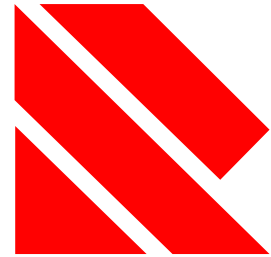


RECORDATI

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RECORDATI

**2005**  
**1st Half and 2nd Qtr Financials**

Conference Call, 28 July 2005



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## First half 2005 operational highlights

- Revenue up 17.4%, or 9.9% on a like-for-like basis
- Pharmaceutical sales up 20.5%, or 12.2% on a like-for-like basis
- International sales up 30.5%
- Lercanidipine sales up 19.6%
- Operating income up 24.2% (before goodwill amortization)
- Net income up 23.9%
- Recordati enters the German and British pharmaceutical markets

## Composition of revenue

(million euro)	1H 2005	1H 2004	Change %
PHARMACEUTICALS	272.4 91.9%	226.0 89.5%	20.5%
PHARMACEUTICAL CHEMICALS	24.0 8.1%	26.4 10.5%	(9.0)%
TOTAL	296.4 100.0%	252.4 100.0%	17.4%
ITALY	116.3 39.2%	114.4 45.3%	1.7%
INTERNATIONAL	180.1 60.8%	138.0 54.7%	30.5%

## Sources of growth

(% change, first half 2005 over first half 2004)

	Volume	Price	Exchange	Total
<b>PHARMACEUTICALS like-for-like</b>	19.3%	(7.0)%	(0.1)%	12.2%
<b>MERCKLE RECORDATI</b>	100.0%			100.0%
<b>SOPHARTEX</b>	(100.0)%			(100.0)%
<b>PHARMACEUTICAL CHEMICALS</b>	(5.3)%	(2.0)%	(1.7)%	(9.0)%
<b>TOTAL CHANGE</b>	23.9%	(6.3)%	(0.2)%	17.4%



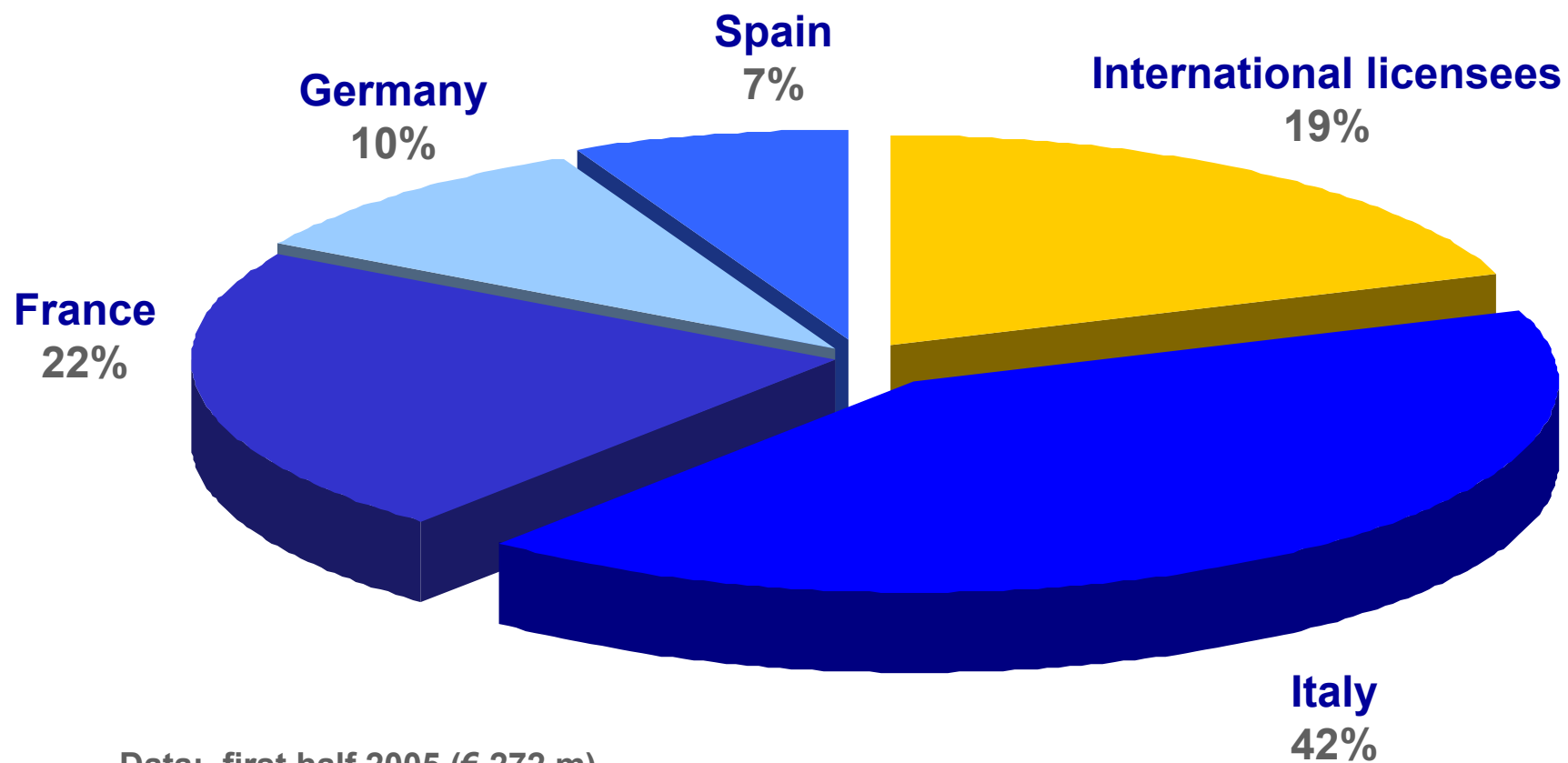
## Composition of pharmaceutical revenue

