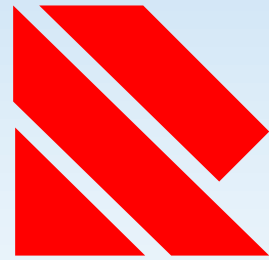


RECORDATI

---



RECORDATI

**A focused strategy**

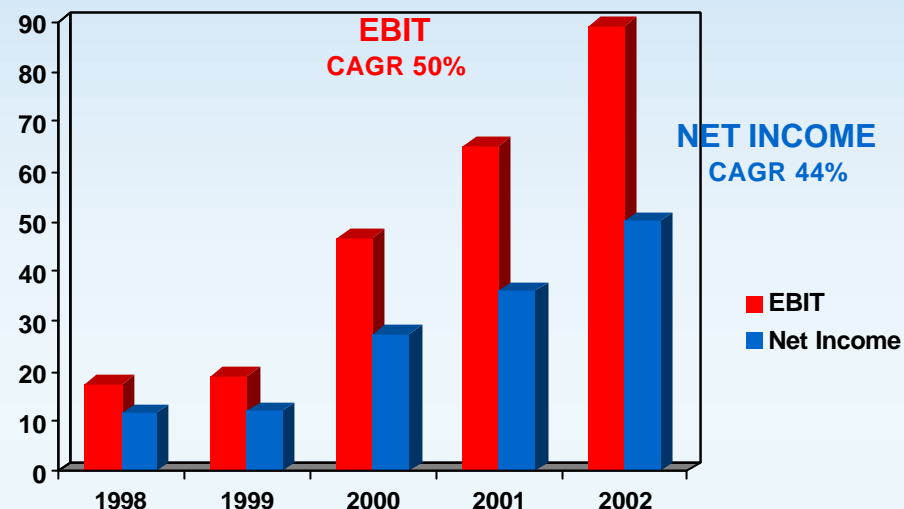
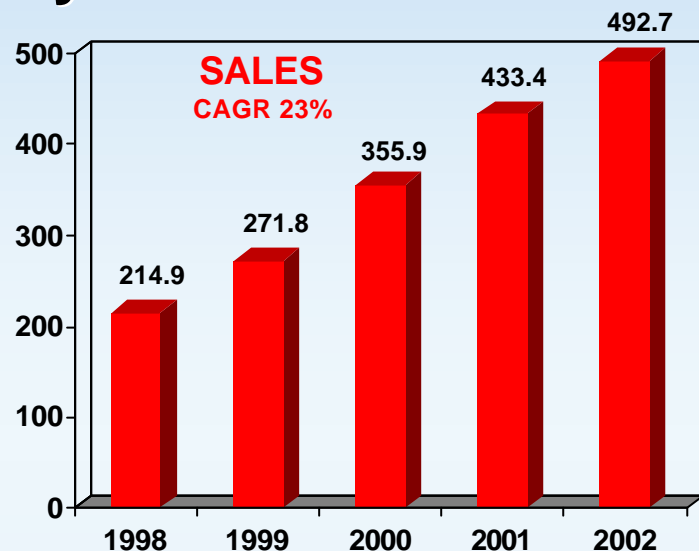
June 2003



RECORDATI

## Key Consolidated Data

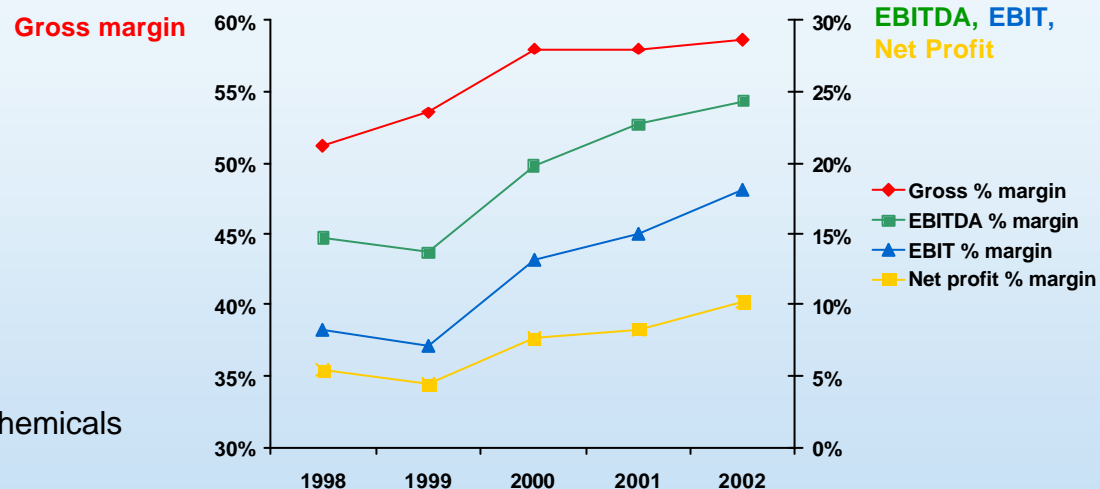
(million euro)



