Q3 in line with guidance, R&D *momentum* continues

Barcelona, 15 November 2010

- Sales and Normalized Net Income within guidance.
- Silodyx®, Conbriza® and Toctino® launched in Q3.
- Positive evolution of the international dermatological franchise.
- Net Debt remains low at 0.12xEBITDA 2009.
- Continued healthy Cash Flow generation in the period.
- R&D *momentum* is led by positive Phase III linaclotide data.
- Guidance reiterated for the whole year.

Financial highlights (€ rounded million)

	YTD Sep 2010	YTD Sep 2009	Var.
Net Sales	**676.5**	701.3	**(3.5%)**
EBIT	**146.8**	162.4	**(9.6%)**
EBITDA	**192.8**	210.3	**(8.3%)**
Normalized Net Income	**121.9**	127.0	**(4.0%)**

Eduardo Sanchiz, Chief Financial Officer, commented:

"We have achieved our financial targets. The performance of the first three quarters of the year has matched our expectations in a very challenging environment of pricing pressures and austerity measures. We are in line with guidance and importantly we maintain a solid balance sheet position with substantial cash flow generation that provide us with full strategic flexibility.

Our efforts to optimize our cost base continue.

We are pleased with the positive evolution of our international dermatological franchise and the launch trajectory of Tesavel® and Efficib®. This quarter we have launched three products (Silodyx®, Conbriza® and Toctino®) which will be key contributors to our business.

We maintain our strategic priorities with continued focus on innovation and long-term sustainable growth. We continue to invest in our pipeline and keep the outlook for further business development opportunities."

Barcelona, 15th November 2010 - Almirall, the international pharmaceutical company based in Spain, announced results for the Q3 to September 30, 2010.

Financial Results

Net Sales were slightly eroded (-3.5%) to € 676.5 mill with steady growth of the international affiliates (+1.9%) and lower performance from the domestic business (-4.6%) and partners (-9.1%). International sales accounted for 43% of the total. The challenging macro environment, generic competition as well as healthcare reforms and austerity plans have driven the overall performance as anticipated.

Gross Profit was € 417.0 mill (61.6% of sales vs. 63.2% in Q3 2009) reflecting the unfavourable impact of the mandatory discount of 7.5% on patented products in Spain following the legislative reforms. The mix of sales also contributed to margin dilution during the first three quarters of the year.

Other Income jumped to € 89.7 mill (+16.0%) driven by the higher co-development revenues from the Eklira® franchise (both Mono and Combo) and LAS100977 (OD LABA[1]) and increased amortization of the downpayments received from Forest in both projects.

As planned**, R&D expenses** were up at € 102.4 mill (+25.6% vs. the same period of last year) reflecting Almirall's R&D momentum and the intense Phase III newsflow delivered in the period. This trend is expected to continue during the rest of the year in particular due to the respiratory franchise (Eklira® and LAS100977 -OD LABA[1]-).

SG&A (Selling, general and administrative) expense for the first three quarters was € 259.0 mill reflecting a material reduction of 6.2% driven by cost discipline and savings generated by the restructuring efforts implemented in 2009 as well as by back-office synergies and operational efficiencies.

Both **EBIT** and **EBITDA** have eroded 1.5 percentage points on sales following gross margin evolution in a context of cost containment, higher R&D and the savings following commercial realignment in several markets during 2009. This represents -9.6 and -8.3% respectively vs. the same period of last year.

Net Income and **Normalized Net Income** totalled € 121.0 mill (-14.0%) and € 121.9 mill (-4.0%) respectively. The former was largely driven by the divestment of 13 products in Q1 2009 (which provided a non-recurrent item), whereas the latter is well aligned with guidance.

Whereas **Cash Flow generated during the period** reached € 25.8 mill (+7.5%), **Free Cash Flow** declined 47% to € 79.1 mill due to the € 45 mill payment in business development projects.

Financial Debt has slightly increased following the aforementioned payment of € 45 mill (better financial conditions than the use of available cash). Despite this, **Net Debt** at 30th September remains low at € 29.2 mill (0.12xEBITDA 2009).This provides us with significant strategic room in our balance sheet to accommodate corporate development projects.

Financial guidance

The company's **financial targets for 2010** are confirmed: Almirall expects that total sales and normalized net income (excluding non recurrent items) to decrease versus 2009 in mid single digit percentage. Restructuring costs are planned in Q4.

Operations

Sales evolution in the first nine months shows the anticipated impact of healthcare reform in Spain and the expected generic erosion in Prevencor®. However current trends in the core business (expected to continue in Q4 2010) are partially offset by the recovery of ebastine sales, the steadiness of Prevencor® evolution, and the ramping-up of new products (Efficib® and Tesavel®).

