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Interim Report

First Three Months 2002

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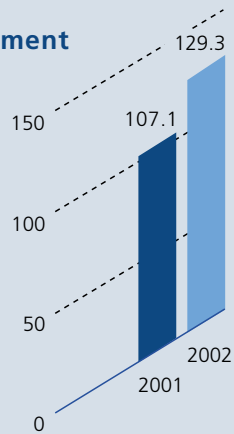
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Sales Development (millions of €)

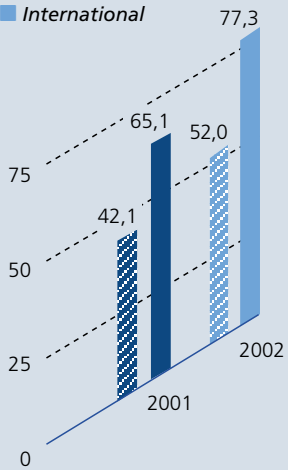
1st Quarter



Composition of Sales (millions of €)

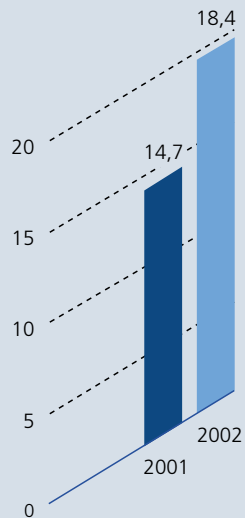
1st Quarter

▨ Italy
■ International



Ebit (millions of €)

1st Quarter



Highlights

First Quarter 2002

- ▶ FIRST QUARTER SALES SET A NEW RECORD
PHARMACEUTICAL SALES UP 25.6%
- ▶ SUCCESSFUL NEW PRODUCT LAUNCHES
- ▶ EBIT GROWS BY 25.0%

Key Consolidated Data

<i>(thousands of €)</i>	1 st Quarter 2002	% of Sales	1 st Quarter 2001	% of Sales	Change	Change %
Net Sales	129,349	100.0	107,148	100.0	22,201	20.7
EBITDA	27,640	21.4	22,649	21.1	4,991	22.0
Operating Income (EBIT)	18,380	14.2	14,704	13.7	3,676	25.0
Net Income	9,863	7.6	8,349	7.8	1,514	18.1
Shareholders' Equity	223,220		190,118		33,102	17.4

Sales for the quarter set a new record



Consolidated net sales at € 129.3 million were up by 20.7% over the same period of last year (€ 107.1 million) setting a new quarterly record. The increase is to be attributed to higher product sales (+13.7%) and to the consolidation of Sophartex.

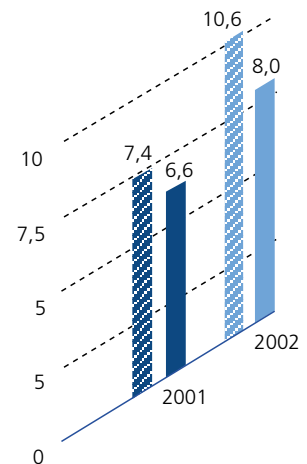
Pharmaceutical sales grew considerably (+25.6%) due both to the success of new product launches in Italy and to international sales. Excluding Sophartex, pharmaceutical sales grew by 16.9%.

Pharmaceutical chemical sales at € 21.8 million grew by 1.1% thanks to increased sales volumes (+6.3%) in a market which continues to suffer from downward price pressure.

Lercanidipine Sales *(millions of €)*

1st Quarter

-  Direct Sales
-  Sales to Licenses



During this first quarter keen competition again forced prices down (-6.7%) nearly offsetting volume growth and the favorable currency effect (+1.5%).

International sales grew by 18.8% during the quarter and account for 60% of total sales.

Zanidip® (lercanidipine), Recordati's proprietary calcium channel blocker, performed well during the first quarter 2002 in Italy, France and Spain where it is sold directly through our own marketing organizations as well as in the other markets where it is marketed by licensees.