84.1%  
Pharmaceuticals

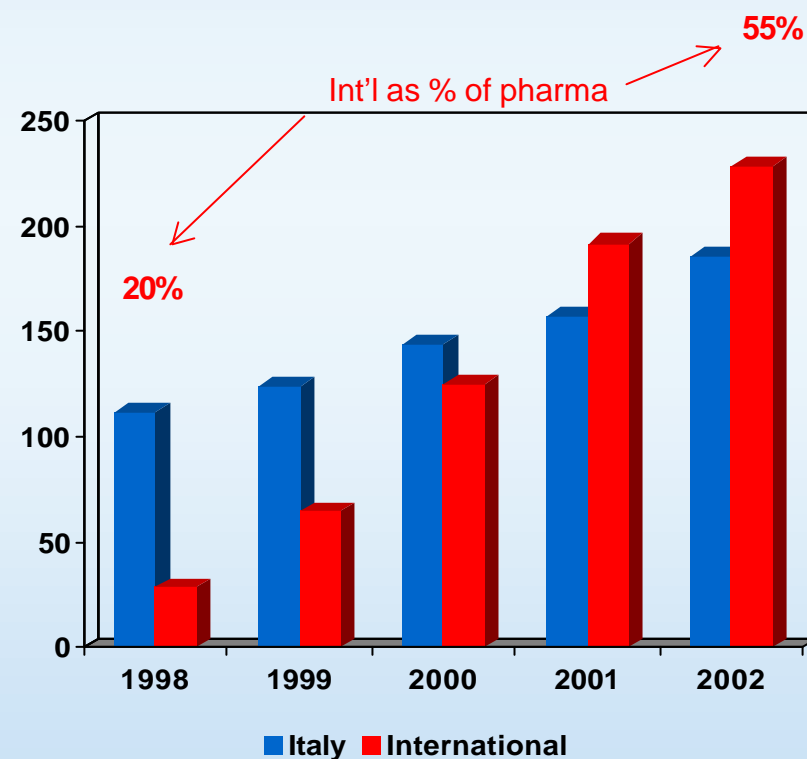
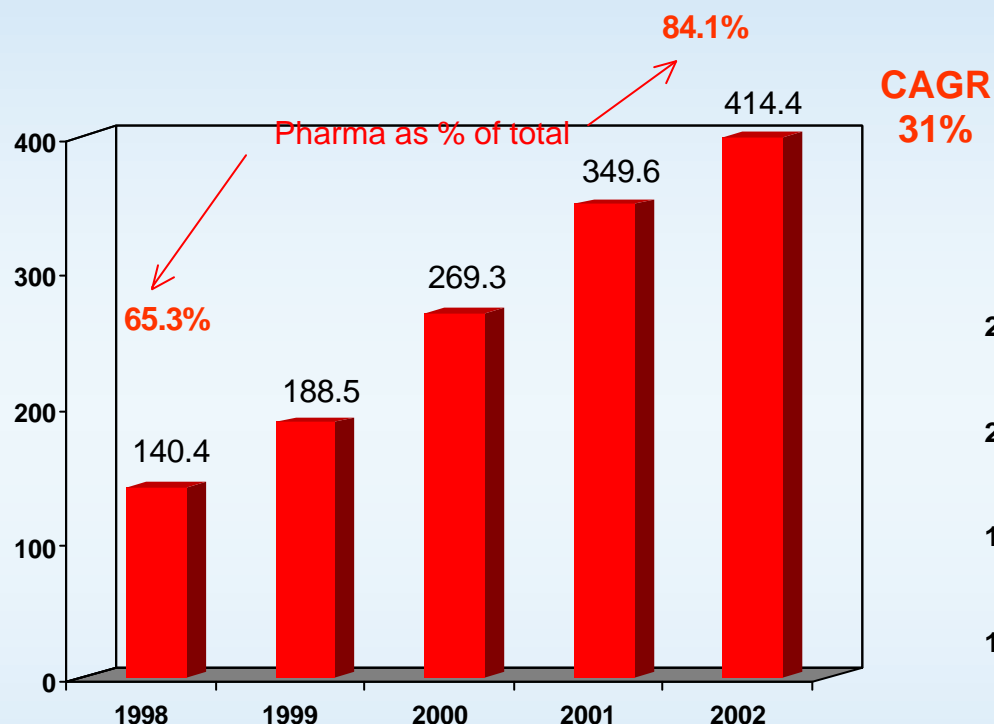


