

Almirall Results 2011 in line, positive newsflow start to 2012

Barcelona, 27th February 2012

- 2011 results in line with guidance
- Portfolio rejuvenated through new product cycle
- Fruitful period for corporate development
- Acridinium and linacotide regulatory reviews on track
- Dividend proposal of € 0,18* per share
- Starting 2012 with positive newsflow

Financial highlights (€ rounded million)

	2011	2010	Variation
Net Sales	768.4	882.4	(12.9%)
EBITDA	160.1	216.3	(26.0%)
Normalized Net income	97.9	136.7	(28.4%)

Eduardo Sanchiz, Chief Executive Officer, commented:

"Almirall has attained in 2011 its financial targets and maintains strong financial fundamentals.

Key accomplishments during the year were submissions for acridinium and linacotide, for which we anticipate regulatory response during 2012.

Over the period we have been strongly focused on our cost base and in driving the growth of our international business which now represents 50% of sales vs. 34% in 2007.

With six new products in less than two years, a new medicine cycle is unfolding and rejuvenating our portfolio. To take Almirall to the next level, our key priority now is to ensure that the anticipated forthcoming launches, with unprecedented sales potential for Almirall, are fully leveraged.

The year 2012 has begun with positive newsflow for Almirall and we look forward to continuing to build on that momentum through this potentially transformational period for the company".

*Rounded figure

Barcelona, 27th February 2012.- Almirall, the international pharmaceutical company based in Barcelona (Spain), announced results for the year ended in December 31st, 2011.

Profit guidance delivered in a tough operating environment

Net Sales reached € 768.4 MM (-12.9% vs. 2010) due to the impact of the 2010 and 2011 Spanish healthcare reforms and generic competition. International sales are evolving positively and now stand at 50% of total revenues (versus 34% in 2007). With the addition of **Other Income** of € 104.7 MM, **Total revenues** in 2011 were € 873.1 MM.

Gross Profit stood at € 477.3 MM and represents a 62.1%. Despite the tough operating environment, this means an improvement of 20bps reflecting the finalisation of the consolidation process of pharmaceutical plants and closure of toll manufacturing.

R&D Expenses were € 144.5 MM led by the progress of proprietary respiratory franchise and maintaining a similar investment level to 2010 in absolute terms. As a percentage on sales, R&D investment has reached nearly 19% in 2011.

SG&A (Selling, general and administrative) expenses were € 340.4 MM, showing a significant decrease of 6.4% vs. 2010 due to continuous strong cost focus over the period and despite the increased investments in new products.

EBIT and **EBITDA** were € 96.9 MM (-37.2%) and € 160.1 MM (-26.0%), respectively.

Net Income reached € 84.2 MM (-29.0%) and **Normalized Net Income** stood at € 97.9 MM (-28.4%), in line with guidance provided by the company last October.

Free Cash Flow generated during the period remained steady at € 72.8 MM in a tough operational environment.

Net Debt at 31st December 2011 was lowered to € 14.6 MM (x 0.09 EBITDA 2011), maintaining Almirall's strategic flexibility. Financial debt, which now represents less than 14% of Total Assets, will be cancelled during 2012.

Equity has continued to increase and totals 58.7% of Total Assets.

The Board will propose to the Annual General Meeting (May 4th) a **dividend** of € 0.18 (rounded figure) per share. Shareholders will have the opportunity to take dividend either in cash or shares.

A new product cycle unfolding

During 2011, the **consolidation process of pharmaceutical plants** has been completed as planned. After the foreseen closing of the Sant Just Desvern plant, the manufacturing capabilities of the company are now concentrated on Sant Andreu de la Barca (Spain) and Reinbek (Germany). Almirall's production capabilities are now fully ready for the manufacturing of aclidinium and linaclotide.

Recent product launches, which total six in less than two years, contributed near to €50MM in 2011 and are helping to rejuvenate Almirall's portfolio. This trend is expected to grow further in the forthcoming quarters.

One of the newest launched products, **Sativex®**, is being rolled out across Europe. This medicine is currently indicated for the treatment of spasticity in multiple sclerosis (MS), a

symptom from which 80% of people with MS suffer, and is now available in Spain, Germany and Denmark. **Sativex**[®] is the first novel therapeutic for this indication in decades and as such is a new opportunity both for physicians and patients. After its recent approval in Sweden, a new wave of regulatory submissions in Europe has begun in ten additional countries.