The 44.4% growth of direct sales is partly due to the successful re-launch of Lercadip® in Italy. This brand, previously marketed by Astra Zeneca, is being sold by Innova Pharma, a Recordati subsidiary, as from December 2001. Sales to licensees, on the other hand, no longer include sales to AstraZeneca.



Sales to international licensees of lercanidipine increased by 40.4%.

Sales of prescription pharmaceuticals in Italy (including lercanidipine) increased by 24.9% thanks to the good performance of the main products and to the success of new product launches. Among the main products, Elopram® (citalopram) showed the highest growth (+47.0%) generating sales of € 7.2 million.

Lercanidipine Sales

<i>(thousands of €)</i>	1st Quarter 2002	% of Sales	1st Quarter 2001	% of Sales	Change	Change %
Direct Sales	10,631	56.9	7,361	52.7	3,270	44.4
Sales to Licensees	8,039	43.1	6,603	47.3	1,436	21.7
Total Sales	18,670	100.0	13,964	100.0	4,706	33.7

Peptazol[®], pantoprazole under license from Altana, previously marketed in Italy by a different licensee with annual sales of approximately € 5 million, is generating renewed medical interest and a significant increase in sales. Initial sales of Nitrocor[®], a nitroglycerine transdermal patch under license from Mylan Technologies, launched in January are interesting and extend our presence in the cardiovascular field.

Pharmaceutical sales in France were € 24.0 million and were slightly down as compared to

the same period of the preceding year (-2.1%) mainly due to the contraction of respiratory product sales as a consequence of relatively low illness rates. Zanicidip[®], launched in March 2001, maintained its growth trend.

First quarter 2002 sales in Spain increased by 5.6% over last year to € 5.3 million principally due to the growth of Ulcotenal[®] (pantoprazole).

Sales to international licensees were € 21.6 million, up 29.2% over the same period of the

