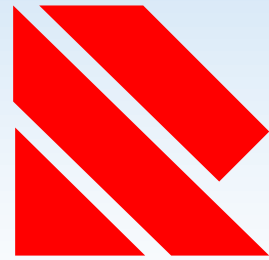


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Focus on pharma

March, 2004



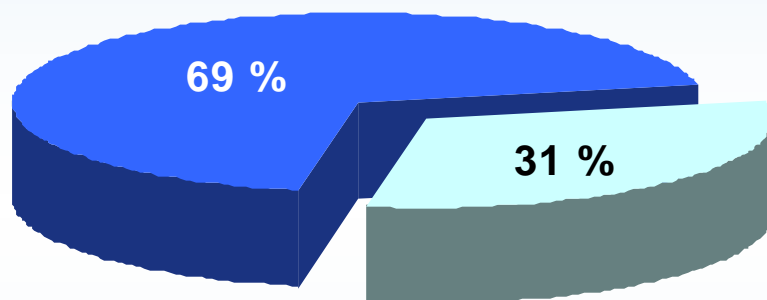
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Company profile

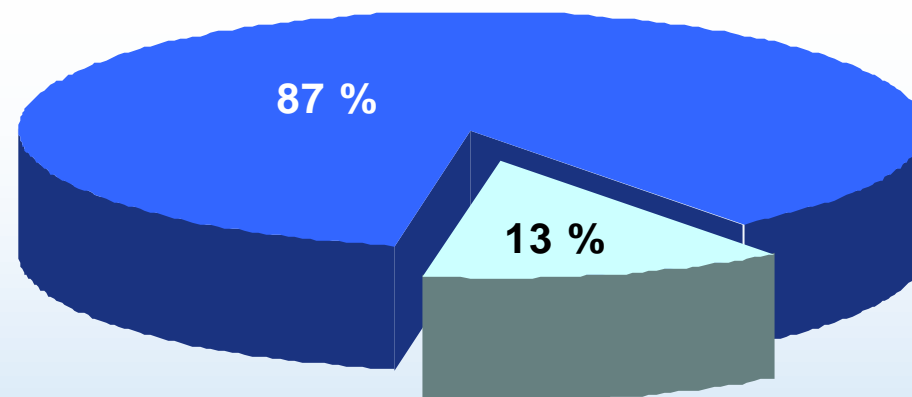
- **A fully integrated pharmaceutical company listed on the Italian Stock Exchange since 1984**
- **Original research focused on cardiovascular and urological fields**
- **Direct operations in Italy, France and Spain covering a broad range of therapeutic areas**
- **Proprietary products sold worldwide through licensees**
- **Non-core activity: manufacturing and sales of pharmaceutical API's**



Composition of sales

1999 (€272 m)



2003 (€488 m)

