



Solutions with you in mind

Annual Report **2008**

2008, a year of growth for Almirall...

- Solid financial results in line with guidance and market consensus.
- Strong growth in sales (+14%) driven by international expansion.
- Integration of the acquisitions made in 2007, synergies implemented.
- Two new license-in agreements.
- New clinical trials for acclidinium bromide scheduled for 2009.
- Positive results for LAS100977 (OD LABA).
- Filing of two dermatological products.
- Dividend proposal of 38.6% to the Annual General Meeting.

... in line with our strategic goals:

- ✓ Leveraging own R&D
- ✓ Growing internationally
- ✓ Maintaining our leadership in Spain

Strategic position

- R&D driven company, focused on innovation.
- #1 Spanish pharma, #1 dermatology pharma in Germany and #7 across Europe.
- A well diversified product portfolio.

Growth potential

- Broadest and deepest pipeline in company history.
- Derma pipeline and portfolio roll out.
- Explore leveraging value from *Genuair*® inhaler.

Capabilities / Opportunities

- R&D capabilities in respiratory, autoimmune and dermatological therapeutic areas.
- Presence in major Europe.
- Strong cash flow generation and solid balance sheet.

Net Sales
(in million euros)

€ 902.8
+13.9%

Other Income
(in million euros)

€ 153.1
+22.6%

Total Revenue
(in million euros)

€ 1,055.9
+15.1%

2008 Income Statement

(rounded to nearest € million)

	2008	2007
Net Sales	902.8	792.5
% change	13.9%	4.5%
Gross Profit	569.4	484.6
% sales	63.1%	61.2%
Other Income	153.1	124.9
EBITDA	230.0	170.3
% sales	25.5%	21.5%
Depreciation and amortisation	63.3	36.0
EBIT	166.7	134.3
% sales	18.5%	16.9%
Net Income	136.1	131.2
% sales	15.1%	16.6%
Normalised Net Income	142.5	134.6
% sales	15.8%	17.0%

EBITDA
(in million euros)

€ 230.0
+35.0%

EBIT
(in million euros)

€ 166.7
+24.1%

Normalised Net Income
(in million euros)

€ 142.5
+5.8%

EPS*
(in euros)

€ 0.82
+3.8%

Financial Debt
(in million euros)

€ 321.0

Net Financial Debt**
(in million euros)

€ 167.8
(x 0.73 EBITDA 2008)

Cash Flow from
Operating Activities
(in million euros)

€ 233.1
+30.2%

* Earnings per Share

** Financial Debt (€321m) – Cash and Equivalents (€186.1m) + Pension liabilities (€32.9m) = €167.8m

2008 Balance Sheet

(rounded to nearest € million)

	2008	% of total	2007
Goodwill	273.5	19.6%	274.3
Intangible Assets	342.7	24.5%	383.4
Property, Plant and Equipment	175.7	12.6%	179.3
Financial Assets	3.9	0.3%	6.3
Other Non-Current Assets	165.3	11.8%	144.2
Total Non-Current Assets	961.1	68.8%	987.5
Inventories	112.5	8.1%	112.8
Accounts Receivables	107.9	7.7%	107.0
Cash and Equivalents	186.1	13.3%	190.0
Other Current Assets	28.8	2.1%	41.8
Current Assets	435.3	31.2%	451.6
Total Current Assets	1,396.4		1,439.1
Shareholders Equity	653.0	46.8%	573.7
Financial Debt	321.0	23.0%	466.2
Other Non-Current Liabilities	183.3	13.1%	187.4
Other Current Liabilities	239.1	17.1%	211.8
Total Equity and Liabilities	1,396.4		1,439.1

2008 Cash Flow

(rounded to nearest € million)

	2008	2007
Profit Before Tax	144.7	129.2
Depreciation and Amortisation	63.3	36.0
Change in Working Capital	16.2	-26.8
Other Adjustments	8.9	40.6
Cash Flow from Operating Activities	233.1	179.0
Financial Income	6.8	21.3
Investments	-24.0	-582.3
Divestments	2.9	108.9
Changes in scope of consolidation	0.0	-85.9
Other Cash Flows	0.0	6.7
Cash Flow from Investment Activities	-14.3	-531.2
Cash Flow from Financing Activities	-222.7	120.7
Cash Flow generated during the period	-3.9	-231.5
Free Cash Flow	218.8	-352.2



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Message from the Chairman and CEO



2008 has been a year of growth for Almirall. Among our most notable achievements were strong financial results, full integration of the businesses acquired in 2007, two major licensing agreements in Spain and substantial progress in our R&D pipeline.

As far as Financial Results are concerned, we met the targets we had set, in line with the annual guidance provided and with market consensus.

Total Revenues (Net Sales + Other Income) were in excess of €1,056m (+15.1%). R&D expenditure rose by 14%, a positive indicator of the progress made in our R&D pipeline. The cost-containment measures contributed to substantial improvements in EBIT (+24%), EBITDA (+35%) and Normalised Net Income (+5.8%).

Cash Flow from Operating Activities reached €233m (+30%), while the Net Financial Debt was lowered to €168m (0.73 times EBITDA 2008), meaning our balance sheet as at December 31st leaves us in a strong position to finance new corporate development projects. These robust results will allow us to propose a dividend of 38.6% to the Annual General Meeting due to be held on May 22nd 2009.

During 2008 Almirall has successfully integrated the acquisitions made in 2007, Hermal and a portfolio of eight products from Shire. Both these operations have enhanced the pan-European footprint of Almirall, increasing our presence in key countries with the opening of new affiliates in the United Kingdom-Ireland, Austria, Poland and Switzerland. As a result, international sales now account for 40% of the company's total sales.

In Spain, we have maintained our leadership position as the No. 1 Spanish pharmaceutical company, with sales of €534m, up 2.4% on 2007. In terms of corporate development, in 2008 Almirall signed two licensing agreements for Tesavel (sitagliptin) and Astucor (amlodipine + atorvastatin). Tesavel is a novel drug for treatment of type-2 diabetes, while Astucor is indicated for cardiovascular prevention in patients with hypertension and associated cardiovascular risk factors. Both these products, which have already been launched in the market, will further strengthen the position of Almirall over the next few years.

The performance of Almirall's product portfolio reflects the strength of our core business. Our ten leading products have proved their stability with 2.1% growth. We also have a well-balanced, diversified product portfolio which is not overexposed to any particular product.

2008 has been a year of growth for Almirall. We have achieved positive financial results in line with the guidance provided and market consensus.

Almirall has increased its global reach. Currently, we are among the world's top 62 laboratories in terms of sales and at European level we are among the 35 largest pharmaceutical companies. Our products are sold in more than 70 countries in all five continents.

In 2008 Almirall's proprietary drugs accounted for 45% of Net Sales. In Spain, we hold a leading position among the pharmaceutical companies operating in this country with a market share of over 5%. We intend to maintain this leadership position.

As a company, we are firmly committed to R&D. For this reason, R&D resources have grown up to €139m, very much in line with the increase in sales (+14.1%). This reflects the progress of our pipeline in 2008. This figure accounts for 15.4% of the company's net sales, which is in line with the previous year.

These resources were primarily aimed at advancing innovative drugs, especially respiratory drugs. Acclidinium bromide showed improvements in the lung function and was well tolerated in Phase III, with a desirable risk/benefit profile. New clinical trials will begin in 2009 to reinforce the selection of dose regimens. In 2008, LAS100977 for the treatment of asthma and Chronic Obstructive Pulmonary Disease (COPD) obtained very positive results in Phase II. These two projects are the most advanced within our respiratory pipeline and are being developed with our Genuair® inhaler.

In addition, specific dermatology projects made significant progress in 2008, with two compounds being filed for registration: LAS41001 for acne rosacea and LAS41002 for skin inflammation.

In summary, 2008 has been a year of growth for Almirall. We have been consistent with our strategic objectives: leveraging R&D, growing internationally, and maintaining our leadership position in Spain. Our goal for 2009 is to further advance these strategic objectives. For this year, we are confident that our performance will allow us to achieve a single digit growth in sales, EBITDA and Normalised Net Income. Other priorities for 2009 include partnering out acclidinium bromide and LAS100977 in key geographies and continuing with the evaluation of selected acquisition opportunities.

These are times of change, but also of opportunities. We will focus our efforts on delivering the best performance in our daily activities, with a view to identifying new opportunities and transforming them into value for our shareholders.



Jorge Gallardo
Chairman and CEO





Mission-Vision, Corporate Values and Strategic Goals

Our strategic goals are: leveraging R&D, growing internationally and maintaining our leadership in Spain.



Mission-Vision

The principles of our company

We specialise in researching, developing, producing and marketing both proprietary and licensed drugs with the aim of improving people's health and well-being.

We dedicate substantial human and financial effort to constantly researching new drugs and obtaining efficacious and safe products against illness and disease. To attain these goals, we work every day to promote a corporate culture based on professionalism and teamwork.

Almirall defines its lines of action according to its Mission-Vision the key pillars that underpin the company's daily activities and guide us into the future.

- **Contribution to society**
To research and develop top quality products and services which add value to society, in order to satisfy health requirements by solving medical, social and economic problems.
- **Position as a pharmaceutical company**
From our leadership positioning in Spain to consolidate our international presence, particularly in Europe, as a company of reference in the pharmaceutical sector.
- **Values that govern our lines of action**
To encourage a corporate culture based on professional attitudes and teamwork so that individual and collective efficiency represent a competitive advantage.

At Almirall, as a leading pharmaceutical company committed to healthcare, we have a team of highly qualified professionals both in Europe and in Latin America. We know that our people are key to our success.

Almirall's culture is based on effort, personal development and constant improvement. Almirall recognises the talent and skills of its people and has an inclusive, respectful approach to difference. It is the people who carry out the work, and, therefore, they alone can adopt a particular philosophy and add their own touch to their work.

Our aim is to provide society with high added-value products and services to satisfy healthcare needs.

Corporate values **The essence of our culture**

Corporate values lie at the heart of Almirall's work ethic and inspire both the attitude and behaviour of employees in their everyday tasks based on a series of common guidelines.

Professionalism

Acting with responsibility, accuracy and efficiency.

Innovation and creativity

Working with initiative to create systems that enable us to improve the results of our daily work.

Effectiveness and agility

Concentrating our efforts on work processes which add value to overall results.

Teamwork

Cooperating with colleagues, meeting obligations in every area of the company.

Leadership

Supporting and encouraging work by empowering professional growth through participation and confidence in new professional challenges.

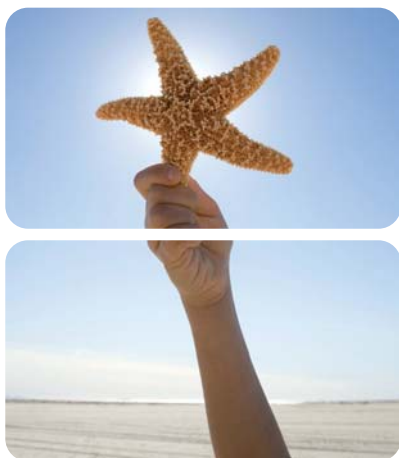
Customer focus

Working with an attitude of serving those who are to receive the results of our activities.

Transparency

Maintaining an attitude of accessibility to others, supplying information needed for the understanding and performing of our work.

Almirall's commitment to its employees aims to help them develop their talent and strengthen their sense of belonging to the company.



Strategic objectives Moving into the future

Almirall's growth is currently based on the following strategic goals:

- **Leveraging own R&D**

In order to help in the fight against disease, we have adopted a Research & Development policy focused on discovering innovative drugs, both through our own research projects and via partnerships with other companies and research centres.

- **Growing internationally**

We are committed to increasing our presence in countries in which we already have our own affiliates, such as Austria, Belgium, France, Germany, Italy, Mexico, Poland, Portugal, Switzerland and the United Kingdom-Ireland, and to evaluating investment opportunities in other markets as well as strategic partnerships with global pharmaceutical companies.

Our goal is to consolidate our position as a leading pan-European pharmaceutical company. Almirall's products are currently available in over 70 countries in all five continents.

- **Maintaining our leadership in Spain**

The proven efficacy of our products, combined with the dedication and professionalism of our sales force, has placed us in a leadership position in the Spanish market which we intend to maintain in the future. We aim to continue leading the Spanish pharmaceutical sector.

These three strategic pillars have driven Almirall's growth over the last decade.

The company is committed to achieving these strategic goals to continue growing and consolidate itself as one of Europe's leading innovation-based pharmaceutical companies. This forms the basis of our future growth.

The attainment of these objectives is reflected in the results obtained in 2008. This is the outcome of a solid corporate structure, an outstanding team of professionals, sound values, an international vision and a significant R&D investment, all of which combine into a high quality product portfolio that enables us to provide people across the world with the best therapeutic solutions.

The company's growth in the last decade and its drive towards the future are based on: leveraging own R&D, growing internationally and maintaining our leadership in Spain.

Almirall's history is a history of growth, international expansion and innovation.

Our strategic goals are focused on the creation of long-term value, based on the company's strategic position, its potential for future growth and its current capacities and opportunities.

1. Strategic position

- R&D-driven, focus on innovation.
- No. 1 Spanish pharma, No. 1 dermatology pharma in Germany and No. 7 across Europe.
- A well diversified product portfolio.

2. Growth potential

- Broadest and deepest pipeline in company history.
- Derma pipeline and portfolio roll-out.
- Explore leveraging value from Genuair® inhaler.

3. Capabilities/Opportunities

- R&D capabilities in the respiratory, autoimmune and dermatological therapeutic areas.
- Direct presence in major Europe.
- Strong cash flow generation and solid balance sheet.

Almirall aims to become a leading R&D-based pharmaceutical company through international organic and non-organic growth.





Operations

A well-balanced, diversified product portfolio has converted Almirall into a leading company in Spain with an increasing presence on the European stage.



A proven track record and international reputation

Since its foundation in 1943, Almirall's proven track record in R&D activities has converted it into a leading company in Spain, with an increasing presence on the European stage and with proprietary drugs in over 70 countries across all five continents.

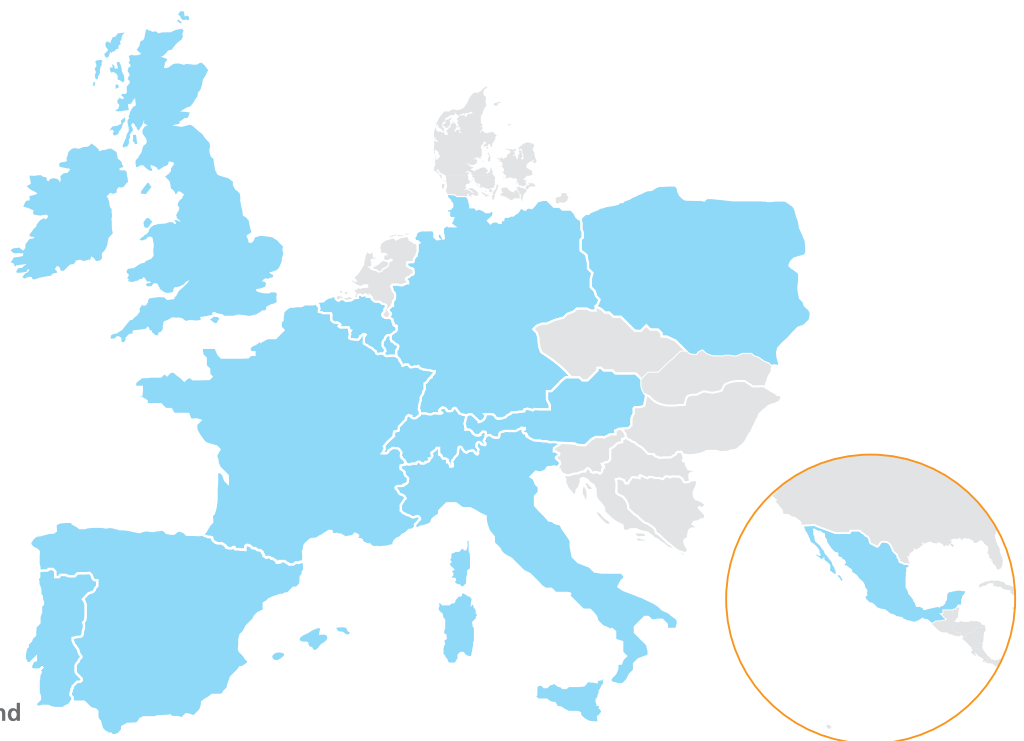
Based in Barcelona (Spain), Almirall started a successful process of internationalisation more than a decade ago through the establishment of affiliates in Belgium, France, Germany, Italy, Mexico and Portugal. More recently, following the acquisition of Hermal and of a product portfolio from Shire, Almirall opened new affiliates in Austria, Poland, Switzerland and the United Kingdom-Ireland.