(million euro)	1H 2005	1H 2004	Change %
Italy	113.5	110.8	2.5%
France	60.8	49.7	22.5%
Germany	26.5	-	n.a.
Spain	18.7	11.8	57.9%
International licensees	52.8	46.8	12.9%
Sophartex *	-	6.9	(100.0)%
<b>TOTAL PHARMACEUTICALS</b>	<b>272.4</b>	<b>226.0</b>	<b>20.5%</b>



\* Sold in April 2004

## Breakdown of pharmaceutical revenue

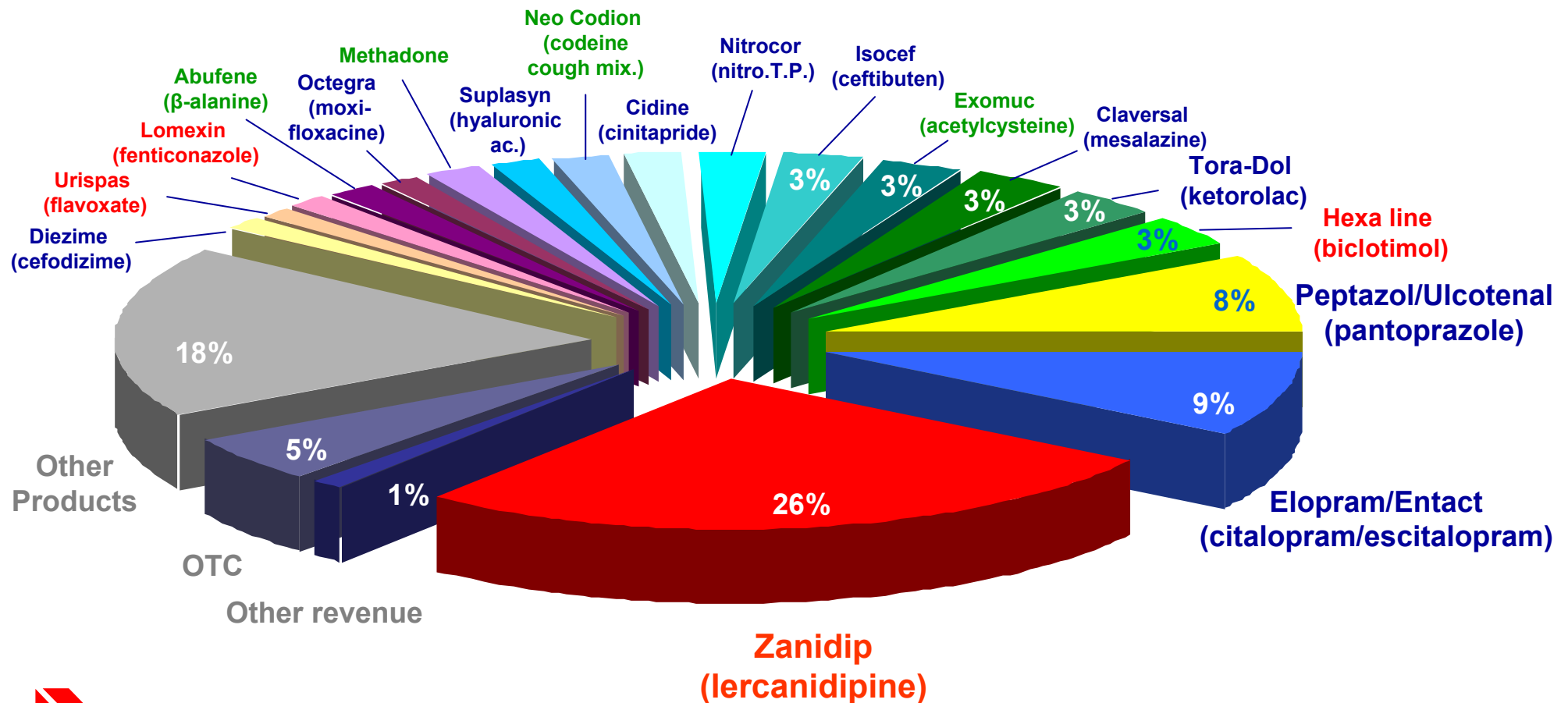


Data: first half 2005 (€ 272 m)

## Main products

Breakdown of first half 2005 pharmaceutical sales (€ 272 m)

Proprietary  
In-Licensed  
Branded Generics



# RECORDATI

## Lercanidipine sales

(million euro)	1H 2005	1H 2004	Change %
Italy	22.6	19.6	15.3%
France	14.2	10.9	30.7%
Spain	3.1	2.4	28.0%
<b>DIRECT SALES</b>	<b>39.9</b> 55.6%	<b>32.9</b> 54.8%	<b>21.3%</b>
<b>SALES TO LICENSEES</b>	<b>31.9</b> 44.4%	<b>27.1</b> 45.2%	<b>17.4%</b>
<b>TOTAL LERCANIDIPINE SALES</b>	<b>71.8</b> 100.0%	<b>60.0</b> 100.0%	<b>19.6%</b>