15.9%  
Pharmaceutical chemicals



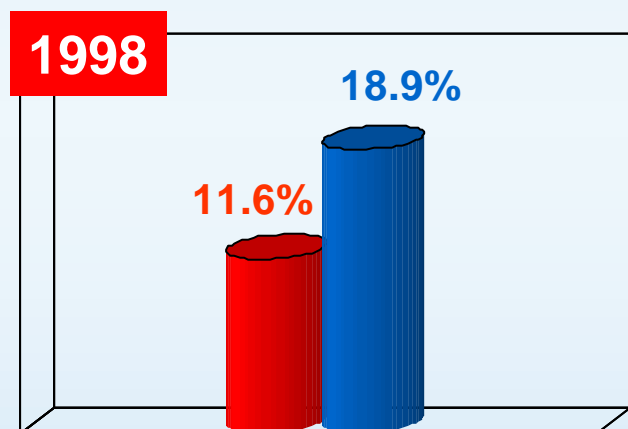
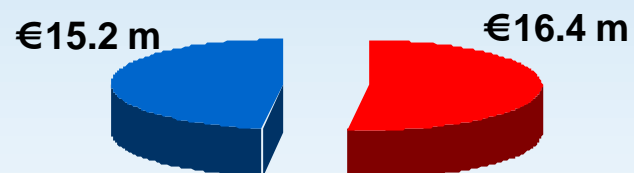
## Pharmaceutical Net Sales

(million euro)

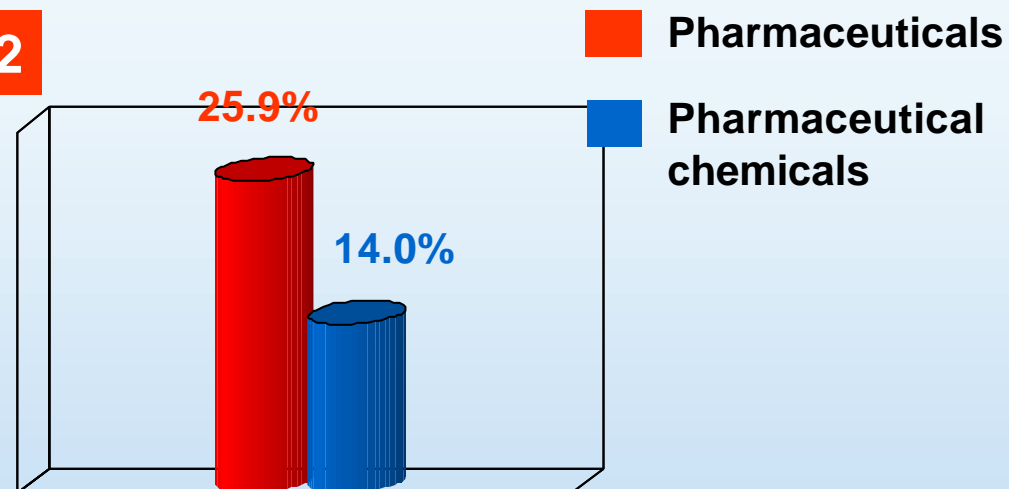


# RECORDATI

## EBITDA



**2002**



As % of sales

## Operational highlights First quarter 2003

---

- **Pharmaceutical sales up 1.7%, volumes up 8.8%**
- **Lercanidipine sales up 12.2%**
- **Italian pharmaceutical sales up 13.9%**
- **Profits in line with those of Q1 2002 despite strong negative price/exchange effect on sales**

## First quarter results

(million euro)	Q1 2002	Q1 2003	Change %
<b>Net Sales</b>	<b>129.3</b>	<b>126.9</b>	<b>(1.9)%</b>
<b>Gross Profit</b> as % of sales	<b>75.1</b> 58.1%	<b>73.4</b> 57.8%	<b>(2.3)%</b>
<b>Selling Expenses</b> as % of sales	<b>37.6</b> 29.1%	<b>39.6</b> 31.2%	<b>5.2%</b>
<b>R&amp;D Expenses</b> as % of sales	<b>10.0</b> 7.7%	<b>8.9</b> 7.0%	<b>(10.9)%</b>
<b>EBITDA</b> as % of sales	<b>27.6</b> 21.4%	<b>25.2</b> 19.9%	<b>(8.7)%</b>
<b>EBIT</b> as % of sales	<b>18.4</b> 14.2%	<b>18.2</b> 14.3%	<b>(1.1)%</b>
<b>Net Income</b> as % of sales	<b>9.9</b> 7.6%	<b>9.9</b> 7.8%	<b>0.0%</b>