Revenues in 2010 are also benefiting from recent launches in Q3 that came to market as planned: Silodyx®, Conbriza® and Toctino®. Also the launch of Sativex® in Spain is expected in early 2011, pending on the price and reimbursement process.

During these nine months, **International sales** were driven by the fairly improved performance of our affiliates (+1.9%), especially Mexico, UK, France and Germany. On the other hand, sales from partners and exports slightly improved to -9.1% (vs -10.7% in H1) driven by the progress of ebastine sales in Japan. From a product perspective, the growth of international sales was driven by the good results of the dermatological franchise: Decoderm Tri® (+11.9%), Solaraze® (+9.2%) and Balneum® (+5.6%).

Spanish sales pulled back at € 383.0 mill (-4.6%). Strong market performance for key brands like Esertia® (+4.9%), Plusvent® (+2.3%), Parapres® (+10.7%), and Efficib®/Tesavel® (+178%) helped to offset generic competition in other brands (Prevencor®, Airtal®, Dobupal®). The underlying performance of Spanish sales (ex-Prevencor®) is +2.0%.

Importantly, in the context of inhibitors of DPP-4[2] we observe that sitagliptin leads the market share of the class and Efficib® is the top brand in units' growth[3].

Corporate sales retreated 18.5% driven by the gradual reduction of the toll manufacturing business. As anticipated, this is a non-core business with dilutive margin contribution and we made a decision to discontinue it over time.

The top 15 products continue to represent c. 73% of Net Sales which reflects a well balanced portfolio with no overexposure to a single product. Noteworthy performances were seen with Decoderm Tri® (+11.9%, which has entered in our top 15 products for the first time, replacing Cidine®), Parapres® (+10.7%) and Solaraze® (+9.2%).

The sales growth in Gastrointestinal (+10.7%) and Dermatology (+6.8%) contributed positively to the first nine months performance, whereas Cardiovascular has lost *momentum* driven by lower trends from Prevencor® this year.

Sativex® (used in the treatment of spasticity in multiple sclerosis), was approved in Spain in July this year. This first-in-class endocannabinoid system modulator will contribute to reinforce our base business as of early 2011. Following the regulatory approval in the UK in 2010 (reference member state), submissions for approval have been initiated for other selected European member states including France, Germany and Italy, under the mutual recognition procedure. Almirall holds pan-European commercial rights (except UK).

Also, after the agreement signed last June with Basilea to distribute **Toctino**® (alitretinoin, for severe chronic hand eczema) in several European countries[4] and Mexico, the product has been launched in Austria and pre-launch activities have started in Italy. Under the terms of the agreement, Almirall has made a milestone payment of € 5.5 mill to Basilea after the reporting period. A sequential roll-out to other European countries is foreseen during 2011.

Pipeline Progression & 2010 Newsflow

Innovation is a key growth driver of Almirall. The company's pipeline is the result of constant R&D commitment and the addition of in-licensed compounds aiming to develop innovative and distinctive medicines to improve patients' quality of life.

Almirall is making progress with a significant late-stage pipeline that is providing strong *momentum*, especially for linaclotide (IBS-C[5]) and Eklira® (COPD[6]), our most significant compounds in development.

Almirall and Forest Laboratories announced on October 29th top-line results from ACCORD COPD II, a 12-week Phase III study comparing the efficacy and safety of inhaled **aclidinium bromide**, an investigative bronchodilator, to placebo in 544 patients with moderate to severe COPD[6]. This was the second of three double-blind placebo-controlled pivotal Phase III studies investigating twice-daily (BID) aclidinium bromide 200ug and 400ug. The improvement from baseline in FEV1, the primary endpoint, was statistically significant in the 200ug (p=0.019) and 400ug (p=0.001) BID[7] dose groups, however, for the expected therapeutic dose, 400ug, the magnitude of effect compared to placebo, 72 mL, was less than that observed in three other studies; i) the similarly designed ACCORD COPD I Phase III trial reported in January this year, ii) a previously reported 15-day Phase II trial comparing aclidinium 400ug BID[7] to placebo or tiotropium 18ug once daily, and iii) a recently completed 7-day Phase II trial comparing aclidinium 400ug BID[7] to placebo or formoterol. Across these other trials the difference in FEV1 from baseline ranged from 124 mL to 186 mL. Further analyses of the results of the present trial are ongoing. Aclidinium was well tolerated in this study with a profile that was consistent with prior studies.

In addition, a third double-blind placebo controlled trial (ATTAIN) of the 400ug BID[7] aclidinium dose of six months duration assessing efficacy and safety in more than 800 patients with COPD[6] is currently underway with results from that study expected to be available in Q1 2011. The ATTAIN study, if positive, along with the previously reported ACCORD COPD I Phase III trial of aclidinium BID[7], will serve as the core for the monotherapy US and EU filings anticipated in mid-2011.