Composition of Pharmaceutical Sales

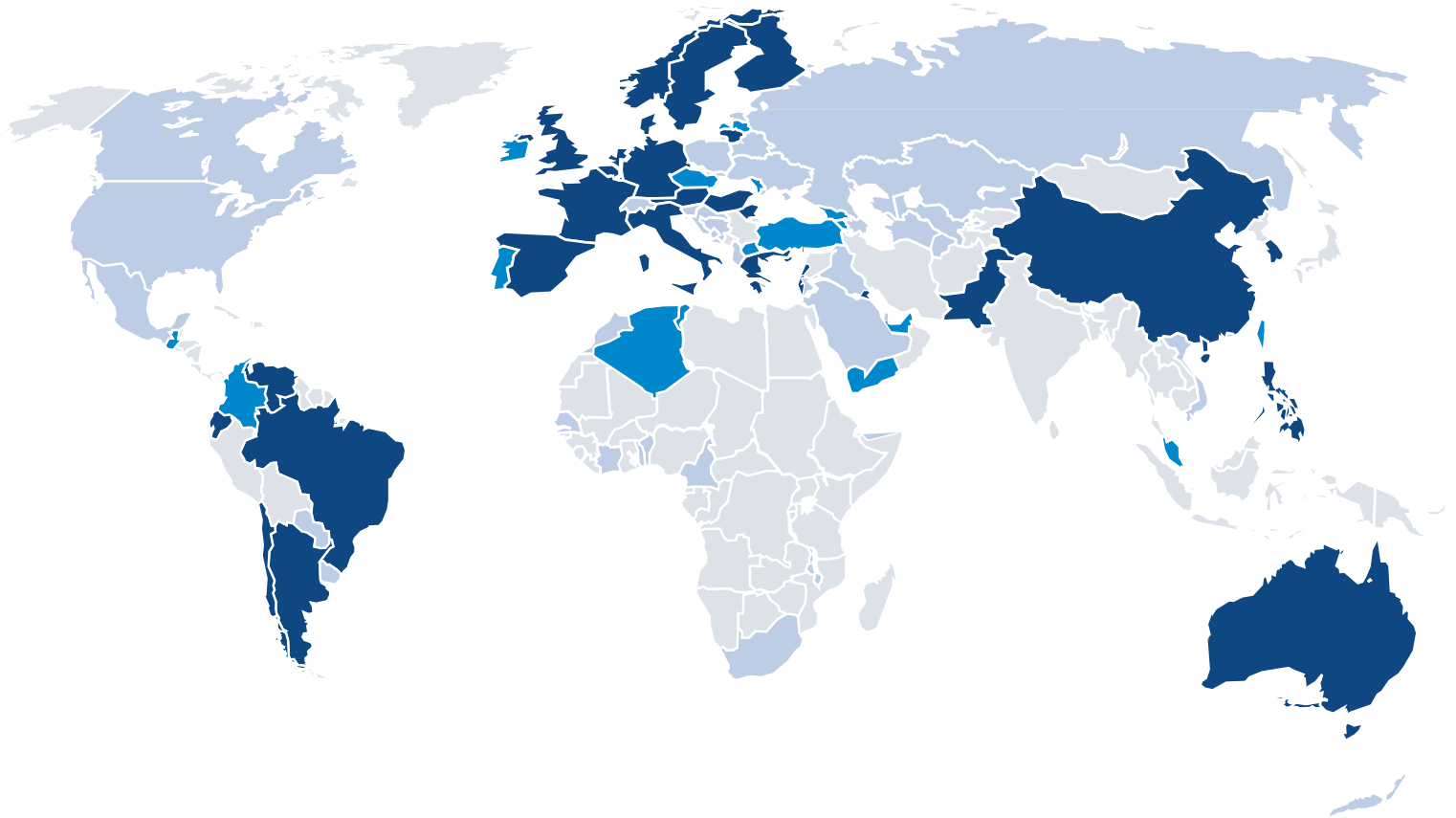
<i>(thousands of €)</i>	1 st Quarter 2002	% of Total	1 st Quarter 2001	% of Total	Change	Change %
Pharmaceuticals Italy	49,301	45.8	39,468	46.1	9,833	24.9
Pharmaceuticals France	23,961	22.3	24,470	28.6	(509)	(2.1)
Pharmaceuticals Spain	5,283	4.9	5,002	5.8	281	5.6
International Licensees	21,580	20.1	16,702	19.5	4,878	29.2
Sophartex	7,472	6.9	-	-	7,472	-
International Pharmaceuticals	58,296	54.2	46,174	53.9	12,122	26.3
TOTAL	107,597	100.0	85,642	100.0	21,955	25.6

Composition of Pharmaceutical Chemicals Sales

<i>(thousands of €)</i>	1 st Quarter 2002	% of Total	1 st Quarter 2001	% of Total	Change	Change %
Italy	2,750	12.6	2,615	12.2	135	5.2
International	19,002	87.4	18,891	87.8	111	0.6
TOTAL	21,752	100.0	21,506	100.0	246	1.1

Lercanidipine Worldwide

■ Launched ■ Registered ■ Filed



preceding year mostly due to the performance of Zanidip® on international markets. Here included are also Bouchara-Recordati's foreign sales, which recorded an increase over the preceding year, as well as revenue from Pharmacia Corporation of € 0.8 million for research activities in urology.

Pharmaceutical chemicals sales in Europe (Italy excluded) increased by 48.8% due to the resumption of custom manufacturing activity, while those in North America decreased by 53.7% due to stocking-down by some major customers.

Operating income grows more than sales R&D expenses increase

Gross profit was € 75.1 million, a margin on sales of 58.1%, slightly below that of the preceding year due to the consolidation of Sophartex which accounts for a margin reduction of 1.5 percentage points.