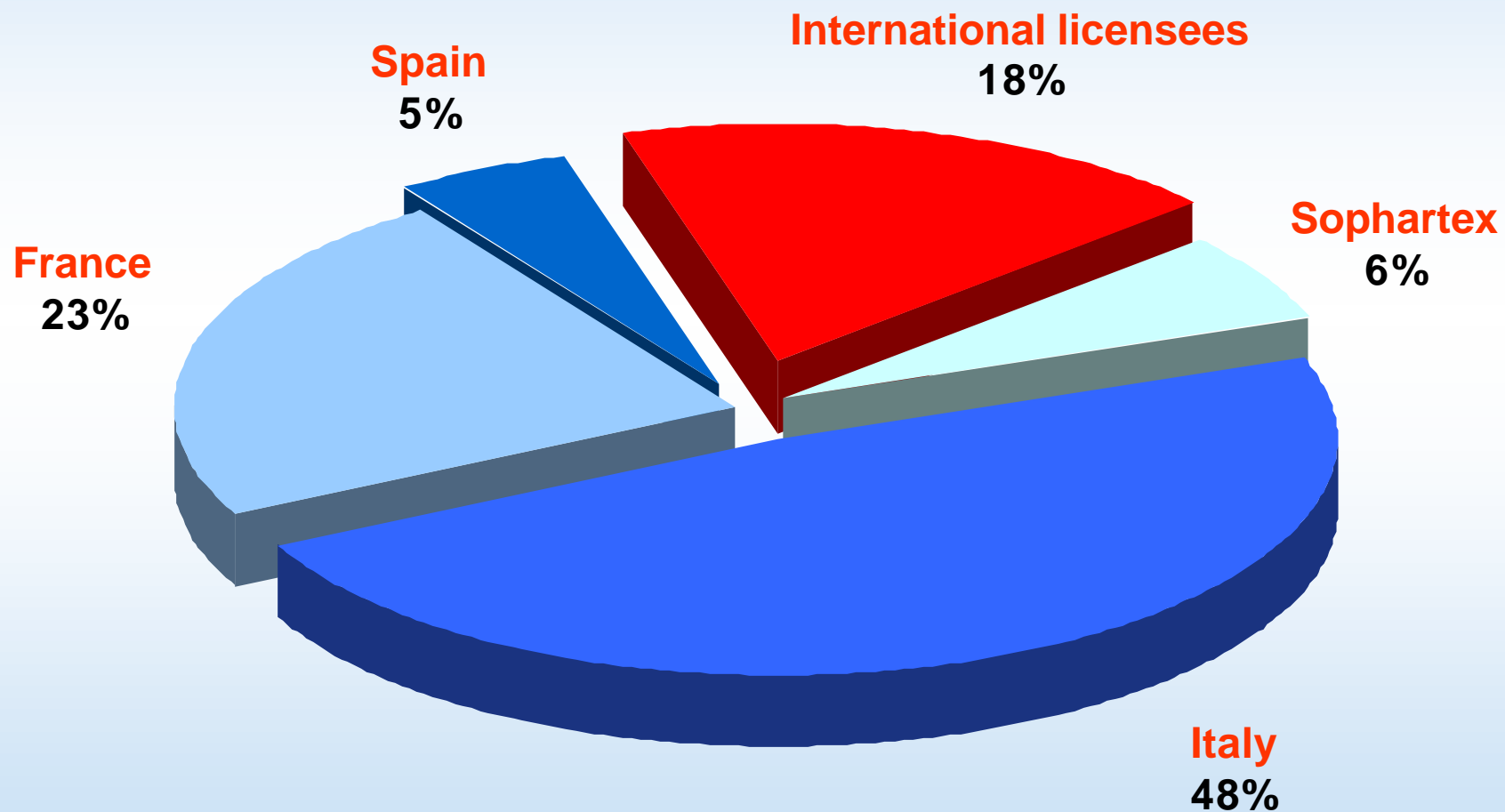


 Pharmaceuticals
 Pharmaceutical chemicals

CAGRs from 1999 to 2003

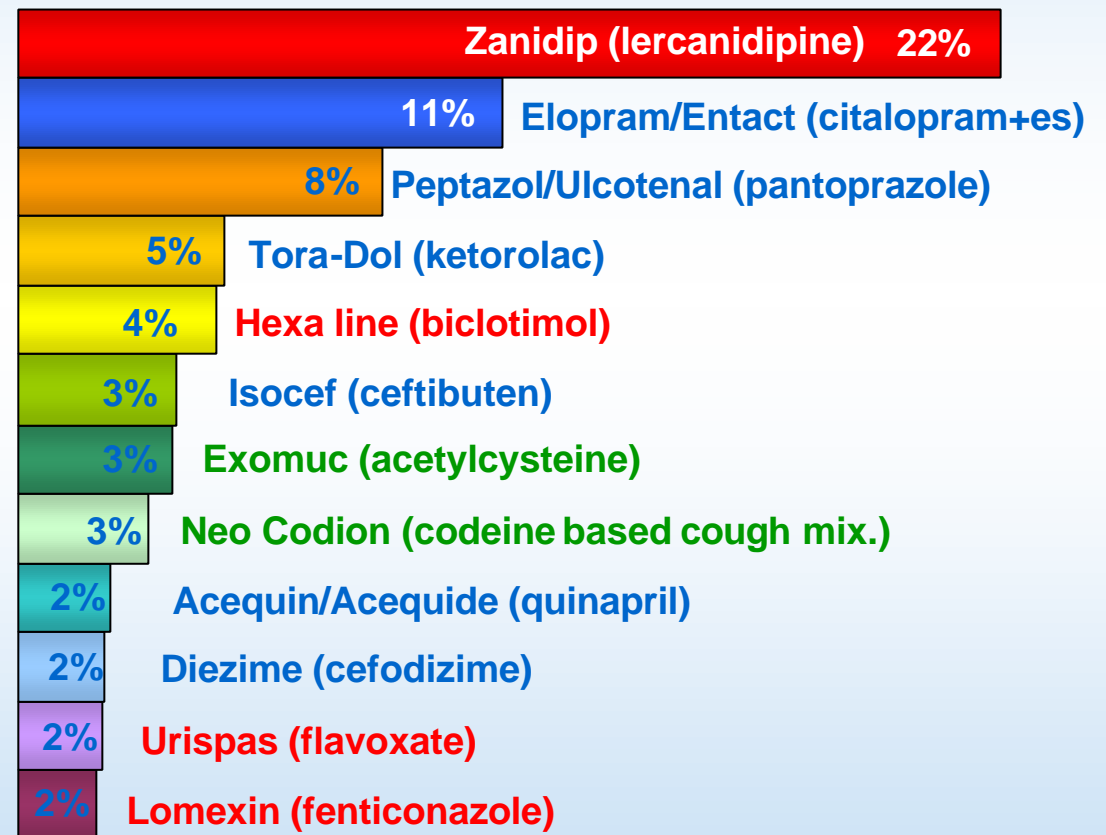
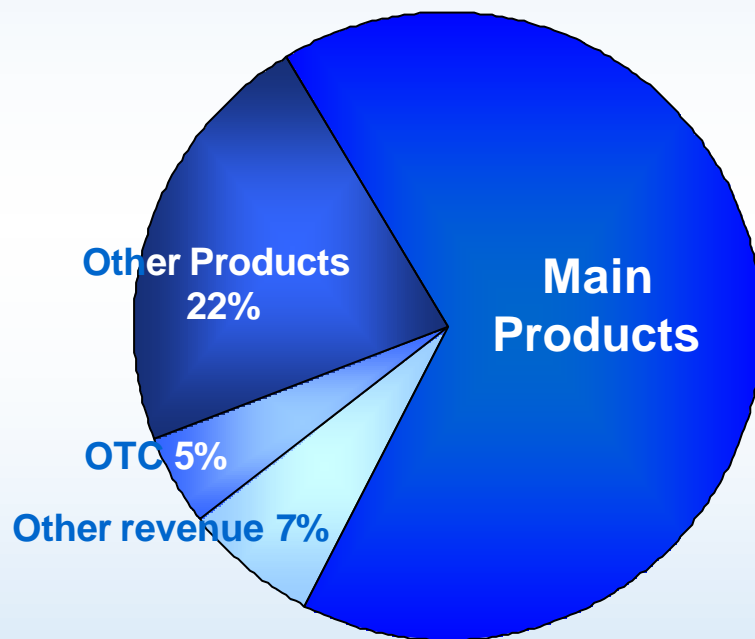


Breakdown of 2003 pharmaceutical sales



Main products

Breakdown of 12 months pharmaceutical sales at December 2003



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 worth \$35 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