The company started in 2011 the co-promotion in Spain of a second brand of roflumilast, the first oral anti-inflammatory treatment for COPD and a product highly complementary to Almirall's respiratory portfolio, under the name **Libertek**[®].

Almirall also initiated in Italy in late 2011 the co-promotion with Lundbeck of the antidepressant **Cipralex**[®] (scitalopram).

In addition, **Solaraze**[®] for the treatment of actinic keratosis reached the Spanish market. This medicine from Almirall's dermatology franchise has been successfully launched in several countries including Germany and the UK.

Other launch is **Actikerall**[®], a medicine also for the treatment of actinic keratosis and launched in UK and Germany.

Fruitful period for corporate development agreements

Last year and early 2012 have been particularly successful for Almirall in corporate development activity. This has allowed the company to strengthen the base business with new products and has expanded the commercial potential of its assets by collaborating with third parties.

The aclidinium franchise has been expanded to Japan and Korea by means of out-licencing agreements respectively with Kyorin and Daewoong. Almirall expects to announce a European partnership soon and looks forward to bringing this new therapeutic option to patients and prescribers worldwide in the near future.

In 2011, it was also announced an agreement with Nycomed for Almirall's antihistamine ebastine in China and other key Southeast Asian markets. With this agreement, Almirall extended the global reach of its R&D medicine, present currently in over 30 countries worldwide.

More recently, the company announced that a new option for stroke prevention in atrial fibrillation, rivaroxaban, will be co-promoted by Almirall and Bayer in Spain in the next months under the brand **Xarelto**[®]. This innovative oral anticoagulant has been recently approved in Europe and the US.

Growth platforms coming from R&D evolution and partnership

Almirall continues to focus on innovation to drive its growth internationalisation strategy. At the end of 2011 there were nine R&D projects in phase III or later.

In respiratory, **aclidinium monotherapy**, delivered through the Almirall Genuair[®] inhaler, a novel, two-step and patient friendly device, was filed for registration in the US and EU to treat moderate to severe COPD, a disease that affects 210 million people worldwide and is expected to be the third leading cause of death by 2020. Recently, on February 23rd, FDA's Advisory Committee recommended approval (voted 12 to 2 in favor) of aclidinium for the treatment of COPD. Although not binding, it will be considered by the FDA as it completes its review of the NDA. Almirall anticipates receiving FDA feedback on the filing in the second quarter of 2012.

In November 2011, phase III of the combination of **aclidinium + formoterol** BID¹ in COPD got underway with the start-up of global clinical trials to meet regulatory requirements for both North American and European authorities.

The development of **abediterol** (OD LABA²), combined with a non-disclosed inhaled corticosteroid, is another strong asset within the Almirall respiratory franchise, covering a range of treatment options for asthma and COPD³. Abediterol is a highly potent novel once daily LABA that in early phase II testing demonstrated fast onset and long-lasting (24-hour) efficacy with a very good tolerability profile in patients with asthma. Almirall has undertaken additional phase II studies in 2011 for which preliminary results are due during 2012.

Linacotide is a first-in-class opportunity for IBS-C⁴. The indication, for which Almirall holds pan-European rights, has no therapies currently approved by the EMA⁵ and reflects a significant unmet need for patients. It was filed for registration for Europe in September 2011 and a regulatory response is anticipated during 2012.

Two additional compounds are moving forward in phase III: **LAS41007** for non-melanoma skin cancer and **Sativex**[®] in oncological pain.

Financial Calendar 2012 –

8 May 2012	Q1 Results
30 July 2012	H1 Results
15 November 2012	Q3 Results

Notes:

¹ BID: twice daily

² OD LABA: Once Daily Long Acting Beta Agonist

³ COPD: Chronic Obstructive Pulmonary Disease

⁴ IBS-C: Irritable Bowel Syndrome with Constipation

⁵ EMA: European Medicines Agency

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About Almirall

Almirall is an international pharmaceutical company based on innovation and committed to health. Headquartered in Barcelona, Spain, it researches, develops, manufactures and commercialises its own R&D and licensed drugs with the aim of improving people's health and wellbeing. Almirall focuses its research resources on therapeutic areas related to the treatment of asthma, COPD (Chronic Obstructive Pulmonary Disease), rheumatoid arthritis, multiple sclerosis, psoriasis and other dermatological conditions. Almirall's products are currently present in over 70 countries while it has direct presence in Europe and Latin America through 12 affiliates.

For further information please visit the website at: www.almirall.com

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