## First half results

(million euro)	1H 2005	1H 2004*	Change %
<b>Revenue</b>	<b>296.4</b>	<b>252.4</b>	<b>17.4%</b>
<b>Gross Profit</b> as % of revenue	<b>190.7</b> 64.3%	<b>158.1</b> 62.7%	<b>20.6%</b>
<b>Selling Expenses</b> as % of revenue	<b>101.8</b> 34.4%	<b>84.8</b> 33.6%	<b>20.1%</b>
<b>R&amp;D Expenses</b> as % of revenue	<b>22.1</b> 7.4%	<b>18.2</b> 7.2%	<b>21.5%</b>
<b>Operating Income</b> (before goodwill amortization) as % of revenue	<b>54.8</b> 18.5%	<b>44.1</b> 17.5%	<b>24.2%</b>
<b>Net Income</b> as % of revenue	<b>33.7</b> 11.4%	<b>27.2</b> 10.8%	<b>23.9%</b>



## Operating income by business area

(million euro)	1H 2005	1H 2004*	Change %
<b>PHARMACEUTICALS</b> as % of revenue	<b>54.1</b> 19.9%	<b>43.1</b> 19.1%	<b>25.7%</b>
<b>PHARMACEUTICAL CHEMICALS</b> as % of revenue**	<b>0.7</b> 2.1%	<b>1.0</b> 3.1%	<b>(37.5)%</b>
<b>TOTAL OPERATING INCOME</b> as % of revenue	<b>54.8</b> 18.5%	<b>44.1</b> 17.5%	<b>24.2%</b>