Lercanidipine – Roll out status and plan

56 launches
17 additional approvals
25 filings

EUROPE

1998 Italy, Spain, UK
2000 Germany
2001 France

ROW

USA

modified release formulation
in development

JAPAN

local phase III studies
approval target 2005

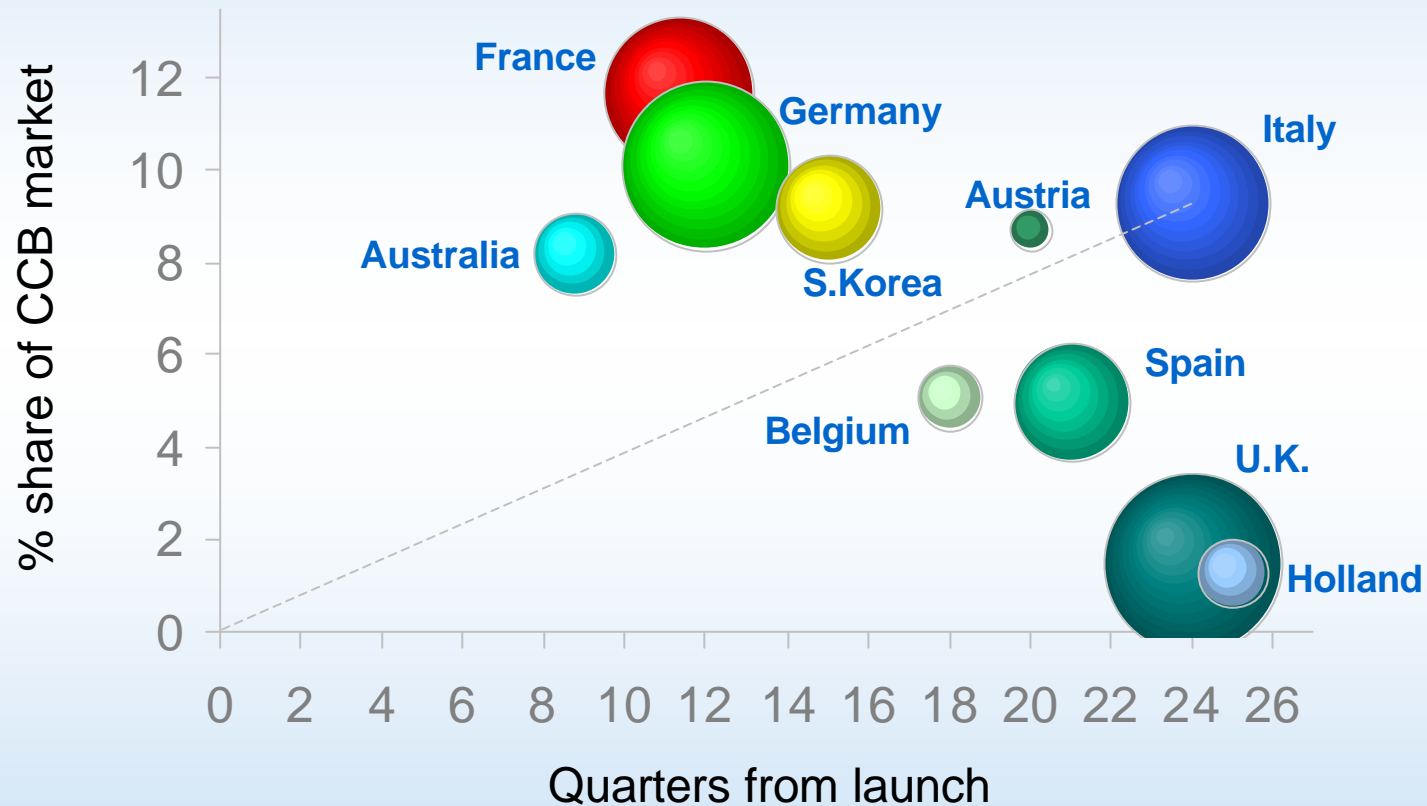
*(Pie slices represent relative
market value of calcium channel
blockers)*



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Lercanidipine as a % of all calcium channel blockers