Most of the products marketed by Almirall are manufactured at the company's own pharmaceutical and chemical plants in Spain, Germany and France. The manufacturing plants, which are equipped with the latest technology, produce a broad range of drugs and have sufficient capacity to increase production in the future.



Affiliates:

- Austria**
- Belgium**
- France**
- Germany**
- Italy**
- Mexico**
- Poland**
- Portugal**
- Spain**
- Switzerland**
- United Kingdom-Ireland**



Almirall markets its products through its affiliates and via agreements with licensed companies on a global scale.

Almirall's business model

From a marketing strategy viewpoint, Almirall's business model is based on a twofold approach. The first is to market products through the company's own network of affiliates. The second involves entering into agreements with licensed companies.

Almirall is a flexible company that is able to manage its relationship with partners in order to maximise the potential of each of its products in the territories in which it operates. As a result, the company has signed important agreements to obtain the rights to market the drugs of internationally renowned pharmaceutical companies.

1. Drugs sold through the company's own affiliates

Both the products derived from Almirall's own R&D and products licensed by third parties (license-in products) are marketed via the company's own sales force. This sales force has been consolidated in Spain and across Europe and America through affiliates based in Austria, Belgium, France, Germany, Italy, Mexico, Poland, Portugal, Switzerland and United Kingdom-Ireland.

Under license-in agreements, Almirall markets the drugs of other pharmaceutical companies through its network of affiliates.

Following the acquisitions in 2007, Almirall inaugurated four new affiliates in the United Kingdom-Ireland, Poland, Austria and Switzerland during 2008.

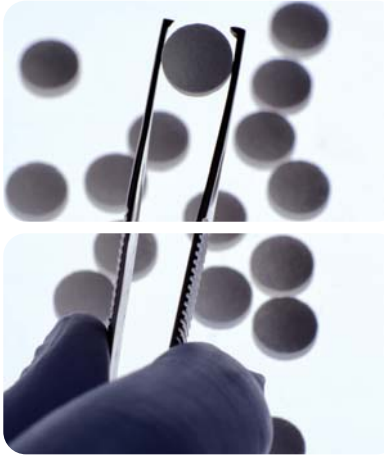
In the United Kingdom and Ireland, Almirall has a product portfolio that focuses primarily on dermatology. In addition, it will market other products such as almotriptan or aceclofenac.

The affiliate in Poland is Almirall's first direct presence in the emerging market of Central Europe. The affiliate only markets dermatological products for the time being, but it has optimised its sales organisation in anticipation of the launch of new products in a near future.

Until the end of 2007, the affiliates in Austria and Switzerland operated under the brand name of Hermal. In 2008, these two affiliates were fully integrated into Almirall's operations.

Almirall successfully managed to integrate these affiliates while maintaining the know-how and expertise that add value to the company.

Most of the synergies derived from the 2007 acquisitions have been implemented during 2008.



In 2008 Almirall signed a co-marketing agreement with Merck Sharp & Dohme (MSD) under which MSD grants Almirall the rights to market sitagliptin under the brand name of *Tesavel* for Spain.

Tesavel (sitagliptin), which has been marketed by Almirall since December 2008, is indicated for the treatment of type-2 diabetes. It is the first drug of a new therapeutic class (dipeptidyl peptidase-4 inhibitors).

Sitagliptin acts by increasing the levels of active incretin hormones that enhance the body's natural process of regulating blood glucose level. When the level of blood glucose rises, the incretins stimulate the pancreas to produce insulin and instruct the liver to reduce its glucose production.

The commercial launch of *Tesavel* has allowed Almirall to add a novel drug to its portfolio in a market which is expected to increase its prevalence in the next few years.

The licensing agreement signed with MSD will also enable Almirall to launch a combination of sitagliptin and metformin in a single tablet, which will be marketed by Almirall under the brand name of *Efficib*, due for launch during 2009.

Furthermore, in 2008 Almirall signed a co-marketing agreement with Pfizer for the marketing by Almirall of a combination of amlodipine and atorvastatin.

January 2009 saw the launch of this combination of amlodipine and atorvastatin in a single tablet under the brand name of *Astucor*, thus strengthening Almirall's portfolio of cardiovascular products.

Astucor is an efficacious treatment for the reduction of cardiovascular risk. It monitors the blood pressure of patients with three or more cardiovascular risk factors and normal or slightly high cholesterol levels, while reducing the risk of suffering a cardiovascular episode, such as myocardial infarction or cardiovascular death.

In 2008 Almirall added two new licensing agreements to its product portfolio.

The list below details the most significant license-in agreements in force in 2008.

Major Almirall license-in agreements

Molecule	Partner	Almirall brand
Atorvastatin	Pfizer	<i>Prevencor</i>
Salmeterol + fluticasone	GlaxoSmithKline	<i>Plusvent</i>
Venlafaxine	Wyeth	<i>Dobupal</i>
Lansoprazole	Takeda	<i>Opiren / Opiren Flas</i>
Escitalopram	Lundbeck	<i>Esertia</i>
Risedronate	Sanofi-Aventis	<i>Actonel</i>
Candesartan - Candesartan/HCTZ	Takeda	<i>Parapres / Parapres Plus</i>
Tolterodine	Pfizer	<i>Urotrol / Urotrol Neo</i>
Pantoprazole	Nycomed	<i>Pantopan</i>
Tetrahydrocannabinol + cannabidiol	GW Pharmaceuticals	<i>Sativex</i>
Atorvastatin + amlodipine	Pfizer	<i>Astucor</i>
Sitagliptin	Merck Sharp & Dohme	<i>Tesavel</i>

In Spain Almirall has five of the 10 top-selling license-in products in the Spanish pharmaceutical market and it has expanded its product portfolio by signing two new agreements in 2008: sitagliptin (MSD) and atorvastatin + amlodipine (Pfizer).



2. Sales via licensed companies

Almirall also markets products of its own research through collaboration agreements with other leading multinational pharmaceutical companies, in order to increase the presence of Almirall's drugs in those markets where it does not have a direct presence.

Additionally, in those countries in which Almirall has a sales force of its own, the granting of additional license-out agreements allows for greater introduction of our products into the market, thus maximising the business of our company in those countries.

The list below details the most important license-out agreements as at the end of 2008.

Major Almirall license-out agreements worldwide

Ebastine	Territory
Dainippon	Japan
Nycomed	Scandinavian & Baltic countries, Russia and the Commonwealth of Independent States (CIS)
Aspen Pharmicare	South Africa
Boryung	Korea
Chiesi	Italy
Eisai	China and Hong Kong
Elmor	Venezuela
Eurofarma	Brazil
Grünenthal	Ecuador
Highnoon Labs.	Pakistan
Eczacibasi	Turkey
Novis Pharmaceutical	Greece
Orient Europharma	Taiwan
Ranbaxy	Singapore and Vietnam
Saudi-Arabian Japanese Pharmaceutical	Saudi Arabia

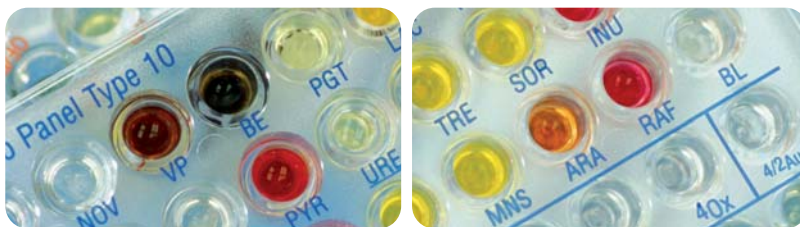
Almirall's drugs are present in over 70 countries in all five continents.

Major Almirall license-out agreements worldwide

Almotriptan	Territory
Janssen-Ortho Inc. (Johnson & Johnson Group)	US and Canada
Meda	Scandinavian countries
Solvay	Italy
Pharmachemie	The Netherlands
Angelini	Spain
Yuhan	South Korea

Aceclofenac	Territory
Gedeon Richter	Eastern Europe
Nycomed	Russia, Scandinavian & Baltic countries, and the Commonwealth of Independent States (CIS)
Abiogen	Italy
Biomeks	Turkey
Bristol-Myers Squibb	Egypt
Cooper Maroc	Morocco
Daewong	South Korea
Eurofarma	Brazil
Angelini	Spain
Thepsis Pharmaceutical	Greece
Highnoon Labs.	Pakistan
Crinos	Italy
Droguerie Phenicie	Lebanon
Elmor	Venezuela
Saudi-Arabian Japanese Pharmaceutical	Saudi Arabia

Almirall's internationalisation over the last decade has been based on three of its own R&D products: ebastine, almotriptan and aceclofenac.



Net Sales segmentation for 2008

In 2008 Almirall's Net Sales exceeded €902.8m, which represents a 13.9% increase compared to 2007.

Below is a detailed breakdown of sales according to different segmentation criteria.

Net Sales by business

(rounded to nearest million euros)

	2008	2007	Variation
Own Sales Network (Spain)	534.0	521.3	2.4%
Own Sales Network (Affiliates)	275.1	186.4	47.6%
Licensed companies	60.5	66.1	-8.4%
Corporate Sales	33.1	18.7	77.6%
Total	902.8	792.5	13.9%

59% of sales in 2008 (€534m) were made in Spain and 30% (€275.1m) through international affiliates. Therefore, almost 90% of the sales recorded during the year were achieved through the company's own sales infrastructure, with international sales being the most significant contributor to the overall increase, especially thanks to geographical expansion and to the acquisition in 2007 of Hermal and of a portfolio of eight products from Shire.

Sales by licensees of Almirall's proprietary drugs (license-out) in those territories where the company does not have a direct presence fell by 8.4% compared to the previous year. This decrease was essentially due to the renegotiation of contractual conditions with our US-based licensee and to a stock adjustment by our partner in Japan, even though this was partly made up for by the strong performance of licensees in Europe and the Middle East.

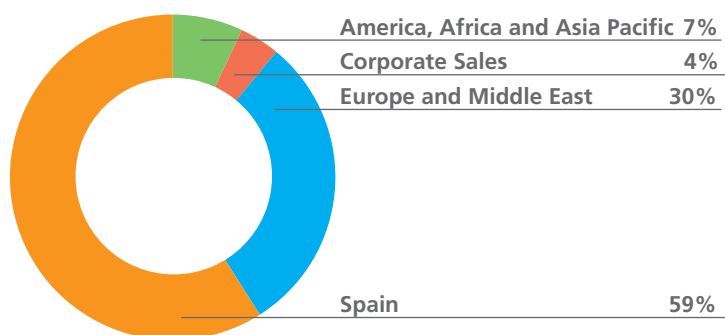
Corporate Sales rose by 77.6% compared to 2007, mainly due to the acquisition of Hermal's third-party production business and diagnoses.

In 2008 the 14% increase in sales was mainly driven by the company's international expansion.

Net Sales by region

(rounded to nearest million euros)

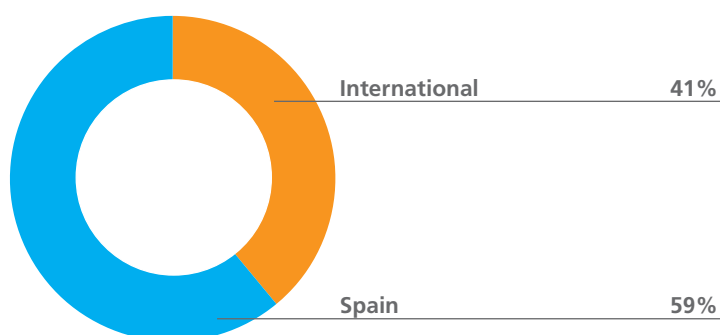
	2008	2007	Variation
Spain	534.0	521.3	2.4%
Europe and Middle East	269.0	178.6	50.6%
America, Africa and Asia Pacific	66.6	73.8	-9.8%
Corporate Sales	33.1	18.7	77.6%
Total	902.8	792.5	13.9%



From a geographical point of view, sales in Spain rose by 2.4% compared to the previous year, mainly due to the positive performance of *Prevencor* and *Esertia*.

Growth in Europe and the Middle East was supported by the acquisitions made in 2007 and by geographical expansion. This led to an increase in the proportion of international sales, from 34% in 2007 to 41% in 2008.

Distribution of domestic sales vs. international sales





A well-balanced product portfolio

Approximately 62% of the Net Sales achieved in 2008 were derived from the 10 top-selling drugs. This percentage was lower compared to the previous year (from 70% in 2007 to 62% in 2008) due to the acquisition of a large portfolio of mainly dermatological products. This reflects a positive trend towards greater diversification of the sales mix.

Of particular note was the excellent performance in 2008 of *Esertia*, *Parapres*, *Plusvent* and *Prevenor*, as well as some dermatological products (such as *Solaraze*, *Vaniqa* or the former Hermal portfolio) and cinitapride in our Mexican affiliate, all of which are included in the 'Other' category.

Net Sales of the 10 top-selling products

(rounded to nearest million euros)

	2008	2007	Variation
<i>Prevenor</i> (atorvastatin)	104.8	92.8	12.9%
Ebastine	100.7	100.4	0.2%
<i>Plusvent</i> (salmeterol + fluticasone)	59.7	63.0	-5.3%
<i>Esertia</i> (escitalopram)	55.6	47.3	17.4%
Aceclofenac	50.0	52.7	-5.2%
<i>Dobupal</i> (venlafaxine)	46.8	51.1	-8.4%
Almotriptan	44.0	47.4	-7.2%
<i>Parapres</i> (candesartan cilexetile)	40.2	35.5	13.3%
<i>Opiren</i> (lansoprazole)	35.2	32.6	7.9%
<i>Almax</i> (almagate)	24.1	25.9	-6.8%
Other	341.7	243.7	40.3%
Total Net Sales	902.8	792.5	13.9%

Almirall's product portfolio is well diversified: the 10 top-selling drugs account for 62% of total sales.

The product portfolio marketed by Almirall is characterised by a balanced proportion of proprietary drugs and products licensed to Almirall by other pharmaceutical companies, by appropriate diversification in a range of therapeutic areas, and by a balanced distribution of sales by drug, whereby sales are not overly exposed to any particular drug. The product that generated the most sales for the company, *Prevenor* (atorvastatin), accounted for 12% of sales in 2008, whilst the second most sold product, ebastine, accounted for 11% of sales.

Details of the 10 top-selling products in 2008

Product name	Sales 2008	% of sales	Proprietary drugs	Licenses	Therapeutic area
<i>Prevenor</i> (atorvastatin)	104.8	12		•	Cardiovascular
Ebastine	100.7	11	•		Respiratory
<i>Plusvent</i> (salmeterol + fluticasone)	59.7	7		•	Respiratory
<i>Esertia</i> (escitalopram)	55.6	6		•	CNS
Aceclofenac	50.0	5	•		Musculoskeletal
<i>Dobupal</i> (venlafaxine)	46.8	5		•	CNS
Almotriptan	44.0	5	•		CNS
<i>Parapres</i> (candesartan cilexetile)	40.2	4		•	Cardiovascular
<i>Opiren</i> (lansoprazole)	35.2	4		•	Gastrointestinal
Almagate	24.1	3	•		Gastrointestinal
Total Top 10 products	561.1	62	•	•	
Other	341.7	38	•	•	
Total Net Sales	902.8	100	~45%	~55%	

CNS: Central Nervous System

In 2008 proprietary drugs and licensed products respectively accounted for about 45% and 55% of sales.



Almirall has therapeutic solutions for treating the main factors of cardiovascular risk, such as hypertension or hypercholesterolaemia, including a drug which is considered to be among the most efficacious for the treatment of this condition.

As far as the Central Nervous System (CNS) is concerned, Almirall has drugs available for the treatment of conditions such as migraine, anxiety or depression. As part of its commitment to improving the quality of life of people suffering from neurological disorders or deteriorating mental health, Almirall is conducting a research programme into CNS drugs which is one of the company's biggest challenges in the coming years.

Almirall has achieved a clear leadership position in the gastrointestinal area through considerable research effort, as reflected in the wide range of drugs available for the treatment of some of the most prevalent conditions of the upper digestive tract (dyspepsia, gastritis, oesophagitis, or gastric and duodenal ulcers).

The dermatological area experienced strong growth in 2008. Almirall has therapeutic solutions available for the treatment of chronic idiopathic urticaria, allergic dermatitis and facial hirsutism.

Net Sales by therapeutic area

(rounded to nearest million euros)

	2008	2007	Variation	% of Sales
Cardiovascular	176.4	162.0	8.9%	19.5%
Central Nervous System	172.7	172.6	0.1%	19.1%
Respiratory	171.8	176.2	-2.5%	19.0%
Digestive	139.7	128.4	8.8%	15.5%
Dermatology	102.8	29.3	250.9%	11.4%
Musculoskeletal	82.1	78.3	4.8%	9.1%
Urology	22.4	22.0	1.7%	2.5%
Other	34.9	23.6	44.1%	3.8%
Total	902.8	792.5	13.9%	100%

Almirall's Net Sales by therapeutic area show that the company has a highly diversified range of products. In 2008 the dermatological area experienced strong growth following the acquisitions made in 2007 (Hermal and the Shire product portfolio).

