



Almirall

Solutions with you in mind

Q2/H1 2008
Financial Results
and Business Update

August 28th, 2008

Disclaimer

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Positive Q2/H1 2008 Financial Results

Sound performance, guidance update

- Net Sales show a positive growth YTD versus last year **(+13,3%)**
- Strong performance in Other Income **(+27,4%)** and EBITDA **(+16,9%)**.
- Solid Cash Flow generation from Operating Activities **(€120,1 million)**.
- Management updates financial guidance for 2008.

€Thousand	YTD H1 08	YTD H1 07	% var YTD H1 08 vs 07
Net Sales	467.937	412.890	13,3%
Other Income	78.874	61.892	27,4%
EBITDA	138.124	118.155	16,9%
Net income	85.524	92.987	-8,0%
Normalized Income	86.356	92.987	-7,1%
Nu. of employees end of period	3.401	2.958	15,0%

Net Sales breakdown by Business

Growing internationally

Net Sales breakdown by Distribution Channel

€thousand	YTD June 2008	YTD June 2007	% Variation
Own sales Network (Spain)	277.387	272.171	1,9%
Own sales Network (other countries)	139.961	90.574	54,5%
Marketing with licensees	32.170	41.929	-23,3%
Corporate	18.419	8.216	124,2%
Total	467.937	412.890	13,3%

Highlights

- International affiliates boosted by the incorporation of Hermal and Shire businesses.
- Slight growth of Spanish sales.
- Sales to licensees in Japan (Ebastine) and US (Almotriptan) affected by seasonality and stock adjustments.
- Corporate business includes toll manufacturing from Hermal acquisition.

Net Sales breakdown by Region

Growing internationally

Net Sales breakdown by Geographic Area

€thousand	YTD June 2008	YTD June 2007	% Variation
Spain	277.387	272.171	1,9%
Europe & Middle East	139.002	84.768	64,0%
America, Africa & Asia Pacific	33.129	47.735	-30,6%
Corporate	18.419	8.216	124,2%
Total	467.937	412.890	13,3%

Highlights

- Europe and Middle East sales boosted by the incorporation of Hermal and Shire businesses.
- Lower AAA sales driven by Mexico, Japan and US.

Net Sales breakdown by Top 10 Products

€thousand	YTD June 2008	YTD June 2007	% Variation
Ebastine	59.768	64.925	-7,9%
Atorvastatine (<i>Prevencor</i>)	51.714	46.154	12,0%
Salmeterol & Fluticasone (<i>Plusvent</i>)	31.517	33.308	-5,4%
Aceclofenac (<i>Airtal</i>)	26.708	26.909	-0,7%
Venlafaxine (<i>Dobupal</i>)	26.441	24.666	7,2%
Almotriptan	21.690	29.124	-25,5%
Escitalopram (<i>Esertia</i>)	27.237	24.529	11,0%
Candesartan (<i>Parapres</i>)	20.417	17.916	14,0%
Lansoprazole (<i>Opiren</i>)	17.941	16.965	5,8%
Almagate (<i>Almax</i>)	11.219	12.655	-11,3%
Other	173.285	115.740	49,7%
Total	467.937	412.890	13,3%

Highlights

- Stable sales of top ten products in absolute value.
- Excellent evolution of atorvastatine (*Prevencor*), candesartan (*Parapres*) and escitalopram (*Esertia*).
- Ebastine relative recovery vs. Q1 (-13%) despite a worse allergy season compared to 2007.
- Almotriptan sales eroded by lower orders from J&J (US) mainly linked to stock adjustments, while maintaining stable local sales.

Net Sales breakdown by Therapeutic Area

€thousand	YTD June 2008	YTD June 2007	% Variation
Respiratory	96.698	105.378	-8,2%
CNS	89.358	92.373	-3,3%
Cardiovascular	88.412	81.623	8,3%
Digestive	67.877	66.200	2,5%
Dermatology	49.474	5.144	861,8%
Osteomuscular	43.193	39.795	8,5%
Urological	11.883	10.763	10,4%
Oncology	1.976	2.392	-17,4%
Other ther. specialties	4.641	4.317	7,5%
Miscellaneous	14.426	4.904	194,2%
Total	467.937	412.890	13,3%

Highlights

- Dermatology sales raised by the incorporation of Shire and Hermal portfolios.
- Lower respiratory and CNS sales.

