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)


192.3 214.9 271.8 355.9 433.4

CAGR 22.5%
Business Segments
Sales breakdown as of December 31, 2001

80.7% Pharmaceuticals
19.3% Pharmaceutical chemicals
Pharmaceutical Net Sales

(million euro)


122.5 140.4 188.5 269.3 349.6

As % of total sales

Pharmaceutical sales

63.7% 65.3% 69.3% 75.7% 80.7%

CAGR 30.0%
Development of profit % margins

Gross margin %

EBITDA, EBITA, EBIT, Net Profit %

Gross % margin
EBITDA % margin
EBITA % margin
EBIT % margin
Net profit % margin
Capital Employed - as of 31 December 2001

(million euro)

31 December 2000

- 137.1
- 129.2

31 December 2001

- 212.6
- 48.8

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

Breakdown of 2001 pharmaceutical sales

Main Products

- Zanidip 16% (lercanidipine)
- Tora-Dol 7%
- Elopram 7%
- Hexa line 5% (biclitolimol)
- Isocef 4%
- Diezime 3%
- Urispas 3% (flavoxate)
- Lomexin 2% (fenticonazole)
- Exomuc 4%
- Ulcotenal 4%
- Neo Codion 3%
- Acequin/Acequide 3%
- Amodex 2%
- Other Products 25%
- OTC 5%
- Other revenue 7%
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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct Sales</th>
<th>Sales to Licensees</th>
<th>Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>25.9</td>
<td>13.0</td>
<td>38.9</td>
</tr>
<tr>
<td>2001</td>
<td>33.9</td>
<td>22.1</td>
<td>56.0</td>
</tr>
</tbody>
</table>
LERCANIDIPINE IN ITALY - Market share as a % of all CCB’s

- 1998
- 1999
- 2000
- 2001

Zanedip
Licensees
lercanidipine
LERCANIDIPINE AS A % OF ALL CALCIUM CHANNEL BLOCKERS

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

Quarters from launch

% share of CCB market

Argentina
Australia
Austria
Belgium
France
Germany
Holland
Italy
Korea
Spain
UK
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

<table>
<thead>
<tr>
<th>Launched</th>
<th>Planned 2002 Launches</th>
<th>Approved</th>
<th>Filed</th>
</tr>
</thead>
<tbody>
<tr>
<td>32 countries (approx. 30% of world market)</td>
<td>9 countries</td>
<td>13 countries</td>
<td>37 countries</td>
</tr>
</tbody>
</table>

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
5 HT1A ANTAGONIST (overactive bladder/ urinary incontinence) with Pharmacia

REC 2615 (female sexual dysfunction)

PITAVASTATIN (hypercholesterolemia) Italy / Kowa

Nitrogllycerine Patch (angina) France / Mylan

5-HT1A Antagonist

REC 2615

Female Sexual Dysfunction

Pitavastatin

Nitroglycerine Patch

PRODUCT PIPELINE

PRECLINICAL/EXPLORATORY DEVELOP.

PHASE II PHASE III PRE-FILING FILED APPROVED MARKETED

Escitalopram (depression) Italy / Lundbeck

Pantoprazole (antiulcer and other indications) Italy / Byk Gulden

Valganciclovir (antiviral) Italy / Roche

Nitroglycerine Patch

Lercanidipine (hypertension)

37 countries incl. USA

13 countries

Japan and others

Lercanidipine 20 mg

France

Fenticonazole (antifungal)

Lercanidipine / ACE-I Combination (hypertension)

Lercanidipine (hypertension)

Nitroglycerine Patch

France / Mylan

Nitroglycerine Patch

Italy / Mylan

Nitroglycerine Patch

Italy / Kowa

Nitroglycerine Patch

Nitroglycerine Patch

Nitroglycerine Patch

Nitroglycerine Patch

Nitroglycerine Patch

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Nitroglycerine Patch

Nitroglycerine Patch

Nitroglycerine Patch

Nitroglycerine Patch
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

<table>
<thead>
<tr>
<th>Metric</th>
<th>CAGR 2000-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>11.1%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>12.1%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>10.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>14.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>17.3%</td>
</tr>
</tbody>
</table>
EVOLUTION OF NET SALES & EBIT
(May 2001, Milan)

(million euro)

Net Sales
EBIT

13.1% 13.5% 14.1% 15.2% 16.3%

356 426 467 506 542

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