In 2008, 60% of sales related to the cardiovascular, respiratory and Central Nervous System areas, thanks to the sales of atorvastatin, ebastine, salmeterol + fluticasone, escitalopram, venlafaxine and almotriptan.

Almirall's focus on innovation remains the main driver for the company's growth: four of our R&D drugs are among the top 10 sellers.

Drugs from Almirall's own R&D

Four of the drugs developed by Almirall's R&D are among its 10 top-selling products. Ebastine, aceclofenac and almotriptan have driven Almirall's international growth in the past few years. Furthermore, almagate is a leading product in the Spanish market.

Ebastine

Ebastine is a drug developed by Almirall launched in Spain in 1990 and which to date has been marketed in 35 countries worldwide through the company's own affiliates and licensees. Ebastine is a second generation antihistamine which is administered once a day. It is indicated for the treatment of allergic rhinitis and chronic idiopathic urticaria. In some countries it is indicated for improving the symptoms associated with mosquito bites and atopic dermatitis.



Ebastine is leader of the antihistamine market in Spain. Its efficacy and safety are backed by thorough, extensive research, with more than 100 clinical trials having been conducted on over 15,700 patients.

In addition to the tablet formulations and oral solution, in 2005 a new formulation in the shape of a lyophilised tablet was developed. It dissolves rapidly in the mouth without the need to be taken with water. This is a highly innovative formulation on the antihistamine market, which also provides greater comfort to patients suffering from allergies. In 2008, ebastine sales accounted for 11% of Almirall's sales.



Almotriptan

Almotriptan is one of the drugs developed by Almirall's R&D. This antimigraine drug belongs to a class of compounds known as 1B/1D receptor selective agonists of serotonin, a more selective therapeutic class in migraine treatment. It is used to treat headaches associated with migraine attacks, once the symptoms have appeared.

Thanks to the results of clinical trials carried out during its development, the favourable feedback since it has been on the market and recent new published studies (including the clinical trial 'Act when Mild' AwM), it is one of the triptans preferred by neurologists and General Practitioners (GPs).

Its mechanism of action, which has been proven through several clinical trials to be efficacious in the acute treatment of migraine attacks, inhibits extravasation of plasmatic proteins from dura mater vessels following ganglionic stimulus of the trigeminus. This is one of the characteristics of the neuron inflammation that seems to be involved in migraine physiopathology. Almotriptan also alleviates the nausea, photophobia and phonophobia associated with migraine attacks.



Since it was first released in Spain in 2000, almotriptan has been launched in another 18 countries (including the US and Canada) and is also marketed in Belgium, France, Germany, Italy, Portugal and the United Kingdom through Almirall's own affiliates.

The sound scientific evidence that supports almotriptan means our molecule was the first Spanish R&D drug to be approved by the Food and Drug Administration (FDA).

In 2008 almotriptan sales accounted for 5% of Almirall's sales.

More recently, in January 2009 almotriptan was launched in South Korea through a licensing agreement with Yuhan.

Almirall's international expansion in the last years has been driven by three of the company's own R&D products: ebastine, almotriptan and aceclofenac.

Aceclofenac

Aceclofenac belongs to the group of non-steroid anti-inflammatory drugs (NSAID) and anti-rheumatic drugs. Due to its notable anti-inflammatory and analgesic properties, it is indicated for the treatment of pain and inflammation associated with chronic joint disorders (such as arthrosis or rheumatoid arthritis), as well as painful and inflammatory processes such as lower back pain, toothache or joint pain.

The mechanism of action of aceclofenac is largely based on inhibiting the synthesis of prostaglandins. It is a powerful inhibitor of the cyclo-oxygenase II enzyme involved in the production of prostaglandins. Once administered orally, aceclofenac is absorbed rapidly and completely in the form of an unaltered drug.



This drug was developed by Almirall's R&D and was launched on the Spanish market in 1992. In 1995 it was approved for sale in the rest of Europe, making it the first Spanish drug to be approved in the UK. It is now registered in over 70 countries and distributed both through licensees (license-out) and via the company's own affiliates.

Over 84 million patients worldwide have been treated with aceclofenac. Currently, aceclofenac is the most prescribed drug by orthopaedic surgeons in Spain.

Global sales of the drug accounted for 5% of Almirall's sales in 2008.



Almagate

Almagate is a leading antacid in the Spanish market that was developed by Almirall's R&D. Almagate, which has the capacity both to neutralise hydrochloric acid and inhibit active pepsin, belongs to a group of pharmaceuticals called 'antacids'. These contain aluminium hydroxide and magnesium and are also capable of absorbing and neutralising biliary acids. Almagate is indicated for acid-related digestive disorders, such as gastritis, dyspepsia (digestive disorder), hyperchlorhydria (gastric acid), duodenal ulcer, gastric ulcer, eosophagitis and hiatus hernia.

Launched in Spain in 1984, it is an emblematic product and the undisputed leader of the antacid market, with a market share of 65.4% in Spain (according to IMS TAM data from December 2008 for the antacids A2A1 market).



After more than 25 years on the market almagate has built a strong reputation for itself and its excellent track record of safety, efficacy and quick action give it a crucial differentiating factor. Since its creation 25 years ago, almagate has been marketed in a range of different forms, the most recent one being a soft chewable tablet that makes it easier to take the drug. It was launched in September 2005.

In 2008 global sales of almagate accounted for 3% of Almirall's sales.

Almirall is Germany's No. 1 dermatological company and the seventh largest in Europe.

Dermatological products

Following the acquisition of the dermatological businesses of Hermal and Shire, Almirall has become a major player in Europe in the field of dermatology. With these acquisitions, Almirall has added a new strategic therapeutic area to its portfolio which will make a significant contribution to the company's growth in key European countries.

Almirall is currently the No. 1 dermatological company in Germany and the seventh largest company at European level.

Within its portfolio of dermatological products, Almirall focuses on three products:

Solaraze

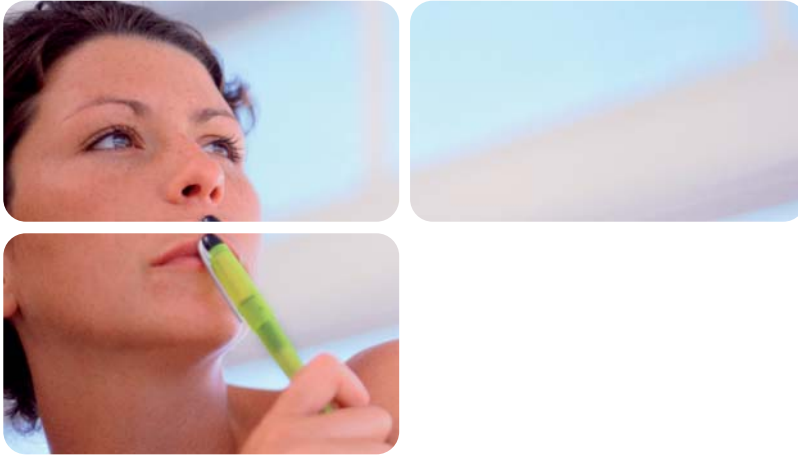
Solaraze contains a non-steroidal anti-inflammatory agent (diclofenac) formulated with hyaluronic acid.

Launched in 2001, it is indicated for the treatment of actinic keratosis, a premalignant condition which is on the rise all over the world.

In 2007 Almirall acquired the rights to *Solaraze* in Europe and in various countries in the Asia Pacific region from the UK pharmaceutical company Shire.



In Europe and Australia *Solaraze* is a market leader in the topical treatment of actinic keratosis. It is currently sold in 12 countries, where it is marketed through Almirall's affiliates and distributors.



Vaniqa

In 2007 Almirall acquired the rights to *Vaniqa* from Shire for Europe, Canada and a number of countries in the Asia Pacific region.

Vaniqa contains eflornithine (as monohydrate hydrochloride). Eflornithine acts as an irreversible inhibitor of ornithine decarboxylase, an enzyme involved in the production of hair follicle.



Vaniqa has been proven to slow the growth of hair. It is the only topical prescription drug available for the treatment of facial hirsutism in women.

Since 2004 the product has been launched in 12 countries, where it is marketed through Almirall's affiliates and distributors.

All proprietary drugs are manufactured at Almirall's pharmaceutical plants.

Balneum

Balneum is a range of medicinal products designed to treat and help prevent dry and itchy skin conditions (eczema and skin infections), for example atopic dermatitis or *pruritus senilis*.

All the products in this range contain ingredients that imitate lost skin components, such as urea or natural moisture. Some products also contain polidocanol, a compound that actively treats itching caused by dry skin conditions.



All *Balneum* products are manufactured at our plant in Reinbek (Germany) and currently marketed in over 20 countries across Europe and Asia. In many countries *Balneum* is a well-known brand with over 40 years experience.



Production

Almirall's industrial organisation ensures that quality drugs are manufactured in the amounts and within the timeframes required to meet the global demand for our products. Our manufacturing process fulfils all of the company's quality guidelines and complies with environmental, safety and production regulations. Pharmaceuticals for human use which are manufactured or imported within the European Community, including those intended exclusively for exportation or clinical trials, and active ingredients used as raw materials for the production of drugs, must be manufactured according to the principles and guidelines set out in the Good Manufacturing Practices. Almirall adheres strictly to these principles and guidelines, as laid down by Directive No. 2003/94/EC dated 8 October.

Moreover, Almirall has suppliers for the active ingredients and other components for its products. All suppliers must be qualified in accordance with applicable regulations and comply with statutory manufacturing standards in the countries in which Almirall sells its products, thus ensuring adequate supply on commercially viable terms while meeting the requirements of both Almirall and the market.

All own R&D products are manufactured in Almirall's pharmaceutical and chemical plants, along with part of the production of third-party research products (license in). At present, Almirall's production capacity is sufficient to meet both current demand and foreseeable demand over the next few years, thanks to its four pharmaceutical plants (two in Spain, one in Germany and one in France) and two chemical plants in Spain, with a total production of approximately 163.6 million units in 2008.

Manufacturing plants

Pharmaceutical plants

Sant Andreu de la Barca (Spain)

Sant Just Desvern (Spain)

Reinbek (Germany)

Château-du-Loir (France)

Chemical plants

Sant Andreu de la Barca (Spain)

Sant Celoni (Spain)

Almirall's industrial strategy is based on continual improvement processes, by adapting to new product development needs and to technological advances in manufacturing and production, and on a policy of cost efficiency.

Almirall's manufacturing processes conform to the highest quality, safety and environmental standards with a continual emphasis on cost efficiency.

Key figures of our manufacturing plants

Pharmaceutical plants

Production in 2008: 122.5m units
Capacity (two shifts): 163.6m units
Available capacity in two shifts: 25%

Pharmaceutical Plant in Sant Andreu de la Barca (Spain)

Production in 2008: 52.5m units
Maximum production capacity: 65.6m units
Surface area: 28,252 m²

Pharmaceutical Plant in Sant Just Desvern (Spain)

Production in 2008: 28.8m units
Maximum production capacity: 41.4m units
Surface area: 8,310 m²

Pharmaceutical Plant in Reinbek (Germany)

Production in 2008: 35.2m units
Maximum production capacity: 47.0m units
Surface area: 21,000 m²

Pharmaceutical Plant in Château-du-Loir (France)

Production in 2008: 6m units
Maximum production capacity: 9.6m units
Surface area: 6,251 m²

Chemical plants

Production in 2008: 133.1 mt
Capacity (two shifts): 239.2 mt
Available capacity in two shifts: 44.3%

Chemical Plant in Sant Celoni (Spain)

Production in 2008: 104.6 mt
Maximum production capacity: 173.3 mt
Surface area: 5,904 m²

Chemical Plant in Sant Andreu de la Barca (Spain)

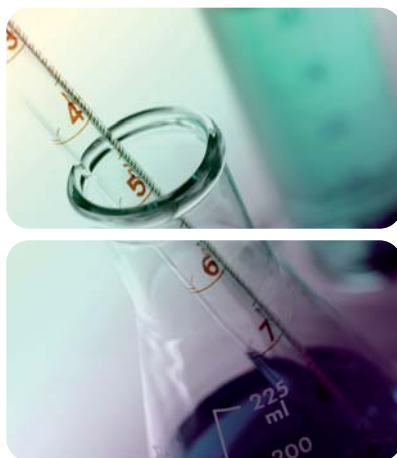
Production in 2008: 28.5 mt
Maximum production capacity: 65.9 mt
Surface area: 3,973 m²





Research & Development

Research & Development of high added-value drugs is one of Almirall's strategic goals and a key to its growth in the last decades.



The importance of R&D at Almirall

One of the keys to Almirall's growth in recent decades has been its ability to develop new drugs through its Research & Development area.

Almirall has more than 40 years' experience in carrying out research with the aim of providing society with innovative drugs that contribute to improving people's health and well-being. Almirall's scientists play a key role in all the stages of the research and development process, from the launch of a new research programme through to the registration of a new pharmaceutical product.

Their role is not limited to ensuring that Almirall has the capacity to innovate in all R&D areas. Scientists are also responsible for ensuring the quality, efficacy and safety of the resulting drugs, as required by professional ethical standards and according to the guidelines laid down by the International Conference on Harmonisation (ICH).

In addition, the R&D area includes several support departments that are responsible for supervising all regulatory and organisational aspects and all matters relating to quality assurance and intellectual property.

The fact that all of our scientists are committed to excellence and innovation is crucial to discovering and developing safe and efficacious drugs for the treatment of diseases within our therapeutic focus. This daily effort is enhanced by an international network of partnerships with both public and private research institutions that are all leaders in their respective fields.

In 2008 Almirall allocated about 15% of Net Sales and 15% of human resources (one out of seven employees) to R&D activities, with total R&D spending of more than €139m. Overall, the company's own R&D products accounted for nearly 45% of sales for that year.

Four of Almirall's R&D drugs were among its 10 top-selling products during 2008:

- ebastine
- aceclofenac
- almotriptan
- almagate

The first three products have made a decisive contribution to Almirall's international growth over the last few years.

The development of innovative drugs and their international launch have been key to Almirall's growth.

Since 1979 our R&D efforts have resulted in the launch of seven new drugs:

Molecule	Therapeutic area (indication)	Year of launch	International presence
Almotriptan	Central Nervous System (Antimigraine)	2000	Europe, America, Africa and Asia Pacific
Aceclofenac	Musculoskeletal (Anti-inflammatory)	1992	Europe, America, Africa and Asia Pacific
Ebastine	Respiratory (Antihistamine)	1990	Europe, America, Africa and Asia Pacific
Cinitapride	Digestive (Gastroprokinetic)	1990	America
Piketopofen	Musculoskeletal (Anti-inflammatory)	1985	Europe
Almagate	Digestive (Antacid)	1984	America and Asia Pacific
Clebopride	Digestive (Gastroprokinetic)	1979	Europe and Asia Pacific

R&D strategy

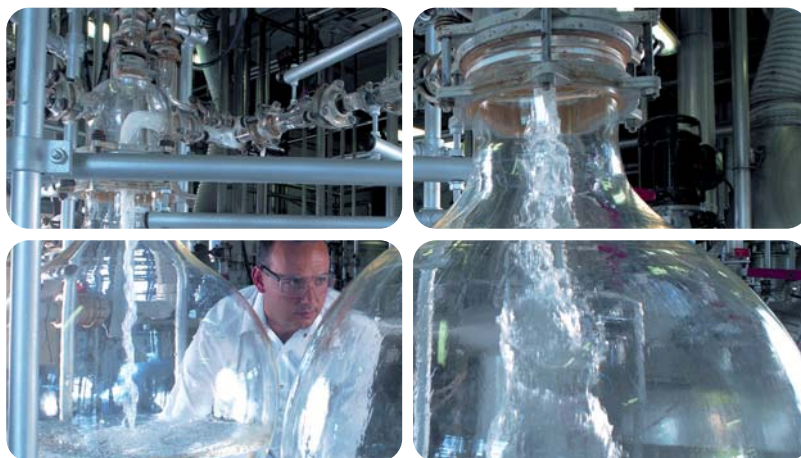
Almirall's research objective is to provide its pipeline with novel, high-quality candidate molecules to meet uncovered medical needs in our specialist therapeutic areas. With this goal in mind, a multidisciplinary group of scientists conducts research into respiratory diseases and other chronic inflammatory conditions. Our team of biologists, pharmacutists, physicians and chemists work with the most advanced technology to discover the underlying mechanisms of the disease. The knowledge gained from their research is used to identify, design and synthesise new chemical entities with therapeutic potential, which are subsequently developed through preclinical and clinical trials.