Also, the fixed dose combination of **aclidinium bromide + formoterol** BID[7] continues as planned and two dose-finding Phase IIb studies are ongoing with top-line results expected at the end of the year. The Eklira® franchise targets a sizable and growing COPD[6] market with needs of user-friendly inhalers as well as medications with better tolerability profiles than current therapeutic options.

The development of **LAS100977 (OD LABA[1]),** combined with an inhaled corticosteroid is another strong asset within the Almirall respiratory franchise, covering a range of treatment options within asthma and COPD[6]. LAS100977 is a highly potent novel once daily LABA that in early Phase II testing demonstrated fast onset, long-lasting (24-hour) efficacy with a very good tolerability profile in patients with asthma.

In Q3, Almirall and Forest presented data from several studies of Eklira® and LAS100977 (OD LABA[1]) at the Annual **ERS** (European Respiratoy Society) meeting that took place in

Barcelona in September 18-22, 2010. Data also included posters on the two inhaled compounds as well as on the Genuair® inhaler.

Linaclotide is a pan-European first-in-class opportunity (licensed from Ironwood) in late stage development in an indication (IBS-C[5]) with high unmet need in which no specific treatments have been approved by the EMA[8].

Recently, positive linaclotide topline results from two pivotal Phase III studies in IBS-C[5] were released. The two co-primary endpoints required by EMA[8] were met in each of the studies, showing statistical significance and sustained clinically relevant improvement for linaclotide-treated patients. All main secondary endpoints were also met, including 26-week endpoints. Safety results were consistent with those observed in previous linaclotide clinical studies, being diarrhea the most prevalent adverse event.

Based on Scientific Advice from the EMA[8], Almirall will utilize the US IBS-C[5] Phase III linaclotide clinical studies as a basis for a Market Authorisation Application. No additional EU Phase III clinical studies are contemplated. Almirall plans to file linaclotide in Europe in the second half of 2011.

Actikerall (LAS41005) is a proprietary new dermatological combination treatment for actinic keratoses (non-melanoma skin cancer) that met all primary and main secondary endpoints in Phase III. This study was recently reported at the 19th Congress of the European Academy of Dermatology and Venerology in Gothenburg (Sweden), September 2010. The product was filed in late 2009 and the regulatory decentralized procedure is expected to be completed during the first half of 2011.

Notes:
[1] OD LABA: Once Daily Long Acting Beta Agonist
[2] DPP-4: Dipeptidyl peptidase 4
[3] Source: IMS January-September 2010
[4] Austria, Belgium, Czech Republic, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovakia and Spain
[5] IBS-C: Irritable Bowel Syndrome with Constipation
[6] COPD: Chronic Obstructive Pulmonary Disease
[7] BID: twice daily
[8] 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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Appendix 1: INCOME STATEMENT Q3 2010

(€ rounded million)	YTD Sep 2010	YTD Sep 2009	% Var.
Net Sales	**676.5**	**701.3**	***(3.5%)***
Gross Profit	**417.0**	**443.3**	***(5.9%)***
% of sales	*61.6%*	*63.2%*	
Other Income	**89.7**	**77.3**	***16.0%***
R&D	**(102.4)**	**(81.5)**	***25.6%***
% of sales	*(15.1%)*	*(11.6%)*	
SG&A	**(259.0)**	**(276.2)**	***(6.2%)***
% of sales	*(38.3%)*	*(39.4%)*	
Other Op. Exp	**1.5**	**(0.5)**	*n.m.*
% of sales	*0.2%*	*(0.1%)*	
EBIT	**146.8**	**162.4**	***(9.6%)***
% of sales	*21.7%*	*23.2%*	
Depreciation	**46.0**	**47.9**	***(4.0%)***
% of sales	*6.8%*	*6.8%*	
EBITDA	**192.8**	**210.3**	***(8.3%)***
% of sales	*28.5%*	*30.0%*	
Sale of non current assets / Other	0.0	20.5	*(100.0%)*
Impairment reversals / (losses)	(1.0)	4.0	*(125.0%)*
Net financial income / (expenses)	(9.4)	(14.8)	*(36.5%)*
Corporate Income Tax	(15.4)	(31.4)	*(51.0%)*
Net income	**121.0**	**140.7**	***(14.0%)***
Normalized Net Income	**121.9**	**127.0**	***(4.0%)***
Earnings per share (€) [(1)]	0.73 €	0.85 €	
Normalized Earnings per share (€) [(1)]	0.73 €	0.76 €	
Nu. of employees end of period	3,022	3,243	(6.8%)