Bubble size represents \$ market value of CCB's



Source: IMS data - 4Q 2003

Operational highlights 2003

- **Pharmaceutical sales up 5.5%, excluding non-recurring 2002 revenue from U.S. lercanidipine**
- **20mg strength of lercanidipine approved in Europe and other countries; launched in Germany, France, Australia**
- **Lercanidipine sales up 19.5%, excluding non-recurring 2002 revenue from the U.S.**
- **Launch of new products in Italy, France and Spain**
- **Decision taken to reorganize and eventually dispose of the pharmaceutical chemicals business**

Full year results

(million euro)

	2002	2003	Change %
Net Sales	492.7	487.5	(1.1)%
Gross Profit as % of sales	289.1 58.7%	287.8 59.0%	(0.5)%
Selling Expenses as % of sales	133.8 27.2%	148.0 30.4%	10.6%
R&D Expenses as % of sales	35.1 7.1%	32.8 6.7%	(6.7)%
EBIT as % of sales	89.2 18.1%	81.0 16.6%	(9.2)%
Extraordinary items	-	30.6	n.s.
Net Income as % of sales	50.2 10.2%	23.7 4.9%	(52.7)%



Composition of sales

(million euro)	2002	2003	Change %
PHARMACEUTICALS	414.4 84.1%	424.0 87.0%	2.3%
<i>PHARMACEUTICALS (excluding U.S. revenue from lercanidipine in 2002)</i>	<i>401.9</i>	<i>424.0</i>	<i>5.5%</i>
PHARMACEUTICAL CHEMICALS	78.4 15.9%	63.5 13.0%	(19.0)%
TOTAL	492.7 100.0%	487.5 100.0%	(1.1)%
ITALY	195.4 39.7%	211.6 43.4%	8.3%
INTERNATIONAL	297.3 60.3%	276.0 56.6%	(7.2)%



Sources of growth

(% change, full year 2003 over full year 2002)

	Volume	Price	Exchange	Total
PHARMACEUTICALS	6.5 %	(3.6) %	(0.6) %	2.3 %
<i>PHARMACEUTICALS (excluding U.S. revenue from lercanidipine in 2002)</i>	9.8 %	<i>(3.7) %</i>	<i>(0.7) %</i>	5.5%
PHARMACEUTICAL CHEMICALS	(7.7) %	(3.1) %	(8.2) %	(19.0) %
TOTAL CHANGE	4.4 %	(3.6) %	(1.9) %	(1.1) %



EBIT by business area

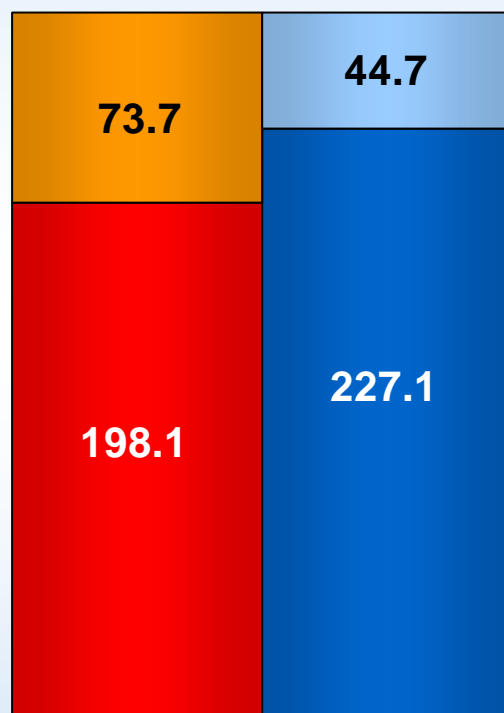
(million euro)	2002	2003	Change %
PHARMACEUTICALS as % of sales	85.8 20.7%	85.5 20.2%	(0.3)%
<i>PHARMACEUTICALS (excluding U.S. revenue from lercanidipine in 2002)</i>	<i>75.8</i> <i>18.9%</i>	<i>85.5</i> <i>20.2%</i>	<i>12.8%</i>
PHARMACEUTICAL CHEMICALS as % of sales*	3.4 3.8%	(4.5) (6.0)%	n.s.
TOTAL as % of sales	89.2 18.1%	81.0 16.6%	(9.2)%