Thus, the current Research & Development strategy at Almirall is based on three fundamental aspects:

Specialist
therapeutic
approach

Priority to
validated targets

Comprehensive
development
of new drugs



Specialist therapeutic approach

Almirall is currently directing its research efforts towards identifying and developing new drugs for the treatment of inflammation-related conditions, with the main focus being on the following therapeutic indications:

Therapeutic area	Indications
Respiratory	Asthma and Chronic Obstructive Pulmonary Disease (COPD)
Autoimmune	Rheumatoid Arthritis and Multiple Sclerosis
Dermatology	Psoriasis, eczema, acne and skin infections

By focusing on specific therapeutic areas that combine significant uncovered medical needs and common underlying pathophysiology, Almirall's R&D teams are able to fully harness their scientific knowledge and the experience gathered from previous projects, which allows them to be more competitive.

Priority to validated targets

Almirall's strategy in terms of research into new drugs is aimed preferably, though not exclusively, at molecules that improve existing mechanisms of action (validated targets).

The priority given to research into mechanisms of action whose effects on the researched disease are already known means Almirall can compensate for the risk associated with new mechanisms by developing high added-value products that offer greater chances of success.

Comprehensive development of new drugs

Almirall believes it is essential to position the new drug adequately from the earliest phases of the R&D process. To achieve this, the characteristics of the future drug are determined by a multidisciplinary team comprised of R&D scientists and marketing specialists.

This dual evaluation of the viability of the future drug, which is based not only on the properties of the product but also on the present and future competitive environment, increases the chances of commercial success at the time of launch.

Almirall directs its research efforts at developing new drugs in the respiratory, autoimmune and dermatological areas.

Almirall's research focus

Respiratory diseases

Asthma

Asthma is an inflammatory condition involving the respiratory system and one of the most common chronic conditions. It is estimated to affect around 300 million people over the world and has a substantial overall impact in terms of morbidity, mortality, decline in quality of life and cost to society.

Anti-inflammatory treatment with inhaled corticosteroids (ICS) is the most widely used maintenance therapy. The purpose of this treatment is to control the symptoms of the disease and prevent acute episodes. The addition of long-acting beta-agonists (LABAs) provides better control through prolonged bronchodilatation. The combination of fixed doses of both components into a single inhaler ensures adequate control of the condition in most patients, while improving ease of administration and compliance by patients.

Global sales of pharmacological treatments for asthma amounted to over 16 billion dollars in 2008, with the combination of fixed doses of LABA/inhaled ICS being the top-selling drug. Oral antileukotrienes were the second most sold product for the treatment of asthma.

Many therapeutic needs have yet to be met in this area. These include improving patients' compliance when administering the drug, which requires improving posology and developing easier-to-use inhalers; new non-steroidal treatments, which are more effective and safer; new alternative products for acute and/or refractory asthma; new therapies that slow down or revert structural changes in airways; and innovative approaches aimed at altering the process that leads to developing the disease.

COPD

COPD (Chronic Obstructive Pulmonary Disease) is a serious health issue across the world which is mainly associated with smoking. The World Health Organisation estimates that by 2020, the disease could become the fifth most prevalent and serious disease in the world. The characteristic airflow obstruction is usually progressive and irreversible, and is accompanied by other systemic and respiratory signs that ultimately have an impact on the patient's life expectancy and quality of life.

Long-acting antimuscarinics (LAMAs) are the most effective group of bronchodilators when it comes to improving the pulmonary function, as they reduce symptoms, improve the patient's quality of living and prevent exacerbation, whilst long-acting inhaled beta-agonists (LABAs) are alternative/supplementary bronchodilators. This therapy can also be supplemented with inhaled corticosteroids (ICS) so as to diminish the frequency and seriousness of exacerbations.



Global sales of pharmacological treatments for COPD came to over 15 billion dollars in 2008, led by inhaled LAMAs and combinations of fixed doses of LABA and inhaled ICS. There is a steady rise in prescriptions of combinations of fixed doses of LAMA and LABA/ICS as a supplementary treatment for the most serious patients.

Many medical needs have yet to be satisfied. These include searching for new alternative treatments to reduce the progress of the disease, treating and preventing acute episodes, improving sensitivity to inhaled corticosteroids, and finding new and effective oral maintenance therapies, as well as adequate solutions for systemic symptoms.

Autoimmune diseases

Rheumatoid arthritis

Rheumatoid arthritis is an inflammatory autoimmune condition characterised by the chronic bilateral inflammation of joints, which causes the degradation of joints and loss of functionality, thus adversely affecting the patient's quality of life. As a result of this chronic inflammation and joint destruction, the patient also suffers considerable pain.

Currently available treatments are based on disease-modifying antirheumatic drugs (DMARDs) and, more recently, on biological therapies that provide some degree of control of the disease by reducing signs and symptoms, by slowing the progressive destruction of joints and by improving physical function. All of these therapies are commonly used in combination with methotrexate, the most widely used DMARDs and a key component of most combinations.

In 2008 the sale of DMARDs molecules exceeded 14 billion dollars, half of which related to prescriptions for rheumatoid arthritis and ankylosing spondylitis.

Today, R&D efforts are directed at developing oral drugs that provide the same level of control of the disease as biological drugs. In addition, since combination therapies are the main treatment option, these drugs could be added to the existing ones.

Multiple sclerosis

Multiple sclerosis is a chronic autoimmune disease characterised by nervous fibre demyelination, damaging the nervous system and causing symptoms of tiredness, as well as cognitive and visual disorders. The disease is sometimes accompanied by neurological symptoms and often ends up causing physical and cognitive disabilities.

Almirall's research aims to improve the quality of life of patients with COPD, asthma, rheumatoid arthritis, multiple sclerosis and a number of dermatological conditions.

Current treatments involve disease-modifying drugs that can slow the progress of the disease and even prevent long-term disability.

In 2008 sales of disease-modifying drugs reached \$8 billion for a condition that affects just over 0.1% of the population.

The market is currently dominated by injected interferons, which are considered to be moderately effective but safe. The emergence of more efficient, safer oral therapies would mark a significant step forward in the treatment of this disease.

Dermatology

Covering a surface area of 2m², skin is the largest organ of our body. Skin diseases present a great variety of symptoms that require both topical and systemic treatments. There are various forms of dermatosis which, although they do not constitute a threat to life, have a significant impact on the patient's social and professional life, as well as on their quality of life. The most common skin conditions are psoriasis, eczema, acne and skin infections.

Psoriasis

Psoriasis is a chronic inflammatory disease that affects between 1.5% and 3% of the population. It manifests itself as erythematous plaques covered with marked hyperkeratosis mostly on the elbows, knees or scalp.

Eczema

Eczema is a form of skin inflammation with different pathogenetic origins. The various subtypes of eczema are differentiated by the underlying cause of skin inflammation, such as atopic eczema, toxic contact eczema or allergic contact eczema.

Acne

Acne vulgaris appears in areas rich in sebaceous glands and is characterised by seborrhoea and the formation of comedones, inflammatory papules, pustules and cysts. Almost all teenagers suffer some form of acne during puberty. Acne usually disappears spontaneously at the beginning of adulthood.

Skin infections

The principal causes of skin infection are viruses, bacteria and fungi. Skin conditions are caused by a broad spectrum of germs that require antiviral, antibiotic and antifungal treatments.



R&D resources

Almirall carries out most of its R&D activities in its facility located in Sant Feliu de Llobregat (Spain), which was opened in 2006. This R&D centre houses all of the departments involved in the process of conducting research and development of a new drug.

Almirall's innovative infrastructure is equipped with the most advanced technology to meet the future challenges of Research & Development. The company employs approximately 550 highly qualified professionals committed to discovering and developing new drugs, with the aim of improving people's health and quality of life. As a result of this effort, Almirall is leader in the Spanish biomedical research industry.

In addition to these R&D facilities, it also has two chemical units in Spain which are dedicated to chemical research and active principle scale-up, respectively based in Sant Just Desvern and Sant Andreu de la Barca in the Barcelona area.

In Germany the company has two centres of excellence in the fields of inhalation and dermatology.

Almirall Sofotec, the centre of excellence for inhalation, is based in Bad Homburg, near Frankfurt. This centre was set up in the middle of last century as a member of the Degussa AG company. It specialised in developing innovative drugs for all kinds of application. In the early 80s it started developing inhalation products with dosage devices, followed by dry powder inhalers in the 90s. In 2001 Sofotec GmbH & Co. KG was founded as a spin-off of Degussa AG. The company remained based in the centre and retained the intellectual property rights and know-how for the inhalation products. Almirall acquired the inhalation centre in June 2006 and Sofotec became 'Almirall Sofotec'. Almirall Sofotec is currently one of the leading companies in the pharmaceutical development of dry-powder inhalation products.



Bad Homburg (Germany)

Almirall partners with an international network of academic groups and biotechnology companies.

Almirall Sofotec has increased its development capacity by more than 50% in the last two years thanks to its growing pipeline of inhalation research. This centre of excellence employs more than 130 specialists who are fully dedicated to the development, through own research, of prototypes for Almirall's dry-powder Genuair® inhaler.

The inhalation centre carries out every project from the initial stages of development through to its registration. To enhance work efficiency, it evaluates new technology on an ongoing basis and conducts research into the future of inhalation. This is why Almirall is a leader in the field of respiratory technology.

Almirall's centre of excellence in the field of dermatology is based in Reinbek, near Hamburg. This centre, which was acquired by Almirall in 2007, has more than 60 years' experience in the development and marketing of dermatological products in Europe. With its unique formulation knowledge and experienced R&D team, it has developed an R&D line for research projects into the treatment of five different skin conditions.



Reinbek (Germany)

External partnerships

Almirall has also teamed up with leading academic research groups and biotechnology companies across the world.

Almirall's research scientists have established a wide network of external partnerships with experts in the fields of biology, chemistry and X-ray crystallography, to contribute to the creation of new research programmes and gain access to new technology, and thereby accelerate the process of identifying new drugs.



This network involves partnerships with universities, research institutes and technology companies across Europe and the United States, including the Universities of Michigan, Dundee and Glasgow, NIH, the Lovelace Respiratory Research Institute, Proteros, Evotec, among others.

Almirall has also established a close partnership with Spanish universities in Barcelona, Valencia or Santiago de Compostela, as well as with the Hospital Clínic of Barcelona, the Hospital Universitario of Salamanca, the Consejo Superior de Investigaciones Científicas (CSIC - Superior Council for Scientific Research) and the Parc Científic de Barcelona.

Furthermore, Almirall works in close collaboration with a number of Spanish biotechnology companies, including CrystaX, Galchimia, Enantia or Chemotargets, as reflected in the completion by Almirall of the Genius Pharma project, an initiative sponsored by the Spanish Government to foster research in Spain through the development of technological platforms aimed at facilitating the discovery of new drugs.

Almirall has also entered into partnerships with internationally renowned centres and conducts preclinical safety tests that comply with Good Laboratory Practices (GLP). Additionally, it has partnered with institutions specialising in pharmaceutical development and formulation, with a view to developing new technologies aimed at improving drug administration systems, particularly in the inhalation field.

From a clinical point of view, Almirall has entered into partnerships with private universities and hospitals across Europe, the United States and several other countries, particularly for the purpose of conducting phase I, II and III clinical trials, always complying with Good Clinical Practices (GCP) and the International Criteria for Harmonisation (ICH). These multicentre trials mean we can validate more extensively the efficacy and safety of our products among different groups of population before filing for international registration.

Research programmes and new drug development

In 2008 a large part of Almirall's R&D resources was dedicated to the clinical development of aclidinium bromide either as a monotherapy or in combination with fixed doses. Other trials included phase II clinical trials with a Long-Acting Beta-Agonist (LABA) for the treatment of asthma and the first clinical trial with humans using the DHODH inhibitor as a possible new treatment for rheumatoid arthritis and multiple sclerosis.

The R&D process for developing a new drug is lengthy and complex. Many molecules are submitted to rigorous tests to ensure full compliance with the efficacy and safety requirements.

New clinical trials for acclidinium bromide will begin in 2009 to reinforce the selection of dose regimens.

Projects under development in the respiratory area

- **Acclidinium bromide monotherapy**

In 2008 the two major ACCLAIM phase III clinical trials were completed along with five phase IIb and pharmacokinetic trials. The results provide conclusive evidence of the clinical efficacy and safety of acclidinium bromide as a new M3 muscarinic antagonist for the treatment of COPD (Chronic Obstructive Pulmonary Disease). Acclidinium bromide led to an improvement in the pulmonary function and was well tolerated by patients, with a favourable risk/benefit profile. New clinical trials will start in 2009 to reinforce the selection of dose regimens, including higher and/or more frequent doses. Acclidinium bromide is administered to patients by means of the Genuair® device, a new multidose inhaler device developed by Almirall.

- **Combination of acclidinium bromide and formoterol (LAS40464)**

Initial trials with a combination of fixed doses of acclidinium and formoterol administered via Genuair® have demonstrated that the combination of two bronchodilators has an additive effect for the treatment of patients with COPD.

- **Combination of acclidinium bromide and ICS (LAS40369)**

The combination of acclidinium with an anti-inflammatory for the treatment of COPD is currently at the preclinical stage. Patients with COPD who suffer acute episodes are usually treated with inhaled corticosteroids and bronchodilators. Consequently, it is advisable to combine both therapies into a single device so as to facilitate the patient's adherence to treatment.

- **LAS100977**

A phase IIa clinical trial has been conducted to assess the safety and efficacy of single dose administration of LAS100977 in asthmatic patients. The results show that LAS100977 bronchodilator is well tolerated and can be administered once a day due to its long-acting formulation. In February 2009, positive results were announced following a new phase II multiple dose trial. In this trial, LAS100977 exhibited a good safety and tolerability profile with the administration of multiple doses for the treatment of bronchoconstriction in asthmatic patients. The combination of a fixed dose of LAS100977 and a corticosteroid is currently being developed in the Genuair® inhaler for once-a-day administration.

- **LAS186368**

A once-a-day Beta 2 adrenergic bronchodilator for the treatment of asthma and COPD. This is a back-up for LAS100977.



Projects under development in the autoimmune area

- **LAS186323 and LAS187247**

In 2008 the first human trial was completed along with the preclinical development of LAS187247. Both these compounds are designed for the treatment of rheumatoid arthritis and multiple sclerosis.

- **Sativex**

A THC+CBD endocannabinoid receptor agonist currently in phase III of clinical development for the treatment of refractory spasticity in multiple sclerosis patients and in phase II for refractory cancer pain. In 2006 Almirall acquired the rights to market *Sativex* in the EU (except the United Kingdom) from GW Pharmaceuticals, a UK-based company. Almirall supervises all aspects of the drug development. In March 2009 GW Pharmaceuticals announced positive results for phase III and its intention to file for registration in Europe during the second half of 2009.

Projects under development in the dermatological area

- **LAS41001**

This is a systemic treatment with a formulation that contains isotretinoin, which is used as an oral therapy for acne rosacea. The phase III clinical trial, which involves comparing the therapy with the standard treatment and placebo, has been completed successfully. At the end of 2008 the company applied for an extension of the isotretinoin indications.

- **LAS41002**

A topical anti-inflammatory for the treatment of eczema that acts on the corticosteroid receptor. The project consists of three distinct formulas to ensure that the drug is suitable for different types of skin condition and in different locations. In 2008 an approval application was submitted for one of the formulas. An application for approval of the two other formulas is expected to be filed in 2009 and 2010.

- **LAS41003**

The topical combination of anti-inflammatory and antimicrobial activity means that this project, which is currently in phase I, may be an interesting option for the treatment of various types of eczematous skin infection.