Selling expenses increased by 19.0% as a consequence of additions to the detail force in Italy and the promotional support of new product launches. R&D expenses at € 10.0 million were up 21.7% over 2001 mainly due to phase III clinical trials involving the fixed combination of lercanidipine and an ACE inhibitor. G&A expenses at € 5.4 million improved as a percentage of sales to 4.2%, lower than that of the preceding year.



EBITDA, at 21.4% of sales, increased by 22.0% to € 27.6 million mainly due to the pharmaceutical segment's improved profitability. In fact, pharmaceutical EBITDA improved its margin on sales from 20.4% to 21.4% due to the significant sales increase which allowed

Sales & EBITDA by Business Area

(thousands of €)

	Pharmaceuticals				Pharmaceutical Chemicals*			
	1 st Quarter 2002		1 st Quarter 2001		1 st Quarter 2002		1 st Quarter 2001	
Sales	107,597	100.0%	85,642	100.0%	21,752	100.0%	21,506	100.0%
EBITDA	22,976	21.4%	17,461	20.4%	4,664	18.9%	5,188	21.9%

* Pharmaceutical chemicals percent margins are calculated on a basis which includes inter-company sales

fixed costs to be better absorbed despite resources allocated to the new product launches. EBITDA generated by pharmaceutical chemicals was slightly lower and in line with that of the last quarter of 2001.

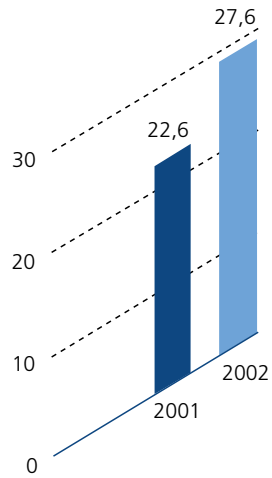
Goodwill amortization of € 3.7 million increased due to the inclusion of the portion related to Sophartex.

EBIT increased by 25.0% to € 18.4 million and further improved as a percent of sales to 14.2%. Financial charges during the quarter were € 1.6 million, an increase of € 0.3

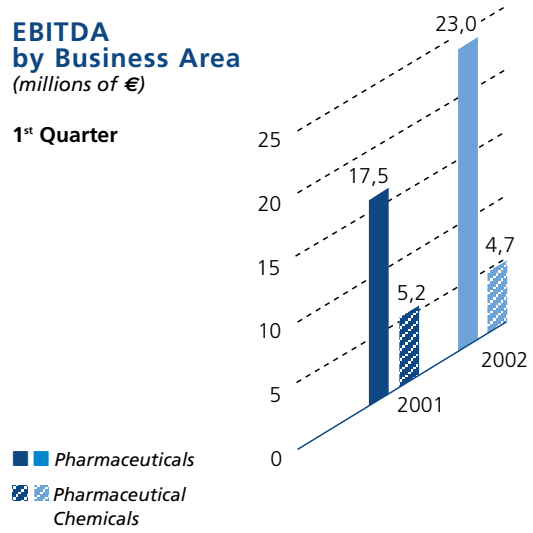
million over 2001 due to the recording of significant exchange rate gains last year as opposed to minor exchange losses during this quarter. Non-operating expenses of € 0.5 million comprise the accrued portion of profits that the French companies share with their employees (*participation au résultat*). The effective tax rate during the first quarter was 39.3%, higher than that of the previous year due to a different taxable income mix.

Net income at 7.6% of sales increased by 18.1% to € 9.9 million.

EBITDA
(millions of €)
1st Quarter



EBITDA by Business Area
(millions of €)
1st Quarter





Debt to equity ratio further reduced

The composition of capital employed and sources of financing are set out in the enclosed statement. Capital employed at 31 March 2002 remained substantially in line with that at 31 December 2001 while net financial indebtedness was further reduced thanks to cash flow generated by operations.