* Including inter-company sales

Capital employed

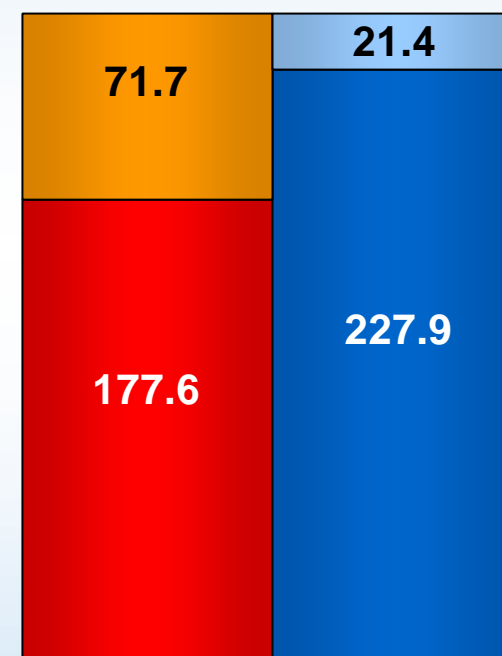
(million euro)

31 December 2002



Capital employed: 271.8

31 December 2003



Capital employed: 249.3

- Net working capital for operations
- Net non-current assets
- Net debt
- Shareholders' equity