- **LAS41004**

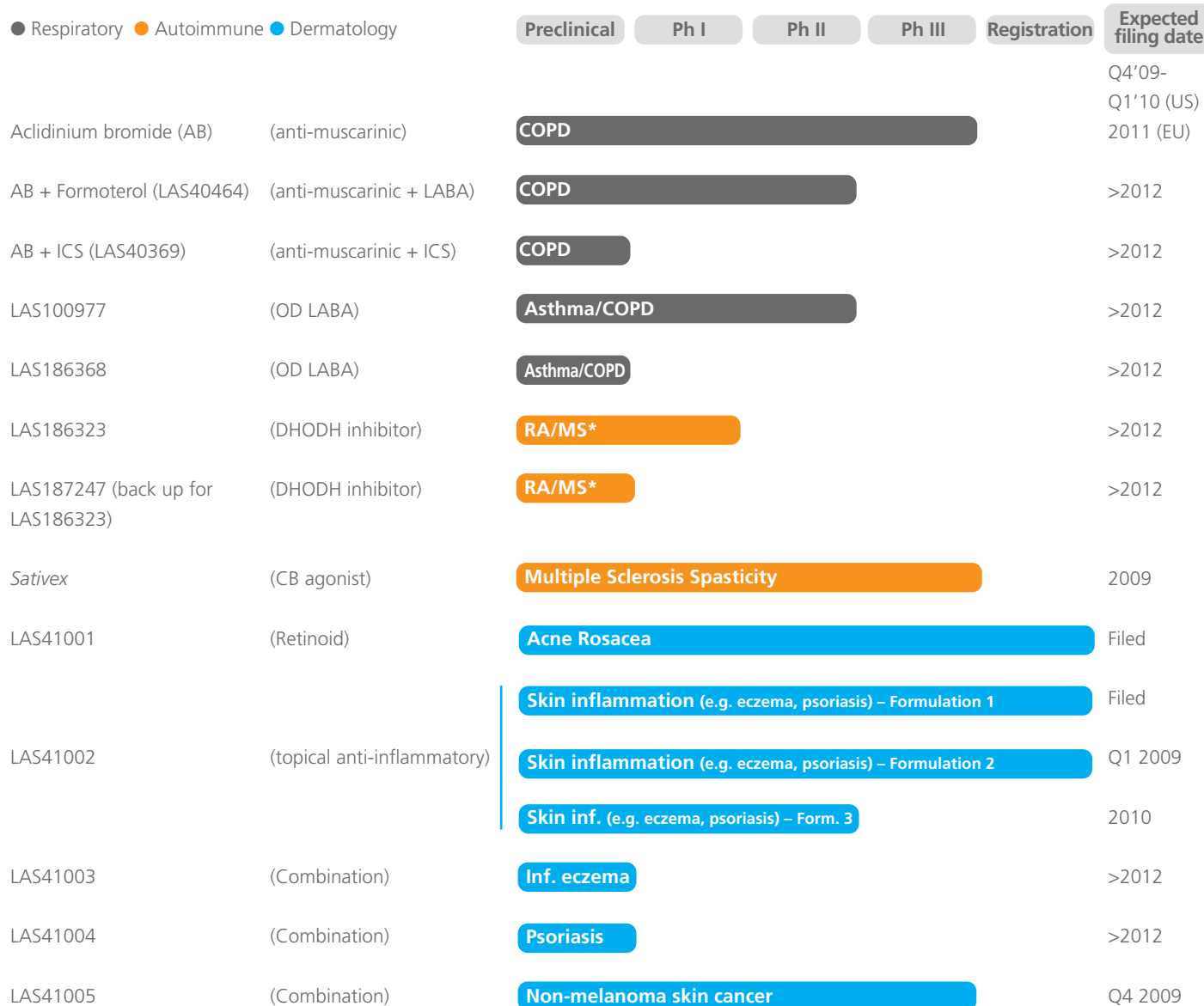
This compound is currently in the preclinical stage. The aim is to confirm the anti-inflammatory activity of the compound in topical administration for the treatment of psoriasis and/or atopic dermatitis.

- **LAS41005**

This compound has an antimycotic action on cells with skin cancer combined with strong keratolysis that improves the efficacy of the treatment of non-melanoma skin cancer. The purpose of the product is to treat cases of moderate to serious non-melanoma skin cancer.

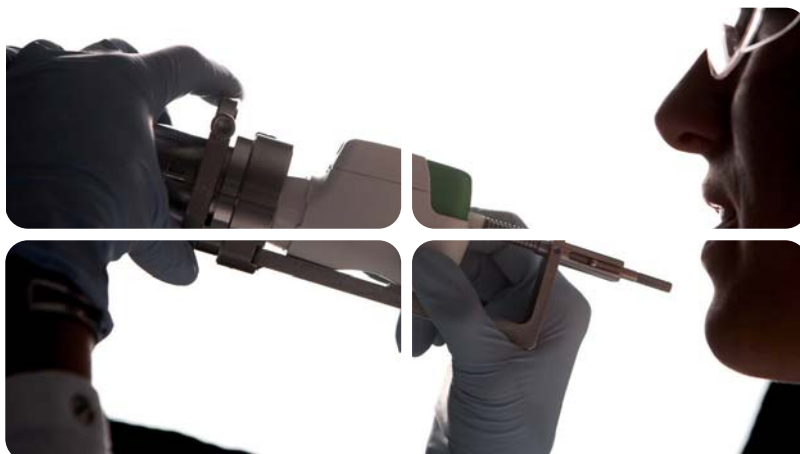
Almirall's current portfolio of projects under development is the largest in its history.

Pipeline status as at February 27, 2009, by research areas



Note: The right end of each bar represents the development status

*RA: rheumatoid arthritis / MS: multiple sclerosis



Acclidinium bromide

In phase III trials acclidinium bromide exhibited improvements in the pulmonary function and was well tolerated, with a favourable risk/benefit profile. New clinical trials will be initiated in 2009 to reinforce the selection of dose regimens, including higher and/or more frequent doses.

About COPD

COPD (Chronic Obstructive Pulmonary Disease) is a term that covers a wide range of conditions characterised by a gradual limitation of the patient's respiratory capacity. Pulmonary emphysema and chronic bronchitis are among the most common diseases classified as COPD.

The vast majority of COPD cases are linked to the inhalation of tobacco smoke or other noxious gases over a prolonged period of time. Although COPD is an under-diagnosed condition, its mortality rate and cost in terms of healthcare are increasing dramatically all over the world.

LAS100977 (OD LABA)

In April 2008 Almirall successfully completed the "Proof of Concept" (in phase II) for a new Long-Acting Beta Agonist compound (LABA), which proved to be efficacious over a period of 24 hours following a single daily administration. LAS100977 is the leading compound of the LABA programme for asthma and COPD. The results showed a statistical and clinically significant increase in the principal variable, compared both with placebo and with salmeterol, for all the doses administered. The new compound was well tolerated, and limited side effects related to the mechanism of action were observed at the highest doses only. The results clearly indicate that LAS100977 is a potent LABA that acts over 24 hours and is well tolerated by asthmatic patients.

In February 2009 positive results were announced as part of a new phase II multiple dose trial. This trial related to a single daily intake that exhibited quick and sustained efficacy over a period of 24 hours. In this trial LAS100977 exhibited a good safety and tolerability profile with the administration of multiple doses for the treatment of bronchoconstriction in asthmatic patients. The combination of a fixed dose of LAS100977 and a corticosteroid is currently being developed in the Genuair® inhaler for once-a-day administration.

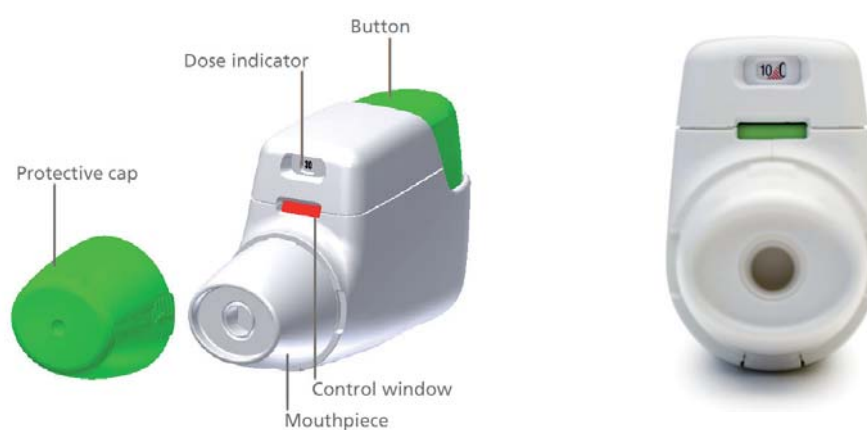
Almirall has initiated contacts with potential partners to develop and subsequently commercialise this compound.

The Genuair® inhaler developed by Almirall provides enhanced safety and ease of use for patients.

Genuair®: Almirall's dry powder inhaler

Acidinium bromide (and the future inhalation compounds developed by Almirall) is administered using an innovative inhaler developed by Almirall. It is based on a tested model launched successfully in Europe, which Almirall has improved and adapted for use across the world. Compared with other competing products, it is easy to produce and provides patients with the following benefits:

- Inhalation is carried out in just two simple steps: pressing the button and inhaling. Throughout the development of the product, the overriding objective was the ease of use and safety of Genuair® for the patient.
- Genuair® provides the patient with confirmation that inhalation has been completed correctly. Genuair® includes two verification systems. The first one is a visual system that uses a control window which indicates that "Genuair® is ready for inhalation", and which changes colour once inhalation has been completed correctly, "Genuair® has delivered the dose". The second system is through sound. The patients hear a 'click' sound once they have inhaled strongly enough to ensure that the medicine has been administered properly to the lungs.



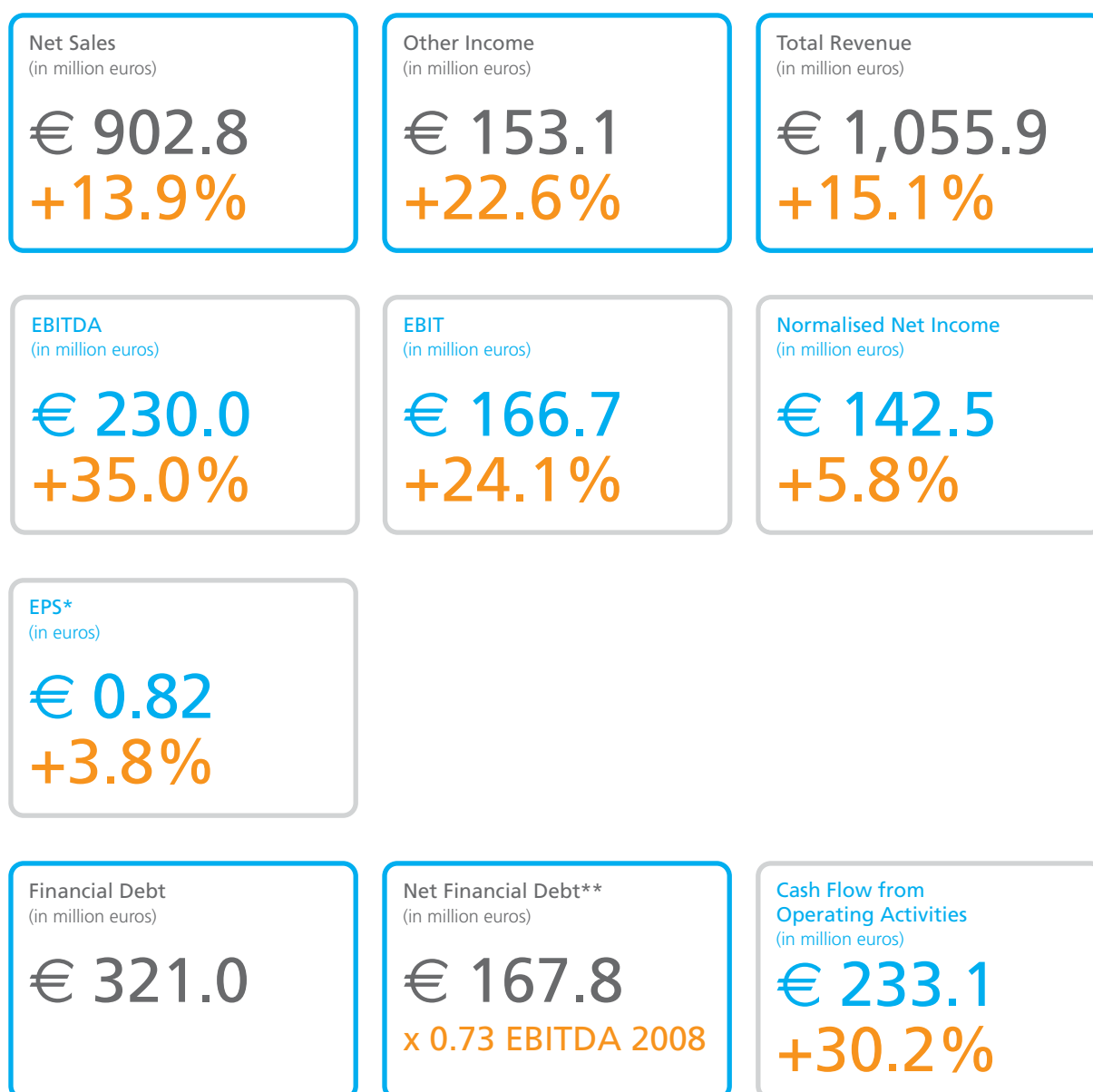




Finance and Corporate Development

In 2008 Almirall achieved strong financial results in line with guidance and market consensus.

2008 overview



* Earnings per Share

** Financial Debt (€321m) – Cash and Equivalents (€186.1m) + Pension liabilities (€32.9m) = €167.8m

In 2008 Almirall achieved positive financial results in line with the guidance provided and market consensus.

Consolidated financial statements Key financial ratios for 2008

Summary of the year: Main achievements

In 2008 we built on the milestones achieved in 2007, the most notable of which were the company's stock market flotation and the acquisition of new businesses. Almirall has continued to grow, increasing R&D spending and securing new licenses that add to its current business activities, in line with the company's main strategic goals: leveraging own R&D, growing internationally and maintaining its leadership in Spain.

Following the acquisition in 2007 of Hermal and a portfolio of eight products from Shire, in 2008 Almirall opened new affiliates in the United Kingdom-Ireland, Austria, Poland and Switzerland.

The company has consolidated its leadership in the Spanish market by signing new licenses including *Tesavel* (sitagliptin) and *Astucor* (amlodipine + atorvastatin).

Total Revenues, defined as the sum of Net Sales plus Other Income, rose by 15.1%, totalling €1,056m. Net Sales grew by 13.9%, mainly as a result of the integration of Hermal and of the acquisition of a product portfolio from Shire, along with the establishment of four new affiliates in 2008. Other Income improved substantially as the company reached several milestones relating to the development of acridinium bromide and to the completion of a pediatric trial for the almotriptan drug in the United States.

R&D spending rose by about 14% (in line with the increase in sales), reflecting the progress made in ongoing R&D projects. Furthermore, the measures taken to contain costs and improve management of the income statement resulted in higher margins for the company, with a 24.1% increase in EBIT, a 35% rise in EBITDA and a 5.8% increase in Normalised Net Income, adjusted for extraordinary items. In addition, Net Income rose by 3.8%.

As far as the financial situation is concerned, Almirall has maintained a robust balance sheet with a net debt (defined as financial liabilities plus pension provisions, less financial assets) to EBITDA of less than 1 (0.73). This is a consequence of the repayment of approximately €145m worth of debt during the year.

In summary, in 2008 the company has been consistent both with the guidance provided and with its strategic objectives. Moreover, the company's new acquisitions, combined with a commitment to improving management of the income statement, have resulted in an improvement in the company's margins and financial situation.



2008 Income Statement

(rounded to nearest million euros)

	2008	2007	Variation
Net Sales	902.8	792.5	13.9%
Gross Margin	569.4	484.6	17.5%
% of sales	63.1%	61.2%	
Other Income	153.1	124.9	22.6%
R&D	-139.3	-122.0	14.1%
% of sales	-15.4%	-15.4%	
SG&A	-418.2	-351.2	19.1%
% of sales	-46.3%	-44.3%	
Other expenses	1.6	-2.0	n.m.
% of sales	0.2%	-0.3%	
EBIT	166.7	134.3	24.1%
% of sales	18.5%	16.9%	
Depreciation and Amortisation	63.3	36.0	75.7%
% of sales	7.0%	4.5%	
EBITDA	230.0	170.3	35.0%
% of sales	25.5%	21.5%	
Other results	0.8	0.0	
Impairment losses	-5.1	-10.2	
Net financial income / (expenses)	-17.7	5.0	
Tax	-8.6	2.1	
Net Income	136.1	131.2	3.8%
Normalised Net Income	142.5	134.6	5.8%
Earnings per share (€) ⁽¹⁾	0.82 €	0.79 €	
Normalised earnings per share (€) ⁽¹⁾	0.86 €	0.81 €	
No. of employees at the end of the period	3,344	3,357	-0.4%

⁽¹⁾ Number of shares at year end: 166,098,610

n.m.: not meaningful

In 2008 sales reached €902.8m, a 14% increase on the previous year.

Comments on the Functional Income Statement for 2008

Sales amounted to €902.8m, a 13.9% increase on the previous year. This trend was due mainly to the strong sales performance of our international business, and in particular of our affiliates, following the acquisition of Hermal and the Shire product portfolio.

Moreover, the business in Spain benefited from the excellent performance of *Prevencor* and *Esertia*. Globally, *Prevencor* has become Almirall's top-selling drug following a sharp increase in sales in 2008, with ebastine ranking second.

Gross margin on sales rose by 1.9 points compared to the previous year, fuelled by the company's sales mix, a reduction in production costs and the acquisition of new businesses.

The increase in Other Income driven by the deal with Forest (for aclidinium bromide), the achievement of a development milestone by the partner who markets almotriptan in the US and a reduction in SG&A, resulted in an improved EBIT (+24.1%) and EBITDA (+35%) despite an increase in R&D spending.

