate of around 25% in the last 12 months**
- **Peptazol[®] was already marketed in Italy with annual sales of around €5 million and will be re-launched in 2002**

FILLING THE PIPELINE: PITAVASTATIN

- Pitavastatin, a cholesterol lowering drug, was licensed from Kowa in semi-exclusivity for Italy (currently extended Phase II)
- The statins market in Italy is worth around €330 million with an average annual growth rate of 33%
- Cholesterol lowering drugs are able to reduce the risk of major cardiovascular events by one third

FILLING THE PIPELINE: ONGOING R&D

- **Lercanidipine:**
 - Advantageous clinical profile consolidates
 - Patent life in extension, two new patents filed
 - 20mg strength under registration

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**
 - **“Satisfactory progress”**

Growth targets announced in May 2001

Excluding US sales of lercanidipine

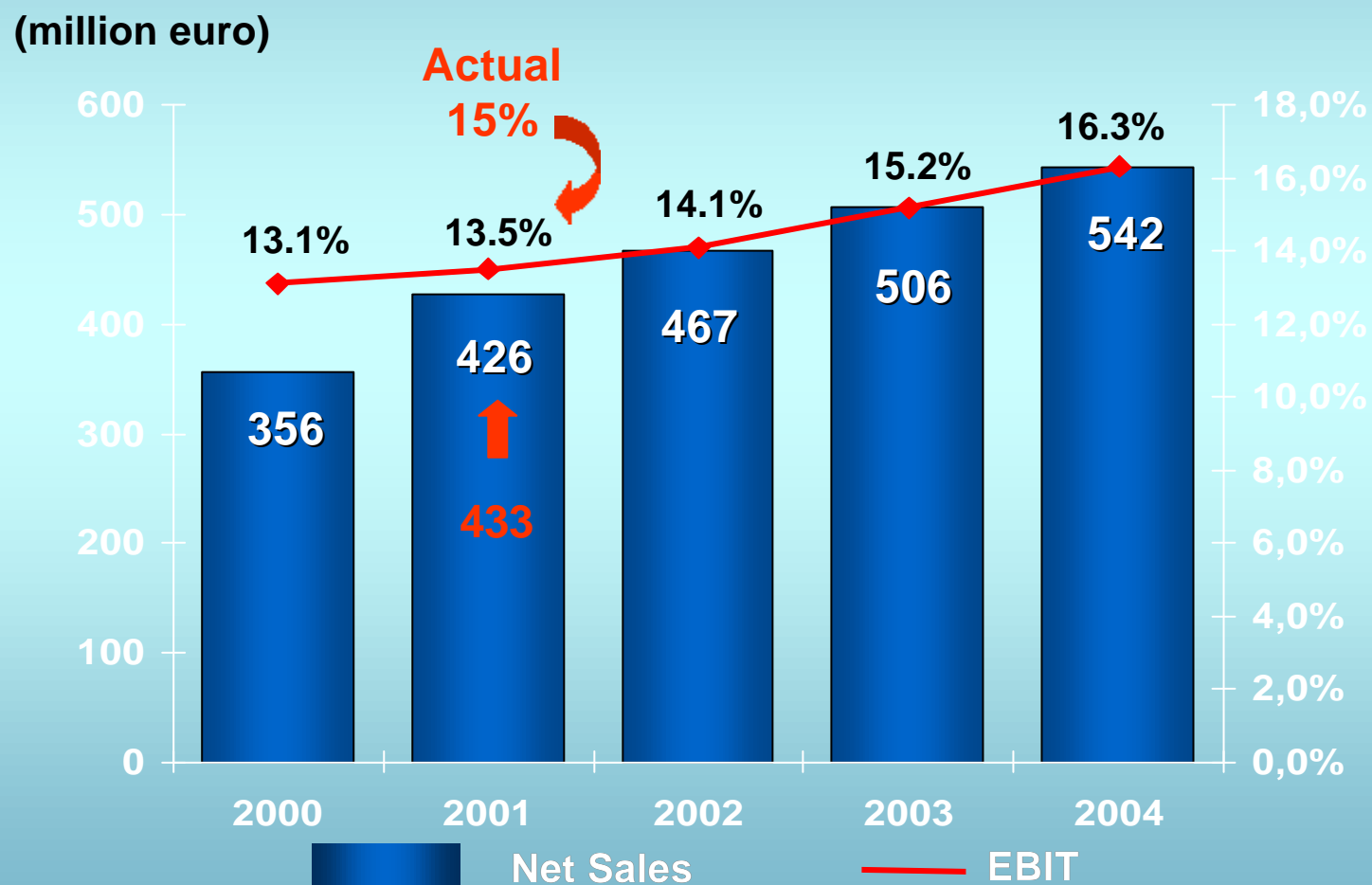
Current geography, products - late stage projects

CAGR 2000-2004

Net Sales	11.1%
Gross Profit	12.1%
R&D	10.1%
EBITDA	14.3%
EBIT	17.3%



EVOLUTION OF NET SALES & EBIT (May 2001, Milan)



OUTLOOK FOR 2002

- **Exceed financial targets set out in May 2001**
- **Significant marketing effort required in 2002 to:**
 - **Ensure success of lercanidipine in France**
 - **Re-launch Lercadip[®] and Peptazol[®] in Italy**
 - **Launch Nitrocor[®] in Italy and in Spain**
- **R&D expense increases**

OUTLOOK FOR 2002

- **Lercanidipine approval in the US is an upside which could represent up to 15% of extra EBIT**