## Composition of sales

(million euro)	Q1 2002	Q1 2003	Change %
PHARMACEUTICALS	107.6 83.2%	109.5 86.3%	1.7%
PHARMACEUTICAL CHEMICALS	21.7 16.8%	17.4 13.7%	(19.8)%
TOTAL	129.3 100.0%	126.9 100.0%	(1.9)%
ITALY	52.0 40.2%	58.8 46.3%	13.0%
INTERNATIONAL	77.3 59.8%	68.1 53.7%	(11.9)%

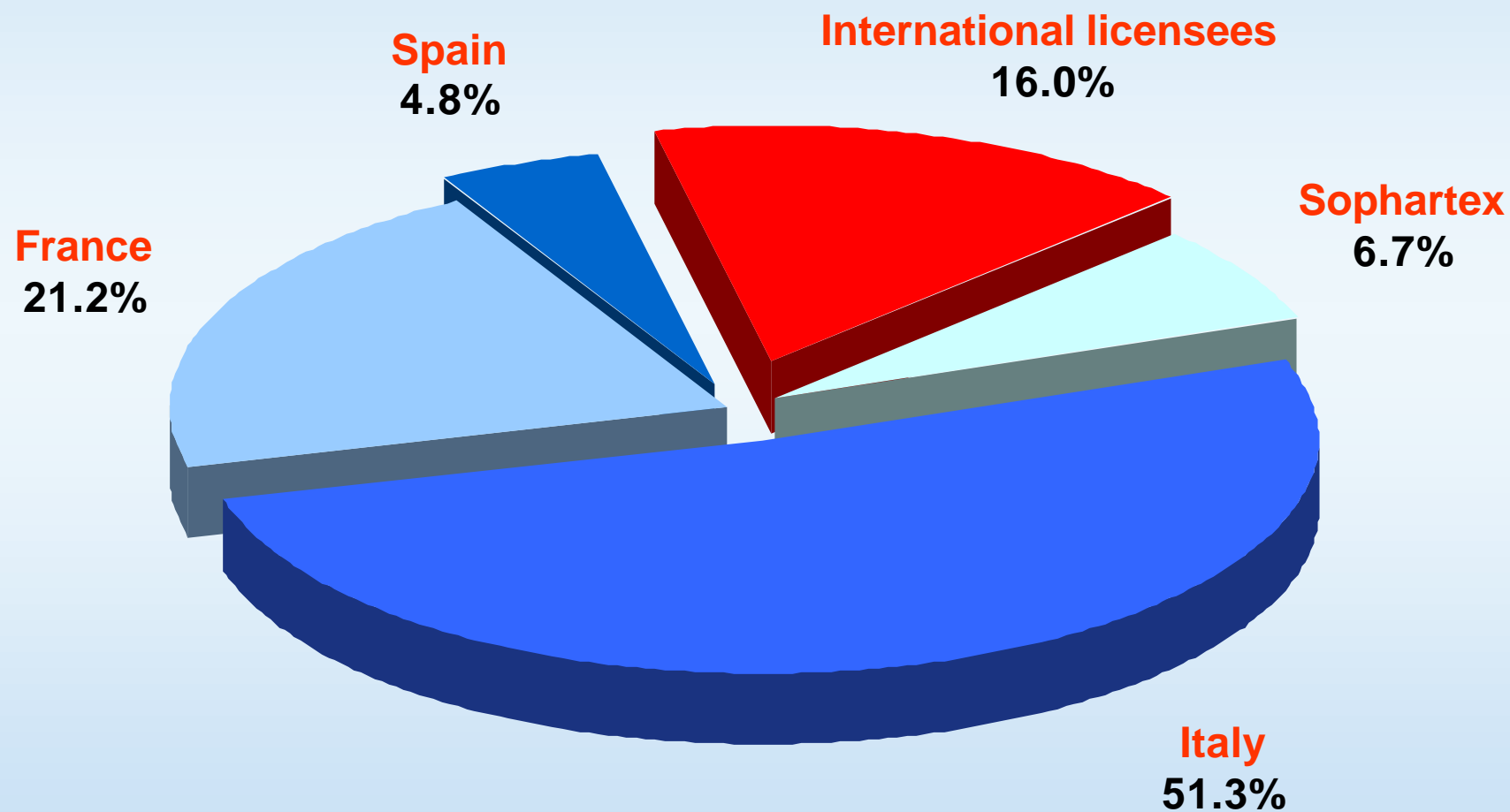
## Sources of growth

(% change, Q1 2003 over Q1 2002)	Volume	Price / Exchange	Total
PHARMACEUTICALS	8.8 %	(7.1) %	1.7 %
PHARMACEUTICAL CHEMICALS	(5.7) %	(14.1) %	(19.8) %
TOTAL GROWTH	6.4 %	(8.3) %	(1.9) %