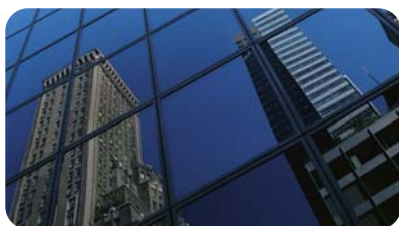
The company recorded a fixed-asset impairment loss of €5.1m which relates to products that have not been promoted.

Financial result fell from €5m in 2007 to -€17.7m in 2008, due to the loans and credit facilities used by Almirall in 2007 to finance the acquisition of new businesses.

Effective tax rate remained stable at a single-digit rate, due to the capitalisation of tax credits linked to R&D activity.

Total Net Income amounted to €136.1m, i.e. a 3.8% increase compared to the previous year, although the Normalised Net Income reached €142.5 (+5.8%).

The guidance for 2009 includes a single digit growth in sales, EBITDA and Normalised Net Income, and maintaining the dividend pay-out policy at 35-40% (unless capital discipline and/or business requirements dictate otherwise).


2008 Balance sheet

(rounded to nearest million euros)

	2008	% of total	2007
Goodwill	273.5	19.6%	274.3
Intangible Assets	342.7	24.5%	383.4
Property, Plant and Equipment	175.7	12.6%	179.3
Financial Assets	3.9	0.3%	6.3
Other Non-Current Assets	165.3	11.8%	144.2
Total Non-Current Assets	961.1	68.8%	987.5
Inventories	112.5	8.1%	112.9
Accounts Receivables	107.9	7.7%	107.0
Cash and Equivalents	186.1	13.3%	190.0
Other Current Assets	28.8	2.1%	41.8
Total Current Assets	435.3	31.2%	451.6
Total Assets	1,396.4		1,439.1
Shareholders' Equity	653.0	46.8%	573.7
Financial Debt	321.0	23.0%	466.2
Other Non-Current Liabilities	183.3	13.1%	187.4
Other Current Liabilities	239.1	17.1%	211.9
Total Equity and Liabilities	1,396.4		1,439.1

Net Debt as at 31 December 2008 amounted to €167.8m, equivalent to 0.73 x EBITDA.

Comments on the 2008 Balance Sheet

Regarding the company's balance sheet as at 31 December 2008, it is worth mentioning that both Goodwill and Intangible Assets reflect the impact of the acquisition of Hermal and the Shire product portfolio. The reduction in Intangible Assets over the previous year was due to the depreciation of assets.

The Property, Plant and Equipment account remained stable owing to strict management of the company's investments.

Other Non-Current Assets position of €165.2m includes tax credits which are mostly attributable to accumulated R&D tax deductions. These will be applied in subsequent years.

Both the Accounts Receivables and Inventories remained stable with respect to the previous year. Based on the increase in Net Sales (+14% in Sales), this reflects the positive management of working capital.

On the liabilities side, shareholders' equity suffered a substantial change due to:

- a) A dividend payout of €52m
- b) Net Income for the period of €136m

Amounts owed to financial institutions totalled €321m (of which €252.2 were non-current) as a result of the debt incurred to finance the acquisitions. During 2008 the company repaid approximately €145m worth of debt.

After deducting Cash and Equivalents and Pension Liabilities, Net Debt was lowered to €167.8m, which is equivalent to 0.73 times EBITDA 2008.

Net Debt as at 31 December provides Almirall's balance sheet with significant capacity to finance new corporate development projects, including the search for new license-in opportunities and the selective evaluation of acquisitions.


2008 Cash Flow

(rounded to nearest million euros)

	2008	2007
Profit before Tax	144.7	129.2
Depreciation and Amortisation	63.3	36.0
Change in Working Capital	16.2	-26.8
Other Adjustments	8.9	40.6
Cash Flow from Operating activities	233.1	179.0
Financial Income	6.8	21.3
Investments	-24.0	-582.3
Divestments	2.9	108.9
Changes in scope of consolidation	0.0	-85.9
Other Cash Flows	0.0	6.7
Cash Flow from Investment Activities	-14.3	-531.2
Financial Expenses	-25.1	-14.4
Dividend distributions	-52.5	-420.0
Capital increase / (decrease)	0.0	106.7
Debt increase / (decrease)	-145.2	460.4
Other Cash Flows	0.1	-12.0
Cash Flow from Financing Activities	-222.7	120.7
Cash Flow generated during the period	-3.9	-231.5
Free Cash Flow	218.8	-352.2

In 2008 Almirall generated a record Free Cash Flow of €218.8m.

Comments on the 2008 Cash Flow

Cash Flow generated from Operating Activities came to €233m, a 30.2% increase on 2007.

Depreciation and Amortisation rose following the acquisition of Hermal and a product portfolio from Shire in 2007.

The Change in Working Capital improved significantly compared to 2007, mainly as a result of inventory levels and accounts receivable being consistent with the previous year.

Investments were reduced by 96% compared to 2007, due to adequate management of fixed asset investments and to the fact that both the acquisition of Hermal and the purchase of Shire products were included in 2007.

The increase in Cash Flow from Financing Activities resulted from the loans secured in 2007 for financing the above-mentioned acquisitions. Moreover, in 2008 the company paid off €145m worth of debt.

Contents of the External Auditors' Report

The external auditors' report issued by Deloitte on 27 February 2009 concerning the consolidated annual accounts for 2008 includes the following documents:

- consolidated balance sheet as at 31 December 2008
- consolidated income statement
- consolidated statement of equity changes
- consolidated cash flow statement
- notes to the consolidated accounts

The report on the consolidated annual accounts contained a favourable and clean opinion.

The full contents of the consolidated 2008 Annual Accounts, the notes to the accounts and the auditors' report can be found at www.cnmv.es, www.almirall.com and on the CD-ROM enclosed within the company brochure.



Almirall on the Stock Exchange

In 2007 stock market flotation provided Almirall with a new source of financing to carry out corporate development operations. This resulted in the acquisition of Hermal and a portfolio of eight products from the UK pharmaceutical company Shire, as well as in the opportunity to improve the company's international visibility and prestige.

Global financial situation

The turbulences of the financial markets in 2008 have affected stock markets across the world, leading to a sharp fall in the share prices of a large number of listed companies in a range of sectors.

This financial environment has also had a negative impact on Almirall, driving the share price down, irrespective of the significant adjustment that took place following the announcement in September of the results of phase III of aclidinium bromide.

Phase III results of aclidinium bromide

In September 2008 Almirall published the topline results of the aclidinium bromide trials. Acclidinium bromide showed improvements in the lung function and was well tolerated, with a favourable risk/benefit profile, but the efficacy results were lower than expected.

In October, Almirall and Forest announced that they had requested approval from the regulatory authorities in the US and Europe to conduct additional clinical trials on acclidinium bromide for the treatment of COPD (Chronic Obstructive Pulmonary Disease), in order to reinforce the selection of dose regimens, including higher and/or more frequent doses. These new trials are due to start in 2009.

Acclidinium bromide remains one of Almirall's major assets. The company also has an extensive pipeline that is continually growing, with several promising compounds at various stages of development.

Share price performance

The company's share price fell sharply in the second half of 2008 following the publication of the results of phase III of acclidinium bromide and due to a deterioration of the world's financial climate.

The share price as at 31 December 2008 (€5.50) included a discount of approximately 45% relative to the market consensus on the target price (€10.20).

As at 31 December 2008 the target share price according to the market consensus was approximately €10.

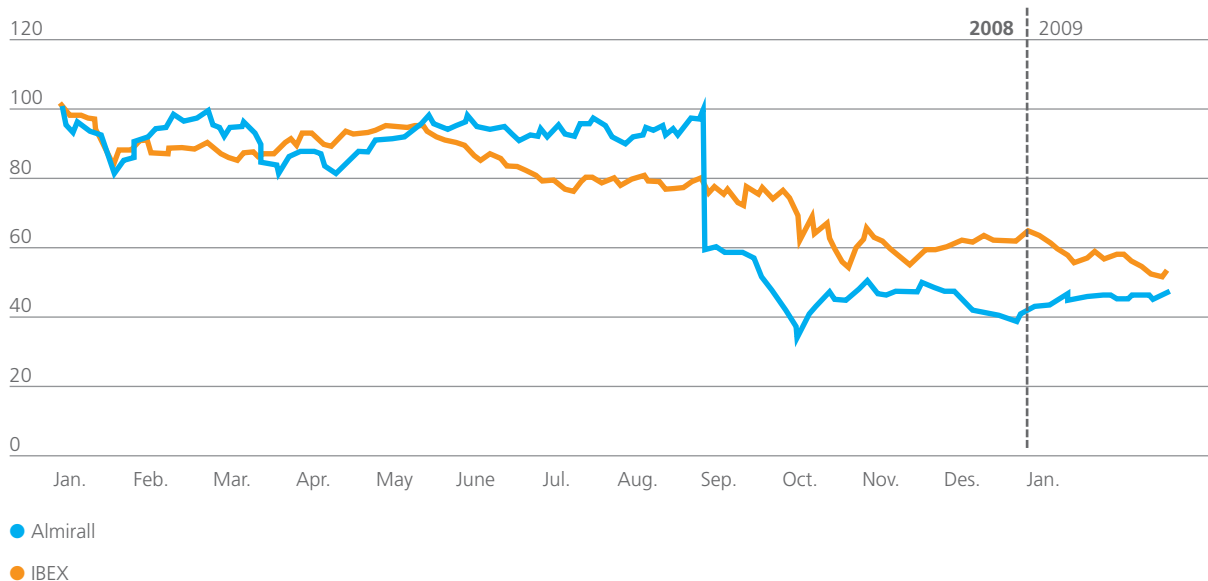
Below is a summary of the most relevant figures regarding Almirall's share price in 2008:

Relevant figures regarding Almirall's share price

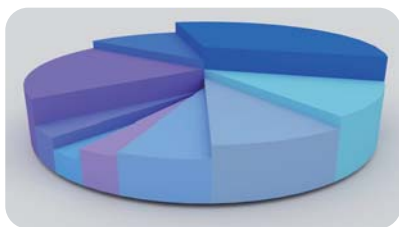
	2008
Dividends paid out (charged against 2007)	€ 0.316
Maximum share price (02.01.2008)	€ 15.02
Minimum share price (08.10.2008)	€ 4.65
Closing price as at 31.12.2008	€ 5.50
Number of shares as at 31.12.2008	166,098,610
Stock market capitalisation as at 31.12.2008	€ 913,542,355

Almirall share price vs IBEX 2008

(Base 100)



During the first half of 2008 Almirall's share price and the IBEX index posted a similar performance. But between June and the end of August, the relative performance of Almirall's share price was higher than that of the IBEX. Following the publication of the results of phase III of acridinium bromide, the share price's performance was below that of the IBEX. At the beginning of 2009 there was a relative improvement in the Almirall share price compared to the index.

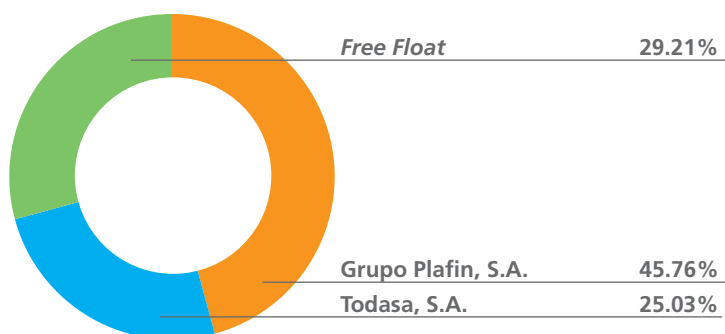


Share capital structure and significant interests

Almirall's share capital is represented by 166,098,610 shares with a nominal value of 0.12 euros each.

As at 31 December 2008 the shareholding structure of the company was distributed as follows:

Shareholding structure (as at 31 December 2008)



According to the information contained in the official filings of Spain's National Securities Market Commission (Comisión Nacional del Mercado de Valores) as at 31 December 2008 the following shareholders had a significant interest (both direct and indirect) of more than 3% in the share capital of Laboratorios Almirall, S.A.:

Name or company name of the direct shareholder	No. of shares	% Ownership Interest in Almirall
Grupo Plafin, S.A.	76,013,149	45.764%
Todasa, S.A.	41,579,239	25.033%
Fidelity International Limited		
Fidelity European Fund	3,620,950	2.18%
FID FDS - Iberia pool	1,278,959	0.77%
Fidelity European OPP FND 1992	531,515	0.32%
FID FDS - Euro smaller Co pool	315,587	0.19%
European Equity MKT NEUT. LONG	166,099	0.10%
Other ownership interests	717,765	0.43%
Total Fidelity International Limited	6,630,875	3.99%

At the end of 2008 a total of 17 national and international analysts covered the performance of Almirall's share price.

In mid October 2008 Grupo Plafin, S.A. and Todasa, S.A. announced a market repurchase of up to 5% of Almirall shares in the following twelve months (from the date of the announcement). The free float (just below 30%) is largely institutional and is led by Fidelity International Ltd.

Analysts' forecasts

As at 31 December 2008 a total of 17 analysts covered the performance of the Almirall share price:

Entity

Ahorro Corporación	Madrid
Banesto	Madrid
BBVA	Madrid
La Caixa	Madrid
Cheuvreux	Madrid
Citi	London
Dresdner Kleinwort	London
Fortis	Madrid
Goldman Sachs	London
Ibersecurities	Madrid
Intermoney	Madrid
Kepler	Madrid
Merrill Lynch	London
Morgan Stanley	London
Renta 4	Madrid
Santander	Madrid
Venture Finanzas	Madrid

As at 31 December the market consensus on the target price was around €10.

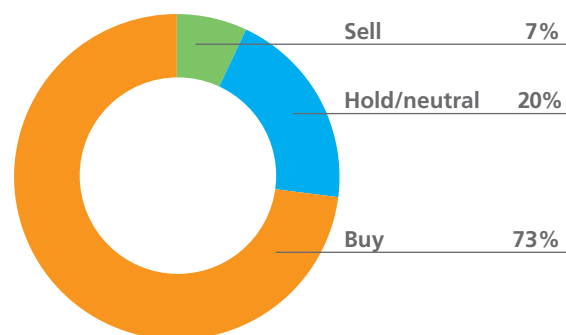


The summary of recommendations according to Bloomberg and Reuters at the end of 2008 is shown below:

Market Consensus by Bloomberg (as at 31.12.2008)

Number of recommendations:	15
Highest target price:	€ 12.20
Lowest target price:	€ 6
Consensus target price:	€ 10.00

Recommendations

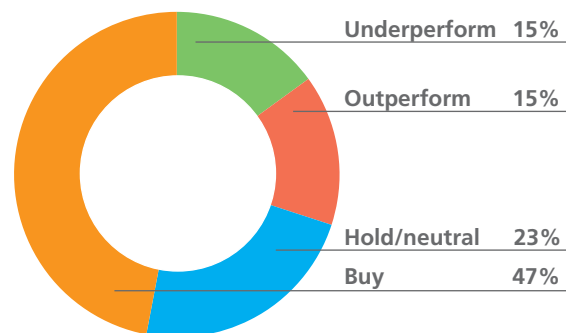


As at 31 December 2008 73% of Bloomberg's recommendations was to Buy.

Market Consensus by Reuters (as at 31.12.2008)

Number of recommendations:	13
Highest target price:	€ 12.20
Lowest target price:	€ 6
Consensus target price:	€ 10.20

Recommendations



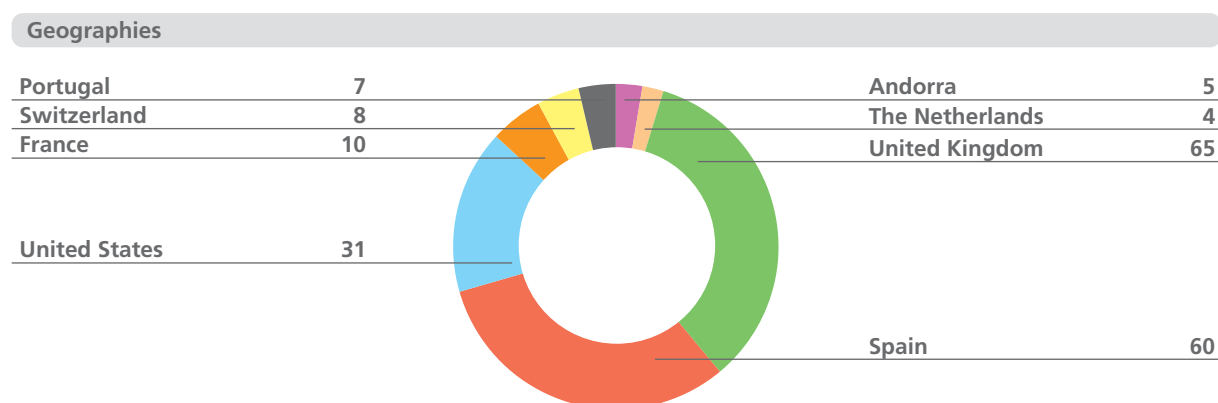
As at 31 December 2008 47% of Reuter's recommendations was to Buy.

