

## Q3 results: Almirall prepares for future growth

Barcelona, 14 November 2011

- On track to achieve profit guidance.
- Strong balance sheet, estimated net cash by year end.
- Excellent free cash flow generation.
- Acridinium bromide monotherapy submitted for approval in EU and US and its combination with formoterol has started phase III.
- Linaclotide submitted for approval in EU.
- Six recent product launches contributing to rejuvenate Almirall's portfolio.

### Financial highlights (€ rounded million)

	YTD Sep 2011	YTD Sep 2010	Variation
Net Sales	591.9	676.5	(12.5%)
EBIT	101.1	146.8	(31.1%)
EBITDA	148.0	192.8	(23.2%)
Normalized Net income	93.7	121.9	(23.1%)
Free Cash Flow	94.8	79.1	19.8%

### Eduardo Sanchiz, Chief Executive Officer, said:

*"In a challenging environment we maintain solid financial fundamentals. We are highly focused on cost management and in the growth of our International business.*

*The recent corporate development agreements are accelerating their contribution to our revenues as a new product cycle is unfolding and rejuvenating our portfolio.*

*Now is time to ensure that the anticipated forthcoming launches (acridinium and linaclotide), with unprecedented sales potential for Almirall, are optimally promoted.*

*To take Almirall to the next level our mid-term planning is focused upon dealing with the current market challenges and ensuring that we leverage the potential of our different growth platforms."*

**Barcelona, 14<sup>th</sup> November 2011.**– Almirall, the international pharmaceutical company based in Barcelona (Spain), announced results as of September 30, 2011.

## **Financial Results**

Almirall is on track to attain its profit guidance in a challenging environment.

**Sales** reached € 591.9 MM still reflecting the impact of the 2010 reforms and generic competition. The core international business is growing well.

**Gross Profit** stood at € 371.0 MM and represents a margin of 62.7%. It has significantly improved by 110bps, mainly driven by the greater proportion of proprietary drugs sold.

**R&D Expenses** were € 97.3 MM, representing 16.4% of sales and already reflecting the start of the phase III of aclidinium bromide + formoterol combination for COPD<sup>1</sup> treatment.

**SG&A** (Selling, general and administrative) expenses were € 250.0 MM and this is on track to achieve the targeted € 7 MM savings this year.

**Normalized Net Income** of € 93.7 MM is within guidance.

The strong financial fundamentals continue. Almirall maintains a very solid balance sheet with **intact net leverage capacity** and the company estimates net cash by year end.

The **solid Free Cash Flow** generated during the period reached € 94.8 MM and has improved by 20% vs. the same previous period of 2010.

Almirall's financial performance during the first three quarters is progressing within expectations and the company expects to achieve the profit guidance announced in October.

## **Pipeline with significant upside**

Almirall's pipeline is on track and progressing as expected with newsflow delivered as planned.

**Aclidinium bromide monotherapy** in the Almirall's Genuair<sup>®</sup> inhaler, a novel, 2-step, patient friendly, has been presented for registration in the US and EU for moderate to severe COPD .

**Linacotide**, a pan-European first-in-class opportunity in the IBS-C<sup>2</sup> indication with high unmet needs in which no specific treatments have been approved by the EMA<sup>3</sup> yet, has also been submitted for approval in Europe in Q3 2011.

Both submissions have been validated and regulatory feedback is expected during 2012.

Almirall's respiratory franchise continues to evolve. The phase III combination of **aclidinium bromide + formoterol** BID<sup>4</sup> in COPD has started with clinical trials conducted globally to satisfy requirements from both, European and North American regulatory authorities.

Two additional compounds are progressing in phase III: LAS41007 for non melanoma skin cancer and Sativex<sup>®</sup> in oncological pain.

## Almirall's growth platforms

Recent product launches like **Tesavel**<sup>®</sup>, **Efficib**<sup>®</sup>, **Actikerall**<sup>®</sup>, **Sativex**<sup>®</sup>, **Silodyx**<sup>®</sup> and **Toctino**<sup>®</sup>, are evolving positively and contributing to the rejuvenation of Almirall's portfolio, adding to accumulated sales more than € 34 MM as of the end of Q3. This contribution is expected to accelerate and will be reinforced by the forthcoming launch of Solaraze<sup>®</sup> in Spain before the end of this year.

There are ongoing price and reimbursement conversations with authorities for Toctino<sup>®</sup> which roll-out Almirall plans to continue during 2012.

**Sativex**<sup>®</sup> has already been launched by Almirall in Spain, Germany and Denmark and four additional countries, Austria, Czech Republic, Italy and Sweden will be added during 2012. A second Mutual Recognition Procedure (MRP)<sup>5</sup> wave is expected before the end of 2011. Almirall holds EU commercial rights for the product except in UK.

The expected regulatory feedback for acridinium bromide and linaclotide, that target areas with unmet needs and offer differentiation vs. current therapies, represents a new possibility for patients and physicians as well as an unprecedented commercial opportunity for Almirall. It is estimated that these medicines could reach the market during the first half 2013 and could provide significant transformation to the company and to its International footprint.

## Strategic considerations

Almirall's strategic priorities include:

- Drive growth of recent product additions, as well as preparing effectively for launch of the key three growth platforms (acridinium bromide, linaclotide and Sativex<sup>®</sup>).
- Preparing the organization for growth, realigning teams to reach the next level whilst maintaining a continuous cost focus.
- Managing the P&L transition in the current challenging environment whilst ensuring appropriate investment to leverage potential transformational opportunities.

---

### Notes:

<sup>1</sup> COPD: Chronic Obstructive Pulmonary Disease

<sup>2</sup> IBS-C: Irritable Bowel Syndrome with Constipation

<sup>3</sup> EMA: European Medicines Agency

<sup>4</sup> BID: twice daily

<sup>5</sup> MRP: The Marketing Authorisation for a medicine in a European member state acting as Reference Member State derives in an approval procedure extended to other state members.

### Disclaimer

*This document includes only summary information and does not intend to be comprehensive. Facts, figures and opinions contained herein, other than historical, are "forward-looking statements". These statements are based on currently available information and on best estimates and assumptions believed to be reasonable by the Company. These statements involve risks and uncertainties beyond the Company's control. Therefore, actual results may differ materially from those stated by such forward-looking statements. The Company expressly disclaims any obligation to review or update any forward-looking statements, targets or estimates contained in this document to reflect any change in the assumptions, events or circumstances on which such forward-looking statements are based unless so required by applicable law.*

**About Almirall**

Almirall is an international pharmaceutical company based on innovation and committed to health. Headquartered in Barcelona, Spain, it researches, develops, manufactures and commercializes 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), gastrointestinal disorders, 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: [www.almirall.com](http://www.almirall.com)

More information:

**Ketchum Pleon (media):**

Sonia San Segundo/Mónica Escusa  
Tel. +34 91 788 32 00  
sonia.sansegundo@ketchumpleon.com  
monica.escusa@ketchumpleon.com

**Investor Relations (investors and analysts):**

Jordi Molina  
Tel. +34 93 291 3087  
jordi.molina@almirall.com