## Breakdown of first quarter 2003 pharmaceutical sales



## EBITDA by business area

(million euro)	Q1 2002	Q1 2003	Change %
<b>PHARMACEUTICALS</b> as % of sales	<b>23.0</b> 21.4%	<b>22.9</b> 20.9%	<b>(0.2)%</b>
<b>PHARMACEUTICAL CHEMICALS</b> as % of sales	<b>4.6</b> 18.9%	<b>2.3</b> 11.3%	<b>(50.2)%</b>
<b>TOTAL</b> as % of sales	<b>27.6</b> 21.4%	<b>25.2</b> 19.9%	<b>(8.7)%</b>
<b>OPERATING DEPRECIATION</b>	<b>5.5</b>	<b>5.8</b>	<b>6.0%</b>
<b>GOODWILL AMORTIZATION</b>	<b>3.7</b>	<b>1.2</b>	<b>(67.8)%</b>
<b>EBIT</b> as % of sales	<b>18.4</b> 14.2%	<b>18.2</b> 14.3%	<b>(1.1)%</b>

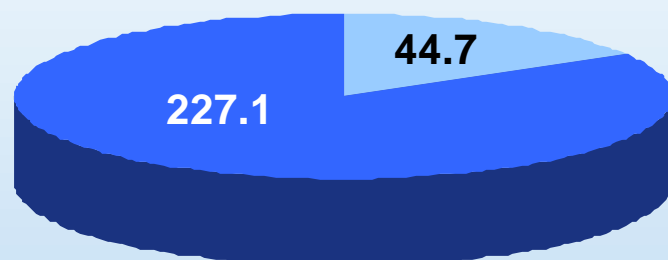
## Capital employed

(million euro)