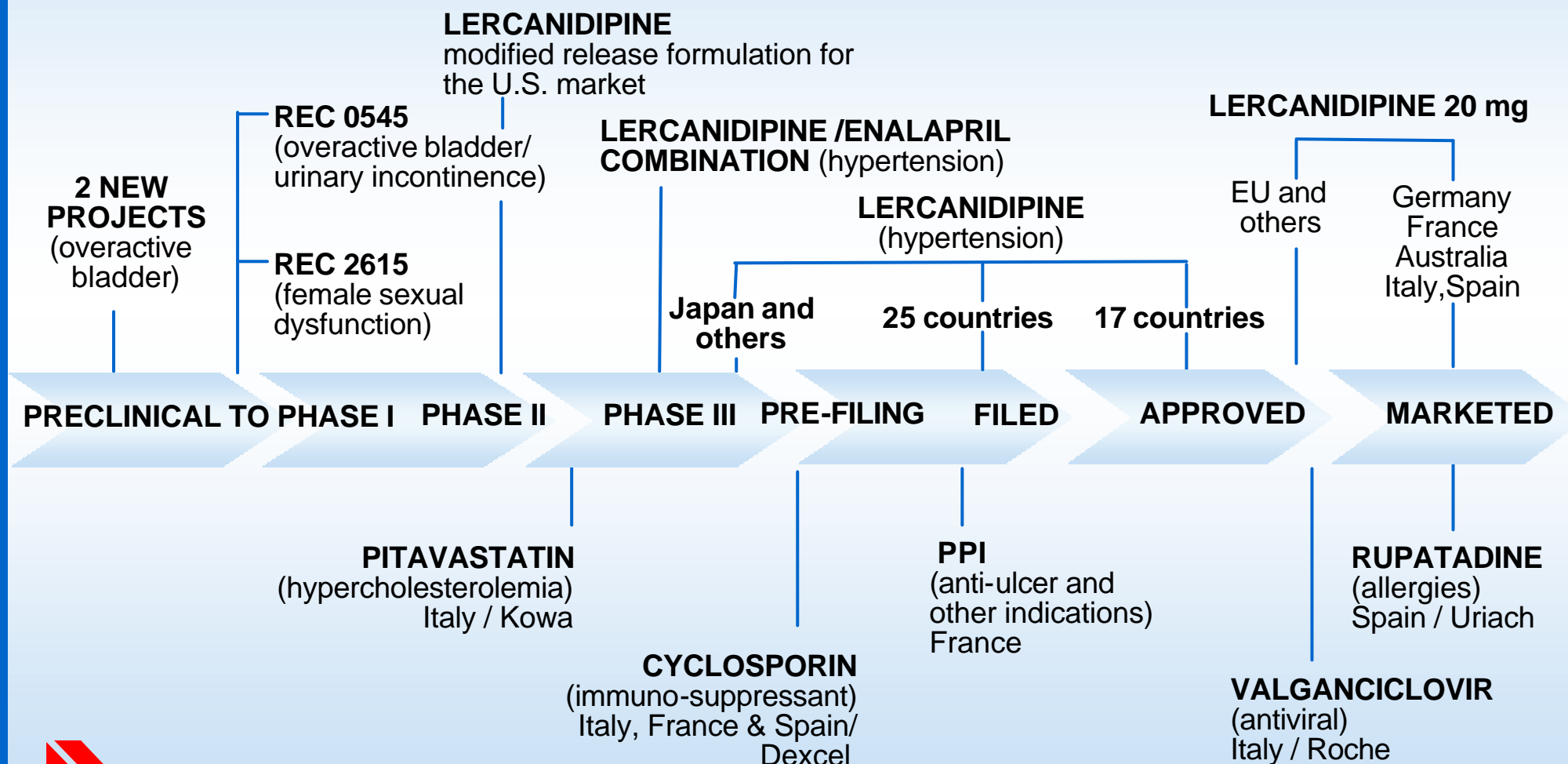
Cash flow

(million euro)

	2002	2003
Net income	50.2	23.7
Depreciation and amortization	30.7	26.8
Write-downs	3.3	30.0
Cash Flow from Operations	84.2	80.5
Change in working capital	(3.6)	(1.5)
Changes in non-current items	(0.7)	(11.6)
Net investments in fixed assets	(26.8)	(15.9)
Net investments in intangible assets	(13.2)	(5.2)
Free Cash Flow	39.9	46.3
Dividend paid	(12.5)	(18.3)
Purchase of treasury stock	(17.5)	(2.9)



Product pipeline



Filling the pipeline: Ongoing R&D

- **Lercanidipine:**
 - **20mg strength approved in Europe and other countries. Launched in Germany, France and Australia in 2003, Italy and Spain in 1Q 2004, roll-out continues**
 - **Modified release formulation under development with Forest Labs for the U.S. market**
 - **Further recognition of superior clinical profile**
 - **Patent life in extension, two new patent applications published**

Filling the pipeline: Ongoing R&D

- **Lercanidipine-enalapril 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**
 - **Phase III nearing completion, filing in EU expected in 2004**

Filling the pipeline: Ongoing R&D

- **Urology:**
 - **REC 0545, a 5HT_{1A} receptor antagonist for the treatment of unstable bladder. Proof of concept clinical program in preparation**
 - **REC 2615, in development for the treatment of female sexual dysfunction, approaching clinical phases**
 - **Two new discovery projects for novel compounds with potential for the treatment of micturition disorders**

Company strategy

- **Confirm commitment to research and development in the urological and cardiovascular fields**
 - Increasing expenditure as candidates enter clinicals
- **Acquire new product licenses**
 - Including co-developments
- **Expand geographical presence in Europe**

Outlook for 2004

- **Focus will be on the pharmaceutical business**
 - **Pharmaceutical chemicals business to be reorganized**
 - **Sophartex to be sold within the next few months**
- **On a comparable basis:**
 - **Pharmaceutical sales to increase by 5 to 10%**
 - **R&D expenditure to increase significantly**
 - **EBIT to grow slightly**
- **Further growth will come from acquisitions**
- **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.

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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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