\* Restated for comparison purposes following introduction of new IAS/IFRS

\*\* Including inter-company sales

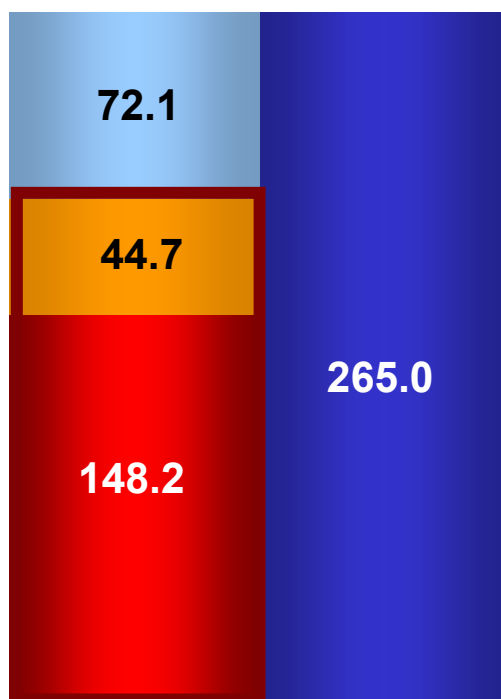
## Second quarter results

(million euro)	2Q 2005	2Q 2004*	Change %
<b>Revenue</b>	<b>146.3</b>	<b>123.9</b>	<b>18.1%</b>
<b>Gross Profit</b> as % of revenue	<b>94.9</b> 64.9%	<b>79.0</b> 63.7%	<b>20.2%</b>
<b>Selling Expenses</b> as % of revenue	<b>50.6</b> 34.6%	<b>41.7</b> 33.7%	<b>21.3%</b>
<b>R&amp;D Expenses</b> as % of revenue	<b>11.2</b> 7.7%	<b>8.8</b> 7.1%	<b>28.0%</b>
<b>Operating Income</b> (before goodwill amortization) as % of revenue	<b>27.5</b> 18.8%	<b>23.6</b> 19.0%	<b>16.8%</b>
<b>Net Income</b> as % of revenue	<b>17.1</b> 11.7%	<b>14.6</b> 11.8%	<b>17.0%</b>

\* Restated for comparison purposes following introduction of new IAS/IFRS

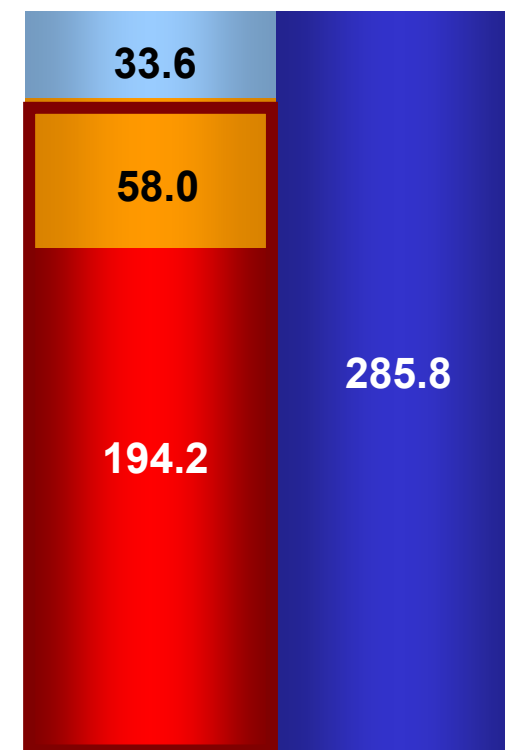
## Capital employed (million euro)

31 December 2004



Capital employed: **192.9**

30 June 2005



Capital employed: **252.2**

- Net working capital for operations
- Net non-current assets
- Net cash
- Shareholders' Equity  
(before hedging reserve of € -3.2 m end 2004 and € -4.1 m end June 2005)

## Net financial position

(million euro)	31 Jun 2005	31 Dec 2004	Change
Cash and short-term financial investments	186.6	232.2	(45.6)
Short term bank debt	(9.1)	(3.5)	(5.6)
Current portion of medium and long-term debt	(24.6)	(25.2)	0.6
Medium and long term debt	(119.3)	(131.4)	12.1
<b>NET FINANCIAL POSITION</b>	<b>33.6</b>	<b>72.1</b>	<b>(38.5)</b>



*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 0003828271), dedicated to the research, development, manufacturing and marketing of pharmaceuticals and pharmaceutical chemicals, with headquarters in Milan, Italy and operating subsidiaries in France, Germany, Ireland, Spain, Switzerland and the United States.*

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