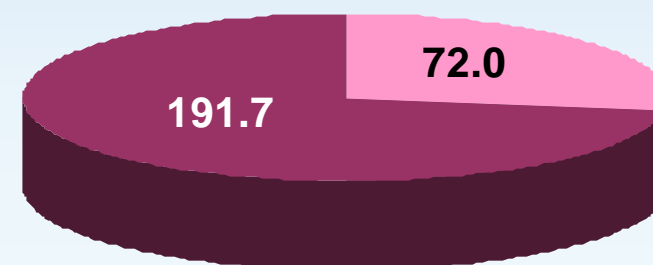
31 December 2002



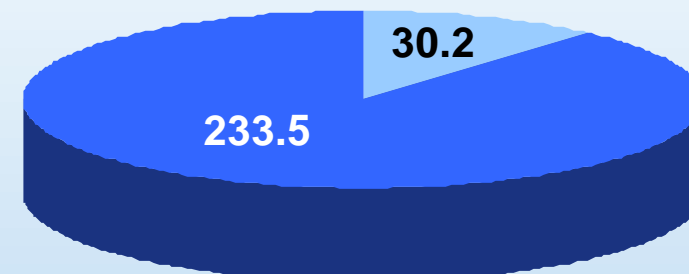
Capital employed: 271.8



31 March 2003



Capital employed: 263.7



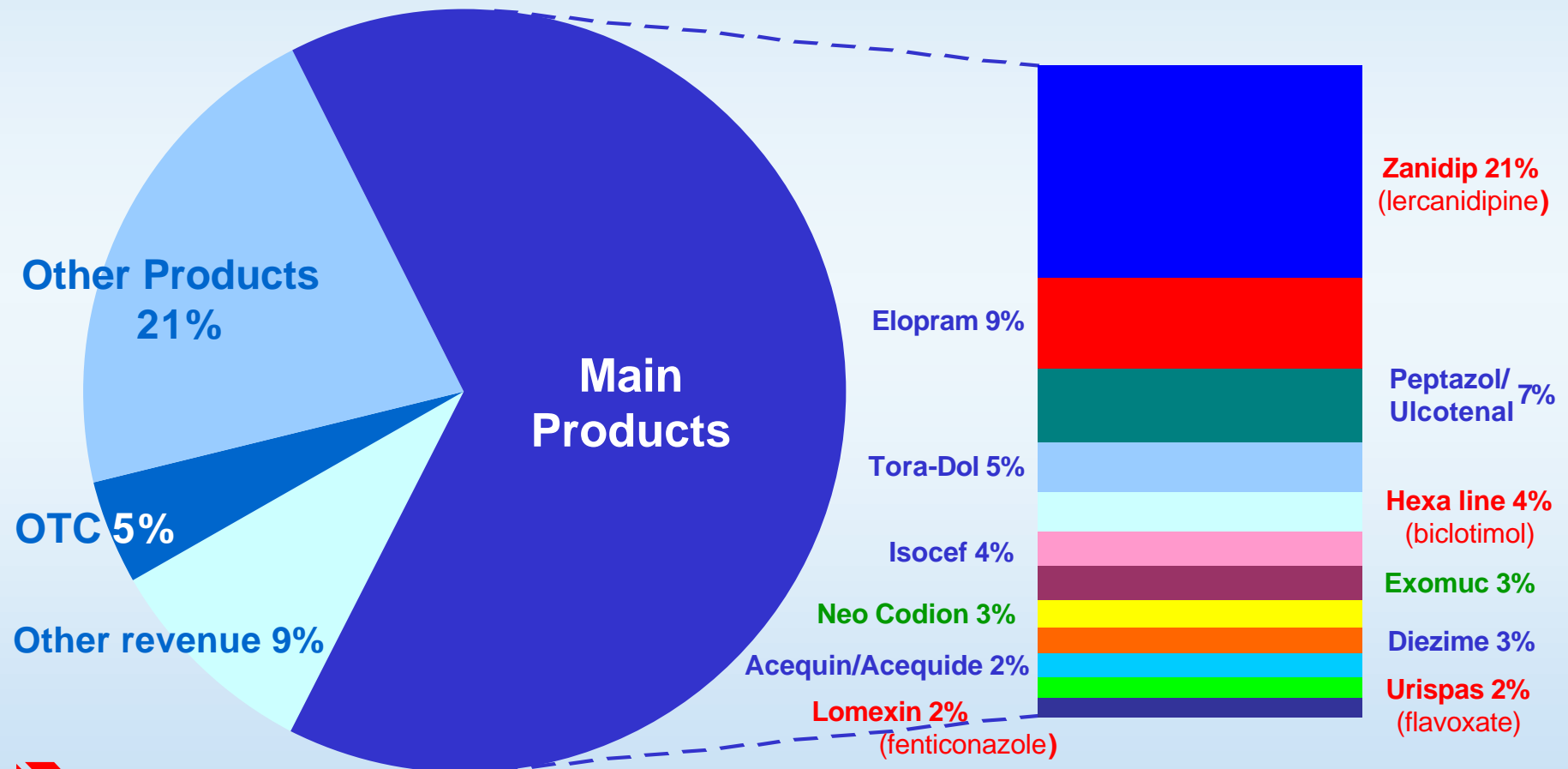
## Cash flow

(million euro)

	Q1 2002	Q1 2003
<b>Net Income</b>	<b>9.9</b>	<b>9.9</b>
<b>Depreciation of Fixed Assets</b>	<b>3.9</b>	<b>4.2</b>
<b>Amortization of Intangible Assets</b>	<b>5.3</b>	<b>2.8</b>
<b>Cash Flow from Operations</b>	<b>19.1</b>	<b>16.9</b>
<b>Change in Working Capital</b>	<b>(2.8)</b>	<b>7.8</b>
<b>Net Investment in Fixed Assets</b>	<b>(3.2)</b>	<b>(3.2)</b>
<b>Net Investment in Intangible Assets</b>	<b>(1.6)</b>	<b>(2.9)</b>
<b>Free Cash Flow</b>	<b>11.5</b>	<b>18.6</b>
<b>Dividend paid</b>	<b>0</b>	<b>0</b>
<b>Purchase of Treasury Stock</b>	<b>0</b>	<b>(2.9)</b>

## Main products

Breakdown of 12 months pharmaceutical sales at March 2003



## ZANIDIP<sup>®</sup> (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 worth \$35 billion, CCB's about \$10 billion, of which around two thirds in U.S.A. and Japan.
- Leader is Norvasc<sup>®</sup> (amlodipine) with over one third market share

## Recent key events

- **Lercanidipine**
  - **Substantial growth in markets where launched**
  - **An approvable letter for lercanidipine received from the FDA. Additional clinicals requested in subsequent meeting. A new development program involving a modified release formulation is now in progress.**
  - **20 mg strength of lercanidipine approved in Europe and in Australia, initial launches in 2H 2003**
  - **Two licensees to develop and sell lercanidipine in the Japanese market, launch target end 2005**
  - **Further recognition of superior clinical profile**

## Lercanidipine – Roll out status and plan

45 launches

17 additional approvals

32 filings (inc. USA)