During 2008 Almirall participated in national and international events to increase the company's visibility in the investor's community.

Transparency and proximity with shareholders

During 2008 a range of initiatives were undertaken to present the company to the community of investors, both nationally and internationally.

Specifically, during the year the company held a total of 190 individual meetings with investors in the following regions:



The number of meetings with investors represents a 48% increase compared to 2007.

Additionally, public presentations were conducted in a number of forums (industry conferences, presentations at Small & Mid Caps events, etc.) with a total attendance of 341 people.

No. of Events	Type of event	Attendance
8	Group meetings with investors	87
4	Small & Mid Cap Conferences	114
2	Sector conferences	125
3	Roadshows	15
17	TOTAL	341

In 2009 the company will continue these activities with the aim of improving its visibility both on a national and international level.



Corporate development in 2008

As other pharmaceutical companies, Almirall's sales mix includes both proprietary drugs and products derived from corporate development projects. These include acquisitions and licensing agreements with third parties.

This dual business model, that has been key to Almirall's success over the past decade, allows us to diversify and strengthen our core business and pipeline.

Acquisitions essentially include assets such as products, product portfolios or companies.

Licensing agreements (both in and out, see the section on Operations) are a major strategic asset for Almirall as they contribute to the company's growth and international expansion.

Additionally, Almirall can carry out certain selected divestments in order to optimise its assets.

During 2008 the acquisitions made the previous year—Hermal and a portfolio of eight products from Shire—were integrated successfully. Both these operations have contributed to the pan-European expansion of Almirall, strengthening its presence in key countries with the establishment of new affiliates in Austria, Poland, Switzerland and the United Kingdom-Ireland.

In January 2009, as part of a strategy aimed at core therapeutic areas with innovative products protected by intellectual property rights, Almirall entered into an agreement with Kern Pharma for the sale of 13 products that were not being promoted actively in its portfolio in Spain for a total amount of €19.1m. In 2008 this portfolio recorded sales of approximately €8m and was mainly made up of products in the Central Nervous System field.

Furthermore, in 2008 Almirall signed two major licensing agreements to expand and reinforce its product portfolio.

- **Merck Sharp & Dohme (MSD).** Under this agreement MSD grants Almirall the right to market sitagliptin in Spain under the brand name of *Tesavel*, which until now was solely distributed by MSD under the brand name of *Januvia*. With this agreement Almirall has added a novel drug to its portfolio for the treatment of type-2 diabetes, a therapeutic area in which it was not involved previously. In 2009 the company intends to launch a new product that combines sitagliptin and metformin under the brand name of *Efficib*.
- **Pfizer.** The agreement entered into with Pfizer grants Almirall the right to market a new drug in Spain that combines amlodipine and atorvastatin under the brand name of *Astucor*, thus strengthening its product portfolio in the cardiovascular area. The drug was launched in January 2009.

Corporate development operations make a significant contribution to Almirall's core business.

Partnering

Consolidating Almirall's global position

The company aims to consolidate and increase its presence in the five continents by adopting a twofold approach:

- **In Europe and Latin America.** Almirall aims to increase its presence in countries where it has affiliates. This involves searching for licensing opportunities and adequate partners for its R&D projects; acquiring companies and products; and collaborating with local partners who have a strong commercial footprint.
- **In countries with no direct presence.** In countries where Almirall does not have affiliates, the company markets its products through licenses and distribution agreements with prominent local companies.

Almirall, a leading partner

Almirall is a long-standing pharmaceutical company whose products are sold in over 70 countries, including the US and Japan, through its own affiliates and via licensees. Based in Barcelona (Spain), Almirall also has ten affiliates in Europe (Austria, Belgium, France, Germany, Italy, Poland, Portugal, Switzerland and the United Kingdom-Ireland) and one in Latin America (Mexico).

Almirall has a proven track record in R&D, with a special focus on respiratory, dermatological and autoimmune conditions, and excellent know-how and resources which cover the whole spectrum of the manufacturing process from the active principle right through to the finished product, making it a leading player within the industry.

Almirall's specialisation in dermatology places the company in a leadership position in Europe: it is the No. 1 derma company in Germany and the seventh largest derma pharmaceutical company in Europe. In addition, it has a major technological platform for the development of inhalation products.

As far as commercial resources are concerned, Almirall offers an extensive network of international sales, with leading products in key areas that can be licensed in other markets. The company has a proven track record of managing regulatory processes and clinical trials in both the EU and the US.



A high value-added licensing strategy

License-in

Almirall is committed to actively seeking new business opportunities in order to secure high value-added licenses, developing future-oriented products, and focusing on technologies that provide society with innovative drugs that contribute to improving people's health and quality of life. Almirall can provide support to its partners in the fields of clinical development, regulatory processes, price setting and marketing.

With its extensive license-in experience Almirall can provide substantial value to companies aiming to successfully market their drugs in Europe or Latin America, especially products which are in advanced stages of clinical development.

The Corporate Development department is constantly evaluating potential acquisitions of products, product portfolios, business units and companies. The department's straightforward initial evaluation process allows it to make quick progress in negotiations.

License-out

Almirall bases its product licensing strategy on both its development needs and future commercial prospects.

Based on its licensing strategy, the company offers the possibility to license projects at their earliest stage, right after the "Proof of Concept" (phase IIa).

By way of example, in 2006 Almirall granted a license to Forest for the joint development and marketing in the US of aclidinium bromide, a drug for treating COPD (Chronic Obstructive Pulmonary Disease).

Therapeutic areas of interest

Almirall focuses most of its commercial activities on the following business areas:

- **Dermatology**

Almirall has positioned itself as a leading company in this area following the acquisition of Hermal and a portfolio of eight products from Shire.

- **Respiratory**

This is in line with its research approach and with the future launch of aclidinium bromide, currently in phase III of clinical development.

Corporate development priorities for 2009 include new licenses and selective acquisitions.

- **Allergy**

With an extensive coverage of the business target, the most prominent product in this area is ebastine, an antihistamine which is marketed in over 30 countries.

- **CNS (Central Nervous System)**

The company's presence in this segment has been consolidated through almotriptan, the first Spanish R&D product to be approved by the US Food and Drug Administration (FDA).

Almirall locally sells other innovative drugs in those markets in which it has a commercial presence. The company is open to the acquisition of products or the formation of business partnerships that can create synergies with its local interests. For this reason, Almirall has established a direct presence and an extensive sales network in 11 countries: Austria, Belgium, France, Germany, Italy, Mexico, Poland, Portugal, Spain, Switzerland and the United Kingdom-Ireland.

The preferred therapeutic areas for corporate development activities are the following: respiratory, allergy, inflammation, dermatology and central nervous system.

Corporate development priorities for 2009

- Partnering acridinium bromide in key geographies.
- Partnering OD LABA (LAS100977).
- Pursuing new license-in opportunities.
- Continuing to evaluate selected acquisitions.





Social commitment

At Almirall we are driven by our commitment to the environment, employees, patients and healthcare professionals.



A commitment to society

The goals that underpin Almirall's day-to-day business include researching, developing, producing and marketing innovative drugs, so that healthcare professionals can give their patients the best possible quality of life. We also strive to provide our staff members with healthy surroundings to foster their talent and to respect the environment through the implementation of environmental protection measures. Because we are committed to the environment, to our employees and to society.

The environment Our commitment to the environment

Almirall's environmental policy clearly reflects the company's commitment to the environment, which can be summarised through the following basic principles:

- **Complying with current regulations.**
Almirall adheres rigorously to all regulations relating to the control of waste, spillage and other aspects related to the protection of the ecosystem and respect for the environment.
- **Reducing and disposing of waste.**
Given the importance of reducing and disposing of waste products and other contaminants, environmental emissions are considered as an integral part of the manufacturing process, and are therefore subjected to the same Good Manufacturing Practices (GMPs).
- **Preventing environmental accidents.**
The company has put all the necessary measures in place to prevent accidents that may have a negative impact on the environment and/or health.
- **Searching for new solutions.**
In light of the need to maintain a proactive policy that adapts to changes in the environment, Almirall is continually looking for new solutions for updating and improving its environmental processes, products and services.
- **Raising our employees' awareness.**
Almirall has a duty to convey its environmental commitment to all employees and external companies working on its premises, to ensure that they become aware of environmental issues and include them in their daily work.

In 2008 Almirall was named “TOP Place to Work” by the Corporate Research Foundation.

The implementation of these principles in Spain resulted in Almirall obtaining the ISO 14001 environmental management certification in 2004, both for its R&D activities and for the manufacture of drugs and active principles. The ISO certification also applies to the company’s management activities. After obtaining an extension of its ISO certification in 2007, in January 2008 the company successfully completed the first annual follow-up audit with Bureau Veritas.

One of the main initiatives undertaken by Almirall over the past few years was to recycle all the paper and cardboard used in our daily activities. This initiative resulted in the recycling of 198 tonnes of paper and cardboard in 2008. At Almirall, we have taken the selective management of waste one step further, as all of our facilities are equipped with specific plastic and metal waste containers, which means all our waste is recycled at selective collection plants.

To further develop these initiatives, at the end of 2008 we signed an agreement with FEMAREC, a not-for-profit social organisation and a leading charity in the professional integration of people at risk of exclusion, for the purpose of managing and recycling the paper and cardboard generated by Almirall’s various facilities in Spain.

The company

Our commitment to employees

Almirall reaffirms its commitment to every employee of the company on a daily basis. Our goal is to contribute to the professional development and talent of our employees, by offering them a forward-looking career based on ongoing training, corporate stability and a clear commitment to innovation.

Our corporate culture takes the view that differences should be embraced and respected. There are currently over 20 nationalities among Almirall’s employees. The company places great store by the added value that this diversity of individuals is able to bring to it in terms of professional advancement.

Professionalism and teamwork are a substantial part of Almirall’s corporate values. As a result, the individual and collective efficiency of our employees has become one of our key competitive strengths.

As a result of this continued effort, in 2008, the Corporate Research Foundation, an international organisation dedicated to coordinating and reviewing research projects in the economic sphere, named Almirall as a “Top Place to Work”, an award that was also granted that year to Banco Santander, Coca-Cola and Telefónica, among others. These companies were described by the organisation as “trustworthy” and were selected for their performance and for their policy of attracting talent. The award acknowledges the company’s commitment to bettering itself continually, creating an environment that stimulates growth and improvement and focusing on the development of every single employee within the company.



At Almirall we are also committed to supporting and helping young people still in education to access the job market. Our aim is to act as a platform for their professional development.

We have entered into a number of Educational Cooperation Agreements with leading universities and institutions, under which we recruit students who are fully integrated into Almirall's work teams. Students receive a clear description of the tasks they must perform, as well as personal guidance from an experienced tutor. And when new vacancies arise, previous experience within the company is taken into consideration.

Occupational hazard prevention

At Almirall, we are committed to the health and safety of our employees. This commitment is reflected in our Prevention Policy, which requires constant efforts to ensure that the workplace is free of hazards, providing employees with the planning and resources they need to achieve maximum prevention efficiency.

- **Almirall considers the prevention of occupational hazards as a priority.**
Almirall aims to make preventive actions one of its overriding corporate principles. These principles are continually improved to ensure that the maximum level of health and safety in the workplace is attained, in accordance with the legislation in force and the company's own guidelines.
- **Promoting the implementation of occupational hazard prevention in daily tasks.**
This principle is based on the evidence that improved productivity can be attained in an environment in which quality is encouraged in synergy with hazard prevention.
- **Training employees in health and safety at work and providing them with the means to prevent occupational hazards.**
In order to promote a safe approach to all activities carried out within the company, it is of vital importance to train and inform employees about health and safety issues. It is likewise crucial that they are provided with the appropriate means and measures to prevent any kind of occupational hazard.
- **Encouraging employees to take part in matters related to occupational hazard prevention.**
Employees' knowledge and experience of the tasks that they perform are of the greatest importance in defining the company's prevention programmes and ensuring that full advantage of them is taken.

Occupational hazard prevention is a common goal for all employees within the company.

Occupational hazard prevention is a goal shared by the company and its employees. Every employee, whatever their position or duties, is responsible for ensuring that health and safety regulations are fulfilled. As a result of this joint effort, in January 2008 Almirall successfully completed the first annual follow-up audit to ensure compliance in Spain with the OHSAS 18001 certification, which was conducted by TÜVRheinland.

This certificate attests that the Occupational Hazard Prevention Management System conforms to the international OHSAS 18001 standard. After an exhaustive assessment that covered all of Almirall's affiliates and activities, in 2007 TÜVRheinland certified that the company had an ongoing policy that met the latest and most demanding occupation health and safety criteria, which go beyond the requirements laid down by current Spanish legislation.

Moreover, in 2008 Ranke Química (an Almirall's group company) received an award from the Autonomous Health & Safety at Work Committee for Chemical and Related Industries (Comisión Autónoma de Seguridad e Higiene en el Trabajo de Industrias Químicas y Afines, or COASHIQ) for achieving the lowest accident rate in the fine chemical sector in 2007.

The purpose of the COASHIQ, an organisation founded in 1985, is to promote the safety of people and the workplace by constantly watching national and international regulations and by exchanging experiences and applying the results in the member companies.

The COASHIQ is an official member of the Trade Federation for the Spanish Chemical Industry (Federación Empresarial de la Industria Química Española, or FEIQUE) and also acts as the Federation's Health & Safety At Work Committee.

The COASHIQ currently includes over 200 member companies from a range of sectors, including the chemical, petrochemical, oil and pharmaceutical sectors, employing nearly 85,000 people.

At Almirall, we are convinced that the health and safety of our employees requires a healthy lifestyle. Thus, as part of this commitment, we have undertaken a number of initiatives, such as providing fitness facilities in the workplace or introducing balanced and healthy menus in company canteens.



Society

Our commitment to patients and healthcare professionals

Dissemination

At Almirall, not only do we focus our efforts on the drug chain to improve the health and safety of people across the world, we also promote projects designed to make our products more accessible to the general public. To achieve this, we have initiated significant dissemination actions in Spain, aimed at patients and their environment, with the aim of promoting a healthier lifestyle through changes in habits.

Our commitment towards patients extends to a variety of initiatives from society. Almirall collaborates actively with projects aimed at training patients and their relatives in the treatment of pain. These projects include a partnership with the Universidad de los Pacientes (the University of Patients), run by the Autonomous University of Barcelona and the Josep Laporte Foundation, for the purpose of improving the quality of health care through the development of information, training and research activities. This partnership has resulted in the creation of the Respiratory and Depression departments at the University of Patients.

In 2008 Almirall was awarded a prize by the publication *Medical Economics* for its project "Look after your health". With this project, Almirall intends to provide training and information to patients so as to address any doubts they may have about the treatment of their condition.

Training activities

In order to promote the development and improve the skills of healthcare professionals, at Almirall we are committed to providing professionals with ongoing training through sponsoring and promoting all kinds of activity designed to help them optimise their knowledge.

At present, Almirall is one of Spain's pharmaceutical companies that invests the most in the training of healthcare professionals. The aim of these activities is to improve their professional skills in relation to their relationships with patients and provide them with a better knowledge of our drugs.

The priority given to training can be clearly seen in the figures for 2008: 120 courses with more than 4,800 attendees over 90 workshops with more than 1,500 attendees, and 82 medical meetings with over 7,200 attendees. In addition, Almirall has been involved in more than 425 projects organised by members of society (trade associations and scientific societies) to improve the training of healthcare professionals.

Almirall currently has 41 ongoing research projects involving over 6,000 professionals and more than 30,900 patients.

Professional ethics

At Almirall we believe that we have the duty and responsibility to continue monitoring the efficiency and safety of the drugs we research and develop, even once they are available to society.

We are currently involved in 41 active research projects, of which seven are clinical trials, seven are research carried out by third parties and 27 are research projects that examine the effects of our drugs on patients. Overall, 6,000 professionals and over 30,900 patients are involved in these projects.

Moreover, Almirall actively encourages the dissemination of the knowledge derived from these projects to healthcare professionals in all kinds of scientific publications.

During 2008, 15 papers were published in scientific journals and 27 publications were written for conferences (poster abstracts and other kinds of submission).

The medical calls by our representatives continue to be one of the company's most effective means of communication with healthcare professionals. We are thus able to come into direct contact with them and inform them of the latest advances made in research related to our products.

Likewise, the internet has consolidated itself as a widely accepted tool for disseminating information about our products and for providing services to professionals. Almirall now has 30 online projects and more than 43,000 healthcare professionals have registered with our medical websites, having visited over seven million web pages. The results of the clinical trials can be viewed at www.almirall.com.

Our strive for transparency prevails over all of our company's actions and our priority is to provide healthcare professionals with tools that enable them to give a better service to their patients.