Income Statement

€Thousand	YTD H1 08	YTD H1 07	% var YTD H1 08 vs 07
Net Sales	467.937	412.890	13,3%
Gross Profit	294.679	264.672	11,3%
% of sales	63,0%	64,1%	
Other Income	78.874	61.892	27,4%
R&D	-64.269	-48.502	32,5%
% of sales	-13,7%	-11,7%	
SG&A	-202.808	-174.656	16,1%
% of sales	-43,3%	-42,3%	
EBIT	106.371	103.807	2,5%
% of sales	22,7%	25,1%	
EBITDA	138.124	118.155	16,9%
% of sales	29,5%	28,6%	
Sale of noncurrent assets / Other	948	-34	n.m.
Net financial income / (expenses)	-9.337	8.810	n.m.
Tax	-12.458	-19.596	-36,4%
Net income	85.524	92.987	-8,0%
Normalized Income	86.356	92.987	-7,1%
Earnings per share (€) ⁽¹⁾	0,51 €	0,56 €	
Nu. of employees end of period	3.401	2.958	15,0%

⁽¹⁾Number of shares after IPO

Highlights

- Sales improvement driven by Hermal and Shire's portfolio acquisitions.
- Other Income increase related to Forest contributions to AB and J&J payment (almotriptan).
- Relevant R&D expense growth reflecting pipeline progression.
- Strong EBITDA growth linked to the incorporation of new businesses.
- Net Income erosion, as H1 2007 was highly favoured by the sale of financial assets and H1 2008 includes amortizations and financial expenses.
- SG&A, excluding D&A, has increased approximately 7% (H1 2008 vs H1 2007).

Balance Sheet

€Thousand	June 30 2008	% of BS	Dec 31 2007
Goodwill	273.861	20,1%	274.258
Intangible assets	364.475	26,8%	383.448
Property, plant and equipment	175.020	12,8%	179.340
Financial assets	9.450	0,7%	6.298
Other non current assets	147.763	10,8%	144.159
Total Non Current Assets	970.569	71,2%	987.503
Inventories	112.083	8,2%	112.851
Accounts receivables	127.501	9,4%	106.982
Cash & equivalents	128.337	9,4%	189.950
Other current assets	23.943	1,8%	41.823
Total Current Assets	391.864	28,8%	451.606
Total Assets	1.362.433		1.439.109
Shareholders equity	608.995	44,7%	573.655
Financial debt	356.439	26,2%	466.208
Other non current liabilities	185.671	13,6%	187.358
Other current liabilities	211.328	15,5%	211.888
Total Equity and Liabilities	1.362.433		1.439.109

Highlights

- Increase of accounts receivable, linked to the Hermal, Shire's portfolio acquisition and new affiliates.
- Debt reduction in € 110 MM in Q2.

Cash Flow

€Thousand	YTD June 2008	YTD June 2007
Profit Before Tax	97.982	112.583
Depreciation and amortisation	31.753	14.348
Change in working capital	-27.313	-66.462
Other adjustments	17.699	-20.384
Cash Flow from Operating Activities	120.121	40.085
Finance Income	3.917	13.620
Investments	-13.565	-26.693
Divestments	2.326	44.495
Changes in scope of consolidation	0	0
Other cash flows	582	6.779
Cash Flow from Investing Activities	-6.740	38.201
Finance Expense	-13.360	-4.810
Dividends distribution	-52.482	-420.000
Capital increase/ (decrease)	0	106.510
Debt increase/ (decrease)	-109.769	205.491
Other cash flows	617	-12.346
Cash Flow from Financing Activities	-174.994	-125.155
Cash Flow generated during the year	-61.613	-46.869

Highlights

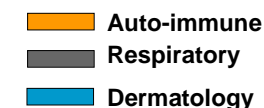
- Cash Flow from Operating Activities improved due to D&A (linked to 2007 acquisitions) and better working capital management.
- Tight Capex management.
- Cash Flow from Investing Activities decreased, as H1 2007 was favoured by the sale of financial assets.
- Debt reduction of €110 MM.