### EUROPE

1998 Italy, Spain, UK

2000 Germany

2001 France

### ROW

### USA

filed 4Q 2001

approvable letter received  
additional clinicals required

### JAPAN

local phase III studies  
launch target 2005

*(Pie slices represent relative  
market value of calcium channel  
blockers)*

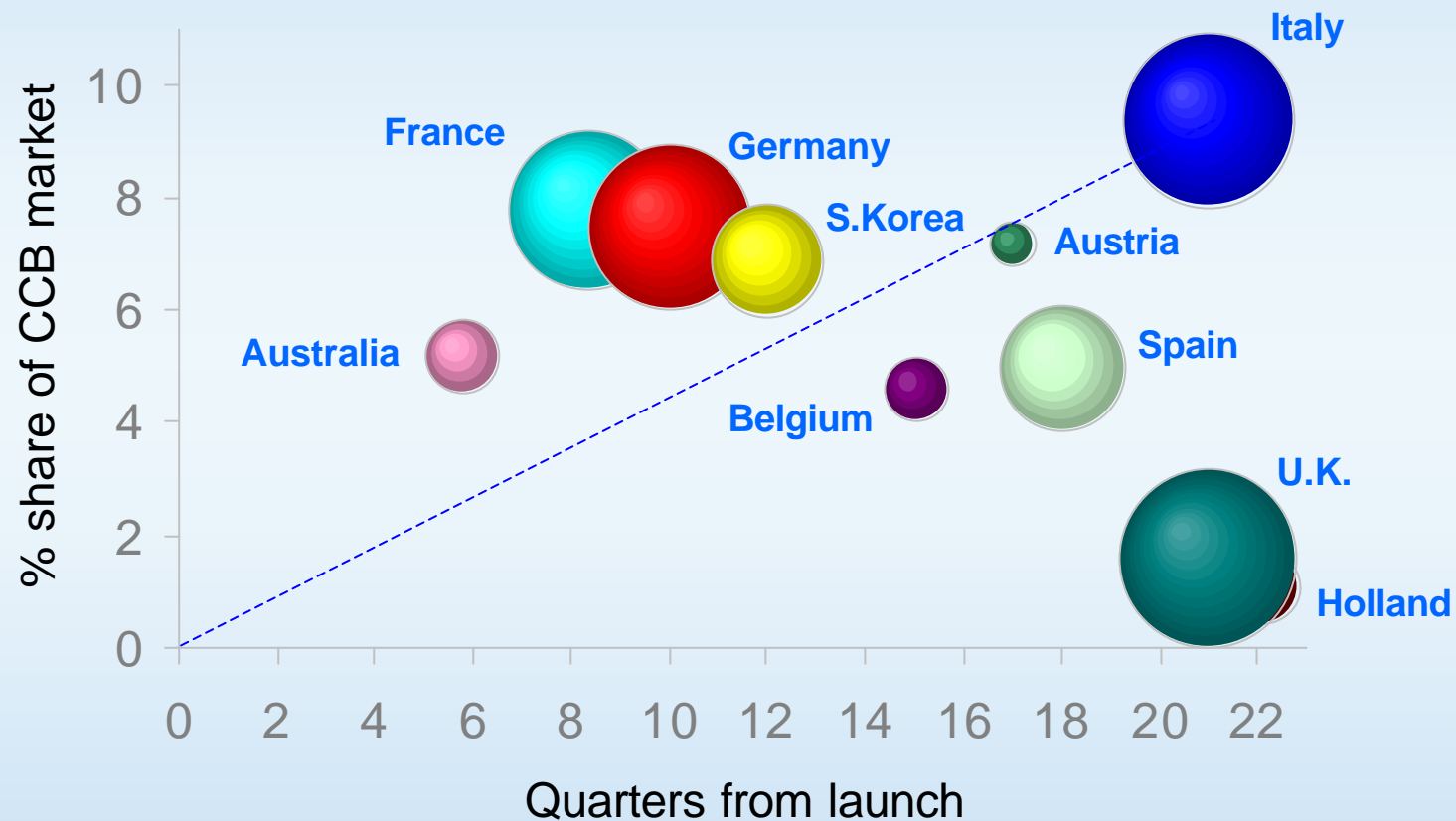


RECORDATI



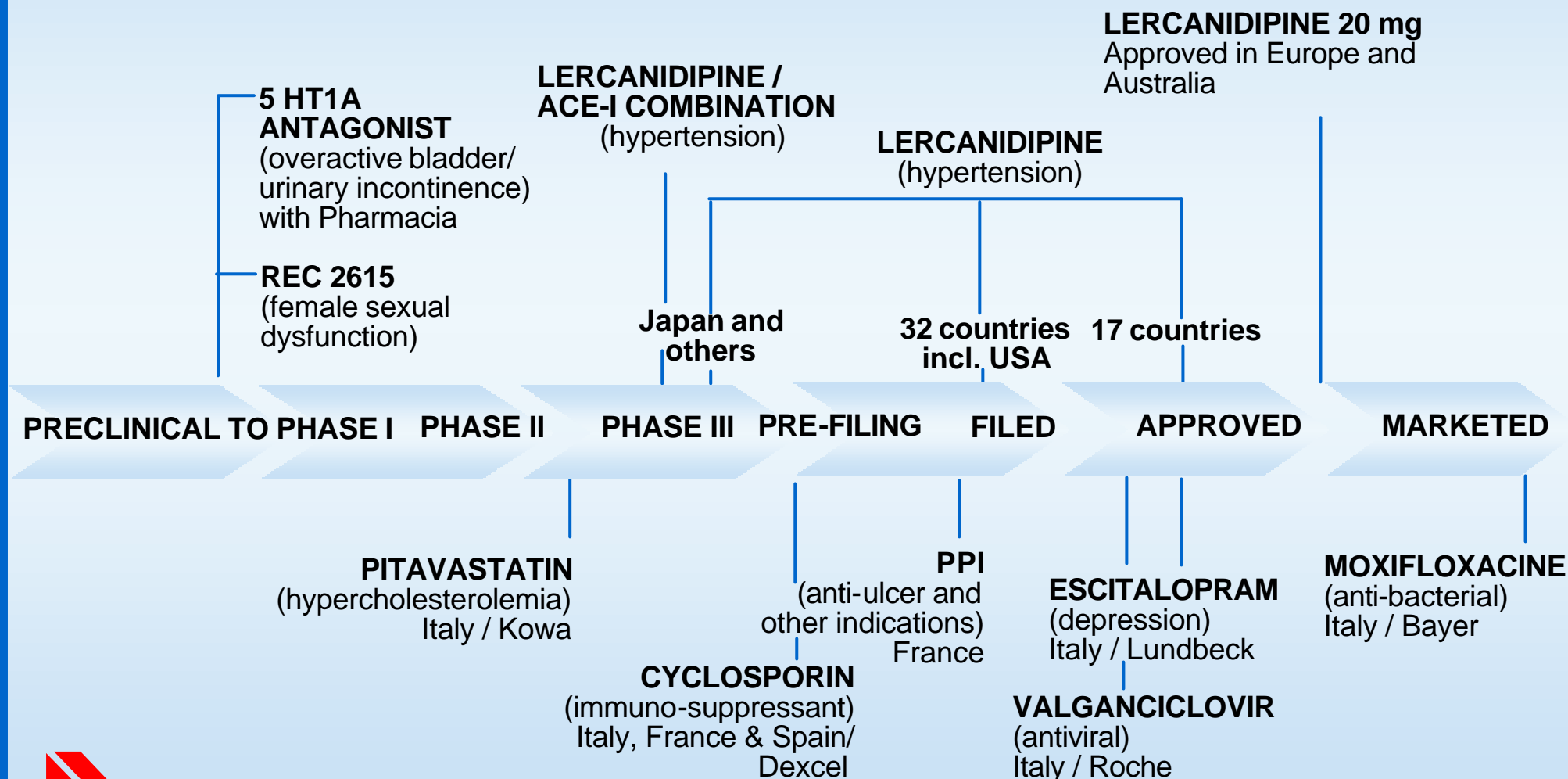
## Lercanidipine as a % of all calcium channel blockers

Bubble size represents \$ market value of CCB's



Source: IMS data - 1Q 2003

## Product pipeline



## Filling the pipeline: Ongoing R&D

---

- **Lercanidipine:**
  - **Advantageous clinical profile consolidates**
  - **Patent life in extension, two new patents filed**
  - **20mg strength approved in Europe and in Australia**

## 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**
  - **5HT<sub>1A</sub> receptor antagonists program for the treatment of unstable bladder. Clinical development of a candidate due to begin in 2003.**
  - **REC 15/2615, in development for the treatment of female sexual dysfunction, approaching clinical phases.**

## Outlook for 2003

- **Favorable outlook for pharmaceuticals: sales growth in Europe in spite of price reductions, other cost containment measures**