[(1)] Number of shares at the end of the period

n.m.: non meaningful

Appendix 2: BALANCE SHEET Q3 2010

(€ rounded million)	September 2010	% of BS	December 2009
Goodwill	272.1	18.1%	272.7
Intangible assets	378.3	25.2%	352.8
Property, plant and equipment	157.0	10.5%	169.1
Financial assets	10.0	0.7%	10.8
Other non current assets	179.4	11.9%	173.6
Total Non Current Assets	**996.8**	**66.4%**	**979.0**
Inventories	97.4	6.5%	97.7
Accounts receivable	109.9	7.3%	120.4
Cash & equivalents	285.4	19.0%	259.7
Other current assets	12.6	0.8%	26.2
Total Current Assets	**505.3**	**33.6%**	**504.0**
Total Assets	**1,502.1**		**1,483.0**
Shareholders equity	819.4	54.6%	751.0
Financial debt	278.4	18.5%	265.7
Non current liabilities	210.5	14.0%	228.4
Current liabilities	193.8	12.9%	237.9
Total Equity and Liabilities	**1,502.1**		**1,483.0**

Appendix 3: CASH FLOW Q3 2010

(€ rounded million)	YTD Sep 2010	YTD Sep 2009
Profit Before Tax	**136.4**	**172.0**
Depreciation and amortisation	46.0	47.9
Change in working capital	(1.8)	(49.8)
Other adjustments	(44.6)	(11.2)
Cash Flow from Operating Activities (I)	**136.0**	**158.9**
Financial Income	2.3	1.8
Investments	(60.4)	(55.0)
Divestments	0.7	19.4
Other cash flows	0.5	(1.1)
Cash Flow from Investing Activities (II)	**(56.9)**	**(34.9)**
Finance Expense	(12.7)	(14.8)
Dividends distribution	(55.1)	(52.5)
Debt increase/ (decrease)	15.2	(28.6)
Other cash flows	(0.7)	(4.1)
Cash Flow from Financing Activities	**(53.3)**	**(100.0)**
Cash Flow generated during the period	**25.8**	**24.0**
Free Cash Flow (III) = (I) + (II)	**79.1**	**124.0**

Appendix 4: GEOGRAPHIC SALES SEGMENTATION Q3 2010

(€ rounded million)	YTD Sep 2010	YTD Sep 2009	% Var.
Spain	383.0	401.4	*(4.6%)*
Europe & Middle East	218.9	216.9	*0.9%*
America, Africa & Asia Pacific	52.1	55.2	*(5.9%)*
Corporate	22.5	27.6	*(18.5%)*
Total	**676.5**	**701.3**	***(3.5%)***

Appendix 5: CORE PRODUCT SALES Q3 2010

(€ rounded million)	YTD Sep 2010	YTD Sep 2009	% Var.
Ebastel® and others (*ebastine)*	93.3	94.2	*(0.9%)*
Prevencor® (*atorvastatin*)	62.4	87.1	*(28.4%)*
Esertia® (*escitalopram*)	50.4	48.1	*4.9%*
Plusvent® (*salmeterol & fluticasone*)	45.4	44.4	*2.3%*
Almogran® *(almotriptan)*	38.6	39.6	*(2.6%)*
Parapres® (*candesartan cilexetile*)	35.7	32.3	*10.7%*
Airtal® and others *(aceclofenac)*	29.5	32.7	*(9.6%)*
Opiren® (*lansoprazole*)	25.8	26.1	*(1.0%)*
Dobupal® (*venlafaxine*)	23.8	26.0	*(8.6%)*
Solaraze® (*diclofenac sodium*)	18.6	17.1	*9.2%*
Tesavel® (*sitagliptin*) + Efficib® (*sitagliptin+metformin*)	17.6	6.3	*177.7%*
Almax® (*almagate*)	16.4	16.3	*0.8%*
Balneum® (*soya oil*)	13.8	13.0	*5.6%*
Pantopan® (*pantoprazole*)	13.6	15.4	*(11.6%)*
Decoderm Tri® *(flupredniden*)	11.4	10.1	*11.9%*
Other	180.2	192.7	*(6.5%)*
Total	**676.5**	**701.3**	***(3.5%)***

Appendix 6: NET SALES BY THERAPEUTIC AREA Q3 2010

(€ rounded million)	YTD Sep 2010	YTD Sep 2009	% Var.
Respiratory	146.0	146.3	*(0.2%)*
CNS	127.0	126.8	*0.1%*
Cardiovascular	122.9	142.7	*(13.9%)*
Gastrointestinal	117.5	106.2	*10.7%*
Dermatology	92.0	86.2	*6.8%*
Osteomuscular	48.5	53.7	*(9.6%)*
Urological	12.9	14.9	*(13.6%)*
Other ther. specialties	9.7	24.5	*(60.5%)*
Total	**676.5**	**701.3**	***(3.5%)***