Q2 2008 vs Q2 2007

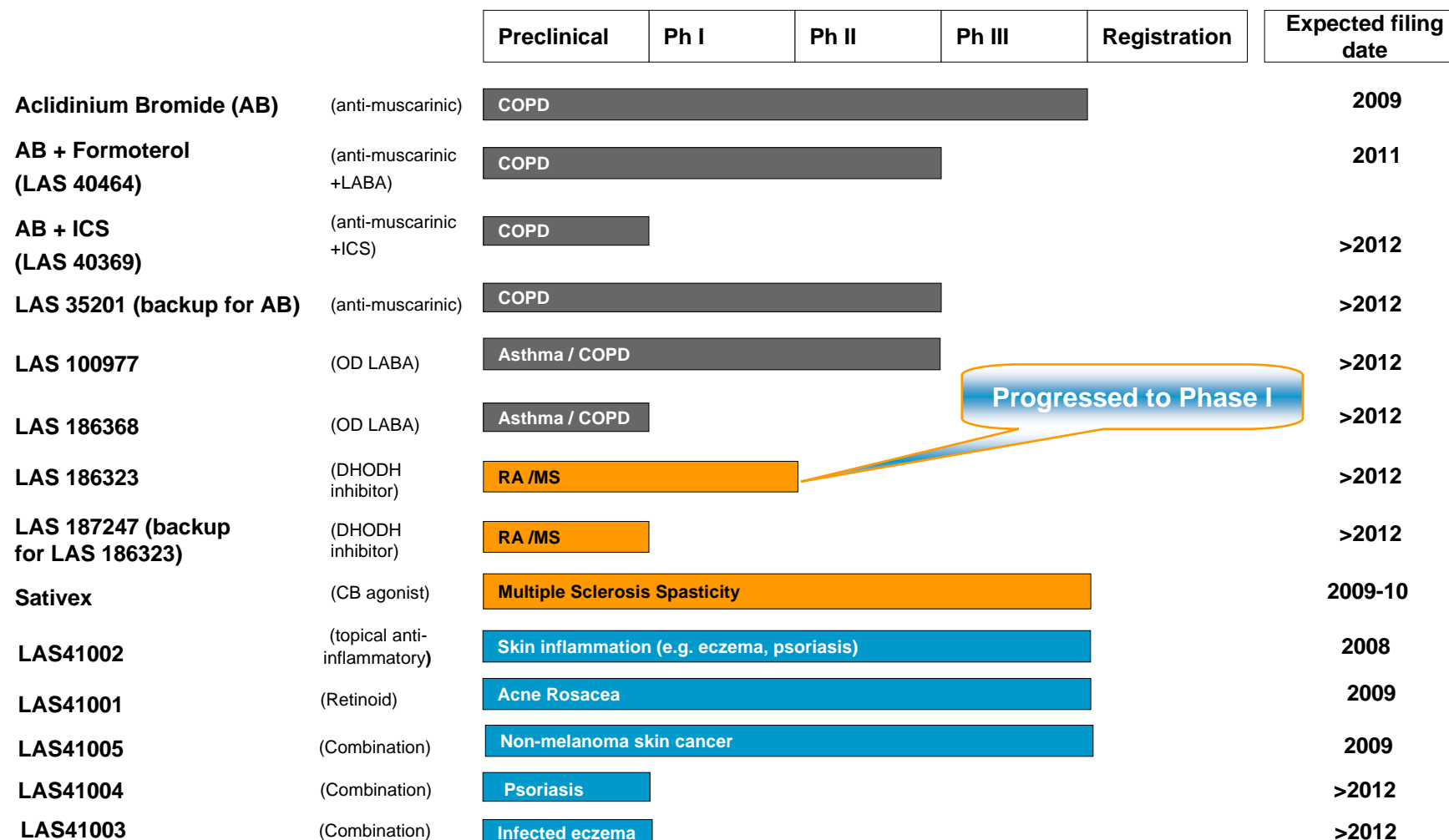
Strong quarterly performance

€Thousand	2Q 08	2Q 07	% var 2Q 08 vs 2Q 07
Net Sales	229.548	199.275	15,2%
Gross Profit	142.588	125.744	13,4%
% of sales	62,1%	63,1%	
Other Income	48.033	38.615	24,4%
R&D	-32.918	-26.614	23,7%
% of sales	-14,3%	-13,4%	
SG&A	-108.696	-88.196	23,2%
% of sales	-47,4%	-44,3%	
% of sales	0,2%	-0,2%	
EBIT	49.436	49.246	0,4%
% of sales	21,5%	24,7%	
Depreciation	15.720	6.437	144,2%
% of sales	6,8%	3,2%	
EBITDA	65.156	55.683	17,0%
% of sales	28,4%	27,9%	
Sale of noncurrent assets /			
Other	153	-40	n.m. ^(*)
Net financial income /			
(expenses)	-3.279	-492	566,5%
Tax	-6.078	-5.214	16,6%
Net income	40.232	42.744	-5,9%
Normalized Income	40.868	42.744	-4,4%

A transformational pipeline on track



Pipeline Status (the right end of each bar represents status of development as of Aug 28th'08)



Almirall Q2 Newsflow

Pipeline moving forward. Acclidinium Bromide on due track – Phase III topline data in Q3.