- **Lercanidipine market share increase in markets where launched**
- **Risk area is pharmachem, program to restructure and reorganize sector will involve disposals**
- **Growth mainly in the second half as impact of price cuts will be mostly in the first half**

## Outlook for 2003

(million euro)

	2002	2003 target
<b>Net Sales</b>	<b>492.7</b>	<b>~ 500</b>
<b>EBIT</b>	<b>89.2</b>	<b>~ 87 *</b>
<b>Margin on sales:</b>		
<b>total</b>	<b>18.1 %</b>	<b>17.4 %</b>
<b>ex US lercanidipine</b>	<b>16.5 %</b>	<b>17.4 %</b>

**\* Pharmachem risk = €4 million**

**Pharmaceuticals to meet or exceed target**

## Outlook to 2005

---

- **Focus will be on the pharmaceutical business**
- **Target is to broaden direct pharmaceutical presence in Europe**
- **EBIT 2003 through 2005  $\Rightarrow$  CAGR of 10%**



*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.*

## **Contact Information**

### **Offices:**

**Recordati S.p.A.**  
**Via M. Civitali 1**  
**20148 Milano**  
**Italy**

### **Investor Relations:**

**Marianne Tatschke**  
**+39 02 48787 393**  
**tatschke.m@recordati.it**

### **Website:**

**[www.recordati.com](http://www.recordati.com)**