Net working capital increased by only € 2.8 million over year-end 2001 despite increased volumes. Net non-current assets decreased by € 4.6 million essentially due to depreciation and amortization charges. Fixed asset investments in plant were € 4.2 million.

Net financial indebtedness decreased by € 12.6 million and shareholders' equity increased by € 10.6 million resulting in an improved debt to equity ratio which now stands at 0.16.

Interest on long-term debt of € 117.7 million is essentially fixed at an average rate of 5.3%. Net liquid funds of € 81.4 million are invested short term in euro, US dollars, and Swiss francs at current market rates which are below the cost of debt.

Statement of Income

<i>(thousands of €)</i>	1 st Quarter 2002	% of Sales	1 st Quarter 2001	% of Sales	Change	Change %
Net Sales	129,349	100.0	107,148	100.0	22,201	20.7
Cost of Sales	(54,258)	(41.9)	(44,353)	(41.4)	(9,905)	22.3
Gross Profit	75,091	58.1	62,795	58.6	12,296	19.6
Selling Expenses	(37,605)	(29.1)	(31,599)	(29.5)	(6,006)	19.0
R&D Expenses	(9,963)	(7.7)	(8,187)	(7.6)	(1,776)	21.7
General and Administrative Expenses	(5,406)	(4.2)	(4,946)	(4.6)	(460)	9.3
Amortization of Goodwill	(3,737)	(2.9)	(3,359)	(3.1)	(378)	11.3
Operating Income	18,380	14.2	14,704	13.7	3,676	25.0
Financial Income (Expense), Net	(1,644)	(1.3)	(1,357)	(1.3)	(287)	21.1
Other Non-Op.Income (Expense), Net	(475)	(0.4)	(261)	(0.2)	(214)	82.0
Pretax Income	16,261	12.6	13,086	12.2	3,175	24.3
Provision for Income Taxes	(6,398)	(4.9)	(4,737)	(4.4)	(1,661)	35.1
Net Income	9,863	7.6	8,349	7.8	1,514	18.1

Capital Employed

<i>(thousands of €)</i>	March 31 2002	%	December 31 2001	%	Change	Change %
Trade Accounts Receivable	124,303	47.9	119,548	45.7	4,755	4.0
Inventories	70,541	27.2	66,153	25.3	4,388	6.6
Other Current Assets	26,881	10.3	23,524	9.0	3,357	14.3
Total Current Assets	221,725	85.4	209,225	80.0	12,500	6.0
Trade Accounts Payable	81,949	31.6	80,334	30.7	1,615	2.0
Accrued Liabilities, Deferred Income	5,182	2.0	4,554	1.8	628	13.8
Short-Term Provisions	9,313	3.6	9,154	3.5	159	1.7
Other Current Liabilities	46,093	17.7	38,767	14.8	7,326	18.9
Total Current Liabilities	142,537	54.9	132,809	50.8	9,728	7.3
Net Working Capital	79,188	30.5	76,416	29.2	2,772	3.6
Net Intangible and Financial Assets	99,108	38.2	102,944	39.4	(3,836)	(3.7)
Net Tangible Assets	110,744	42.7	111,460	42.6	(716)	(0.6)
Net Non-current Assets	209,852	80.9	214,404	82.0	(4,552)	(2.1)
Long-Term Provisions	(29,553)	(11.4)	(29,339)	(11.2)	(214)	0.7
CAPITAL EMPLOYED	259,487	100.0	261,481	100.0	(1,994)	(0.8)
Net Current Financial Position	(81,427)	(31.4)	(77,263)	(29.5)	(4,164)	5.4
Medium and Long-Term Loans	117,694	45.4	126,110	48.2	(8,416)	(6.7)
Net Financial Debt	36,267	14.0	48,847	18.7	(12,580)	(25.8)
Shareholders' Equity	223,220	86.0	212,634	81.3	10,586	5.0
FINANCING OF CAPITAL EMPLOYED	259,487	100.0	261,481	100.0	(1,994)	(0.8)