R&D

- April 22 –Successful completion of a "Proof of Concept" study for a new once daily inhaled Long Acting Beta Agonist (LABA) demonstrating 24 hour efficacy. LAS100977 is the lead compound in Almirall's once daily LABA program for asthma /COPD.
- May 20 – Acclidinium Bromide. Conclusions of the 4 clinical posters presented at ATS :
 - Phase I and II clinical studies consistently demonstrated that acclidinium produces bronchodilation for at least 24 hours.
 - Acclidinium showed no prolongation of the QT interval.
 - Acclidinium was well tolerated with minimal anticholinergic side-effects, this is likely to be due to the low and transient systemic exposure.
 - Acclidinium 200 µg was the dose selected to move into Phase III.
- Early Q3 – ACCLAIM/COPD I&II (**AC**clidinium **CL**inical Trial **A**ssessing Efficacy and Safety In **M**oderate to Severe COPD Patients) studies were completed in July when the last patients finished treatment in both of these pivotal Phase III studies. Preliminary, topline data expected during Q3.

Almirall Q2 Newsflow

New affiliates created. 40% Dividend paid.

Operations





- During Q2 the Integration Teams from both Hermal and Shire Portfolio acquisitions were dissolved.
- April 29 - Creation of a new affiliate in Poland with a staff of 23 people and its sales income in 2008 is estimated to reach over 5 million euros.
- April 29 - Consolidation of a commercial business unit in Switzerland.

Financials

- April 10 - € 17MM payment from J&J linked to Almotriptan sales in U.S. (Other Income)
- May 24 - 40% Dividend paid.

Moving forward in 2008

Financial guidance updated

- Group sales expected to grow at low double digit.
- International Sales expected to account c. 40-45%.
- Gross Margin to improve as percentage on sales. 
- Other Income growth by aprox. 25%. 
- R&D expense expected to grow by aprox. 20%. 
- EBITDA growth by aprox. 30%. 
- Depreciation and amortization to nearly double due to recent acquisitions.

Moving forward in 2008

R&D: 2008 outlook (I)

- **Aclidinium monotherapy:** Phase III Program completing

- Top line data to be available and presented in Q3.

On track

- Industrialization of device and product well under way.

Done

- **ATS, May 08: 8 abstracts presented.**

Confirmed date : Oct 6th

Key catalysts:

- **ERS (Berlin), October 08 : abstracts + satellite symposium:**

- **Clinical data:** efficiency of Almirall Inhaler in delivering drug into the lungs.
 - **Non-clinical data:** fast onset and long duration of action, improved safety profile.
 - **Device:** Almirall Inhaler, a reliable and precise technology.

Moving forward in 2008

R&D: 2008 outlook (II)

- **Aclidinium combinations:**

- **Formoterol Combination** Phase II ongoing.
- **ICS Combination:** Formulation development completed, Phase I/II start 2nd Half.

On track

Reiterated

- **OD LABA (LAS 100977):**

- Phase IIa PoC data available Q2.

Done

About Almirall

Almirall - Growth, innovation and financial performance

Corporate profile and key facts

Headquarters



R&D Centre



- **A growing R&D-driven pharma company listed in 2007**
 - Founded in 1943. Headquartered in Barcelona, Spain. c 3,400 people worldwide.
 - # 1 Spanish pharma, #3 in Spanish market.
 - Diversified, branded and patented product portfolio.
- **A fully integrated company with a solid, expanding international business**
 - Own affiliates in 11 countries, proprietary products present in more than 70 countries.
 - Recognized partnerships (Pfizer, GSK, J&J, Forest, Dainippon, Takeda, Nycomed).
 - Comprehensive manufacturing capabilities.
 - Two paneuropean acquisitions after IPO in 2007, four new affiliates created in 2008.
- **A successful and focused R&D strategy that balances risk and return**
 - 40 years of R&D tradition, successful approval of proprietary products in the US, UK and Japan in the last 20 years.
 - Blockbuster potential of Acridinium Bromide franchise.
 - Research focus : respiratory diseases (Asthma and COPD), autoimmune diseases (RA, MS and Psoriasis) and dermatology.
- **Solid financial performance in a challenging environment**
 - €917 MM Total Revenues (+7,4%), €792,5 MM Sales (+4,5%), €170,3 MM EBITDA (+18,3%) and strong Cash Flow from Operating Activities €179 MM (+9,1%) in 2007.
 - Net Debt x 1,8 EBITDA as of Dec 31st 2007 – Capability for non-organic growth.
 - Intended payout policy : 35-40% (40% dividend paid in 2008).

Contact details

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