Our commitment to integrity in our relations with healthcare professionals has prompted us to actively adopt and promote the codes of ethics that are promoted by the various pharmaceutical industry associations in the countries in which we operate and to adhere to the guidelines laid down by the European Federation of Pharmaceutical Industries and Associations (EFPIA).





Corporate Governance

A tangible effort to achieve a shared goal:
protecting our shareholders' interests.



Transparency and rigour to protect shareholders' interests

The fundamental purpose of Almirall's corporate governance policy is to protect the interests of shareholders and maintain a transparent and rigorous information policy at all times.

The table below shows the members and secretary of the Board of Directors and a description of their roles, together with a list of the members of the Audit Committee and Appointments and Remuneration Committee.

Board of Directors

Name	Position	Nature of the position
Jorge Gallardo Ballart	Chairman and CEO	Executive
Antonio Gallardo Ballart	1st Deputy Chairman	External director
Daniel Bravo Andreu	2nd Deputy Chairman	External director
Per-Olof Andersson	Member	Executive member
Luciano Conde Conde	Member	Executive member
Eduardo Javier Sanchiz Yrazu	Member	Executive member
Juan Arena de la Mora	Member	Independent external member
Paul Brons	Member	Independent external member
Tom McKillop	Member	Independent external member
José Juan Pintó Sala	Secretary (Non-member)	Non director

In 2008 Almirall had approximately 45,000 shareholders. Their interests are safeguarded by the Board of Directors, whose proposals must ultimately be approved at the Annual General Meeting. In order to uphold the rigour and independence of these proposals, the Audit Committee and the Appointments and Remuneration Committee play an active and major role in drawing them up.

The fundamental objective of Almirall's Corporate Governance policy is to preserve the interests of the company and its shareholders, while ensuring at all times that the information disclosed by the company is both transparent and rigorous.

Audit Committee

The company has an internal audit function which reports to the Audit Committee and an annual external audit process that guarantees the integrity of the financial information presented.

The Audit Committee is comprised of three members, most of whom are non-executive directors appointed for four years. Members are appointed on the basis of their knowledge and experience of accounting, auditing and risk management, as well as of their knowledge, skills and experience in carrying out the other functions of the Committee. It is chaired by an independent director, Juan Arena de la Mora, and its Secretary is Daniel Bravo Andreu, an external director.

Members of the Audit Committee

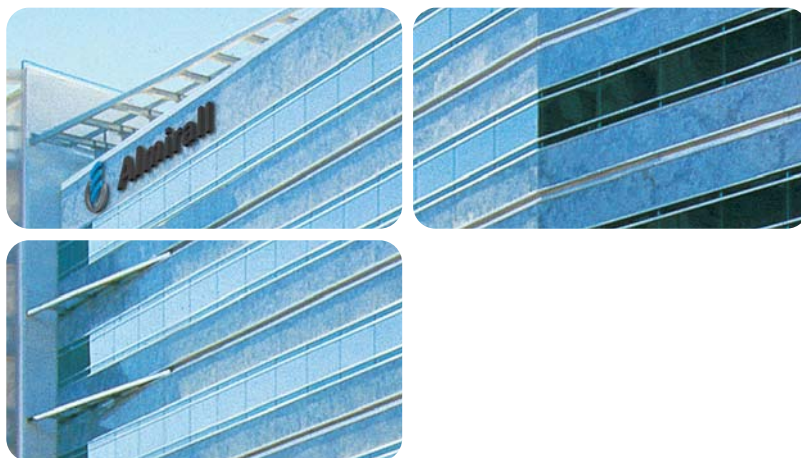
Name	Position
Juan Arena de la Mora	Chairman
Daniel Bravo Andreu	Member
Eduardo Javier Sanchiz Yrazu	Member

The Audit Committee meets once every quarter to review the periodic financial information which is to be submitted to the Stock Exchange authorities, as well as the information that will be approved by the Board of Directors and included within the annual filings.

The Board's Regulations also provide that the Committee may meet at the request of its members or every time a meeting is called by the Chairman, who is required to call a meeting whenever the Committee or Chairman requests the issue of a report or the adoption of proposals, and, in all cases, whenever deemed necessary for the proper discharge of its functions. Such meetings may be attended, if considered appropriate by the members of the Committee, by members of senior management, company personnel or the account auditors. Moreover, in order to ensure that it performs its functions to the best of its ability, the Audit Committee may request advice from external experts whenever needed.

The Audit Committee reports on its activities to the first plenary meeting of the Board of Directors following its own meetings. Moreover, it is required to take minutes of its meetings, of which a copy must be submitted to every member of the Board and prepare an annual report on its operations, as laid down by Article 13.4. of the Board's Regulations.

The person in charge of the internal audit function provides the Audit Committee with an annual work plan, informs it directly of any incidents that arose during the course of work and submits an activity report to the Committee at the end of the year.



Appointments and Remuneration Committee

The Appointments and Remuneration Committee is made up of three directors, mostly independent, appointed by the Board of Directors for a period of four years on the basis of their knowledge, skills and experience and of the Committee’s assignments.

It is chaired by an independent director, Paul Brons, and the Secretary is Antonio Gallardo Ballart, an external director. Whenever deemed necessary to discharge its functions adequately, the Committee may also seek advice from external experts.

Members of the Appointments and Remuneration Committee

Name	Position
Paul Brons	Chairman
Antonio Gallardo Ballart	Member
Tom McKillop	Member

The Appointments and Remuneration Committee meets once every quarter and must do so every time a meeting is called by the Chairman, provided that the Committee or its Chairman requests the issue of a report or the adoption of proposals, and, in all cases, whenever deemed appropriate for the proper discharge of its functions. It reports on its activities to the first plenary meeting of the Board of Directors following its own meetings. Furthermore, the Committee must take minutes of its meetings, of which a copy must be sent to every member of the Board.

The Committee must consult the Chairman and CEO of the company, especially when dealing with matters relating to executive directors or senior managers.

Every year, the Committee issues a report on the performance of its duties to the Chairman of the Committee and to the CEO of the company, based on the report submitted by the Appointments and Remuneration Committee, in relation to its own operations and the remuneration policy of the Board.

The Management Board defines the overall strategy of the company and how it applies specifically to R&D, Operations, Finance and Corporate Development.

Management Board

As the leading governing body, the Management Board defines the general strategy of the company, the overall policies and scope of operations in the areas of research, operations, finance and corporate development.

The Management Board represents the main organisational functions of Almirall. It is comprised of nine members. These include, in addition to the Chairman and CEO (who also acts as Chairman of the Board), Executive, Corporate and General Managers.

Members of the Management Board (as at 31 December 2008)

Name	Position	Date on which they joined the company
Jorge Gallardo Ballart	Chairman and CEO	1 November 1965
Per-Olof Andersson	R&D Executive Director	9 January 2006
Carlos Blanquer Fonquerne	General Director Industrial Area	17 June 1968
Luciano Conde Conde	Chief Executive Operating Officer	1 January 1996
Anselm Diví Tormo	Corporate Director Human Resources	9 January 2006
Enrique Domínguez Cruz	General Manager Spain	2 September 1985
Joan Figueras Carreras	General Counsel	1 October 1991
Daniel Martínez Carretero	Deputy Chief Financial Officer	1 September 2008
Eduardo Javier Sanchiz Yrazu	Chief Executive for Corporate Development and Finance	1 May 2004



The functions of the Management Board include the following areas:

- **Research**

The Management Board defines the therapeutic areas to which preliminary research programme resources will be allocated, as well as those related to licenses and external partnerships. In addition, it devises the company's general policy regarding the implementation of new development strategies and technological approaches designed to rationalise costs and shorten the process of developing new molecules.

- **Operations**

As far as operations are concerned, the Management Board defines both the commercial policy in Spain and the international business strategy, with a special focus on the consistency of the acquisition policy, the establishment of new affiliates, or the purchase of products. Furthermore, from an industrial point of view, it oversees the execution of tasks in compliance with regulatory requirements, both from a quality and an environmental perspective, and is responsible for the financial optimisation of the company's manufacturing processes.

- **Finance and Corporate Development**

The Management Board also analyses and discusses the various aspects of the company's corporate finance and corporate development projects (license in, license out and acquisitions).

The Management Board also has responsibility for supervising and dealing with critical risks (obtaining information from risk managers) and for approving newly identified risks and the action plans considered. Risk managers, who normally hold Executive or Senior Management positions, have full responsibility for managing the risks in their respective areas of competence and for carrying out the action plans designed to monitor these risks.

Additionally, the Management Board ensures that the workplace provides a welcoming and dynamic atmosphere that attracts talent and retains good professionals through ongoing training and skill development.

In summary, the Management Board is responsible for ensuring that the company's overall strategy remains consistent with Almirall's culture, based on its positioning and corporate values.

Almirall carries out a regular risk assessment to adapt to the changing circumstances of business and the environment.

Risk Management Policy

In addition, Almirall has a Risk Management Policy which is based on identifying and managing both the internal and external risks that may affect the achievement of its business objectives. The Audit Committee is responsible for supervising the implementation of the policy.

This management model identifies, classifies, evaluates and monitors risks on the basis of different categories (operational, strategic, compliance and reporting). Based on the risks identified and once the probability of occurrence and impact on the business has been assessed, a map of corporate risks is drawn up that specifies the control activities and the measures planned, or action plans, to mitigate the potential impact, should the risks materialise.

During the course of its activities, Almirall carries out a periodic re-assessment of its risks, with the aim of adapting to the changing circumstances of business and the environment. This policy provides Almirall's stakeholders with reasonable assurance that the controls put in place are efficient.

The sector in which Almirall operates is subject to many specific regulations in each of the various activities carried out: research, production and marketing.

Almirall has the departments and resources needed to ensure compliance with the laws and regulations relating to the correct operation of the company, and it has put in place the appropriate governing bodies, officers, controls and procedures for each of them.





Almirall at a glance

Almirall at a glance

The company

At Almirall we research, develop, produce and market proprietary drugs as well as licensed products, with the aim of improving people's health and well-being.

Almirall was founded in 1943 in Barcelona (Spain) and started its industrial and commercial activities in 1944. In the 1960s, it began its first research and development activities. Since its foundation, Almirall has become a leading pharmaceutical company in Europe. The company became public in 2007.

11

affiliates in Europe
and Latin America

3,300

professionals
across the world

2

R&D
units

3

R&D
centres

4

pharmaceutical
plants

2

chemical plants

Strategic objectives

Leveraging own R&D.

Growing internationally.

Maintaining our leadership in Spain.

Products and figures

Diversified sales

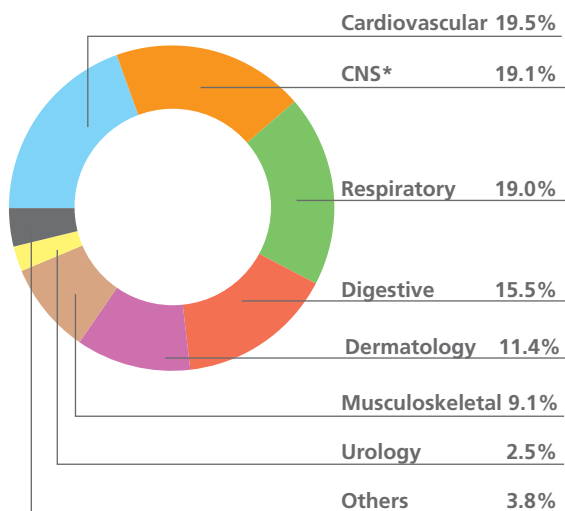
62%
among top 10 products

Product name	Therapeutic area
<i>Prevencor</i> (atorvastatin)	Cardiovascular
Ebastine	Respiratory
<i>Plusvent</i> (salmeterol + fluticasone)	Respiratory
<i>Esertia</i> (escitalopram)	Central Nervous System
Aceclofenac	Musculoskeletal
<i>Dobupal</i> (venlafaxine)	Central Nervous System
Almotriptan	Central Nervous System
<i>Parapres</i> (candesartan cilexetile)	Cardiovascular
<i>Opiren</i> (lansoprazole)	Gastrointestinal
Almagate	Gastrointestinal

Dermatology: a growing therapeutic area

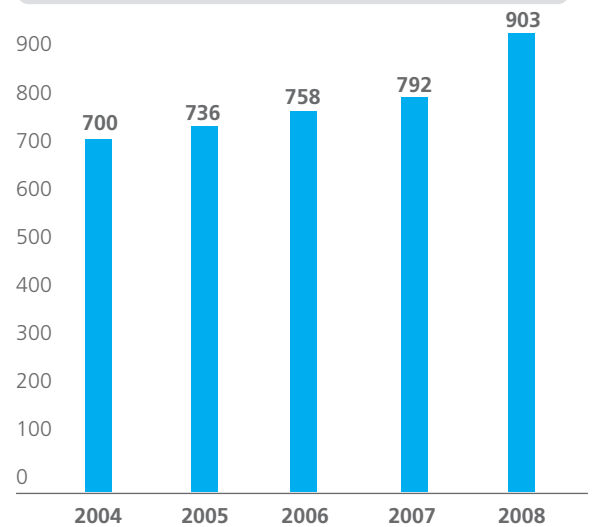
The acquisition of Hermal, a German dermatological company, and of a portfolio of eight products from Shire, including two dermatological products, *Vaniqa* (facial hirsutism) and *Solaraze* (actinic keratosis), have consolidated Almirall's dermatological franchise as a growing therapeutic area.

Therapeutic areas (as a % of sales)



*Central Nervous System

Sales (million euros)



3

Research areas

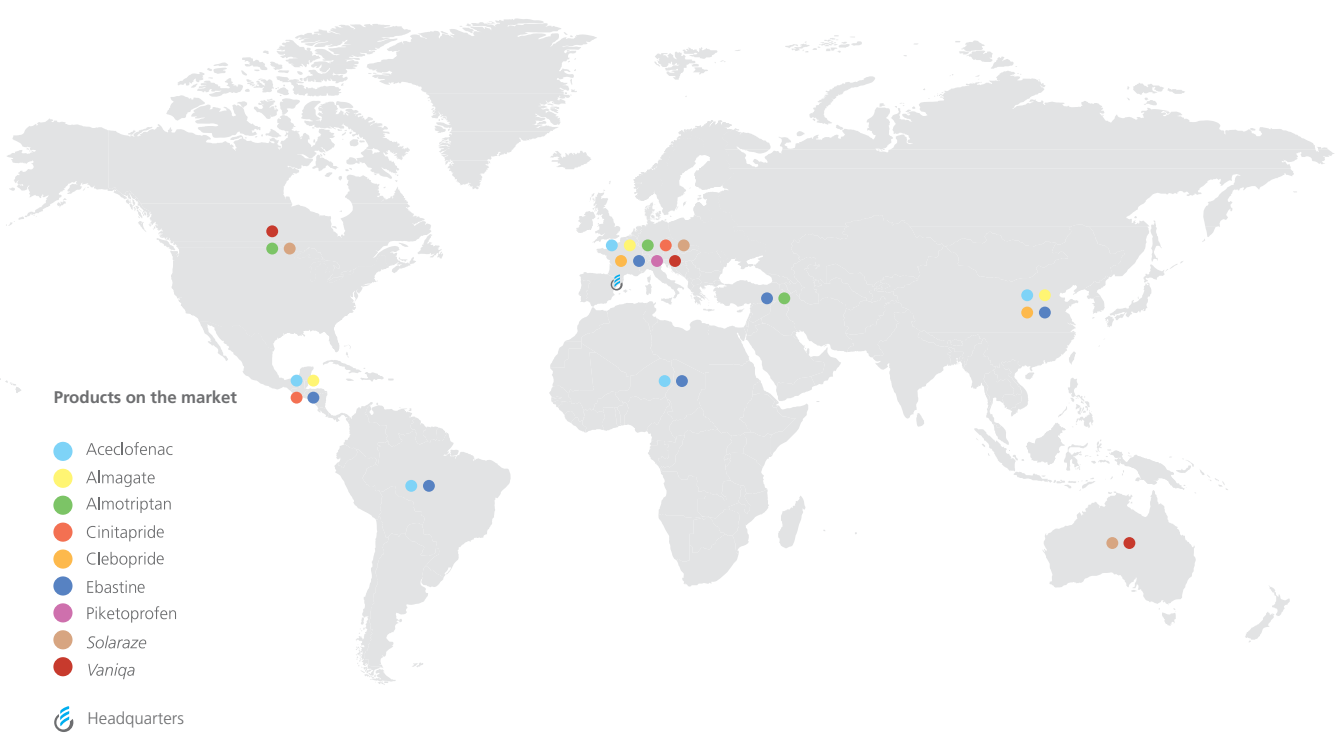
Respiratory
Autoimmune
Dermatology

International activities

Affiliates in **11** countries

Proprietary drugs in over **70** countries

Austria
Belgium
France
Germany
Italy
Mexico
Poland
Portugal
Spain
Switzerland
United Kingdom-Ireland



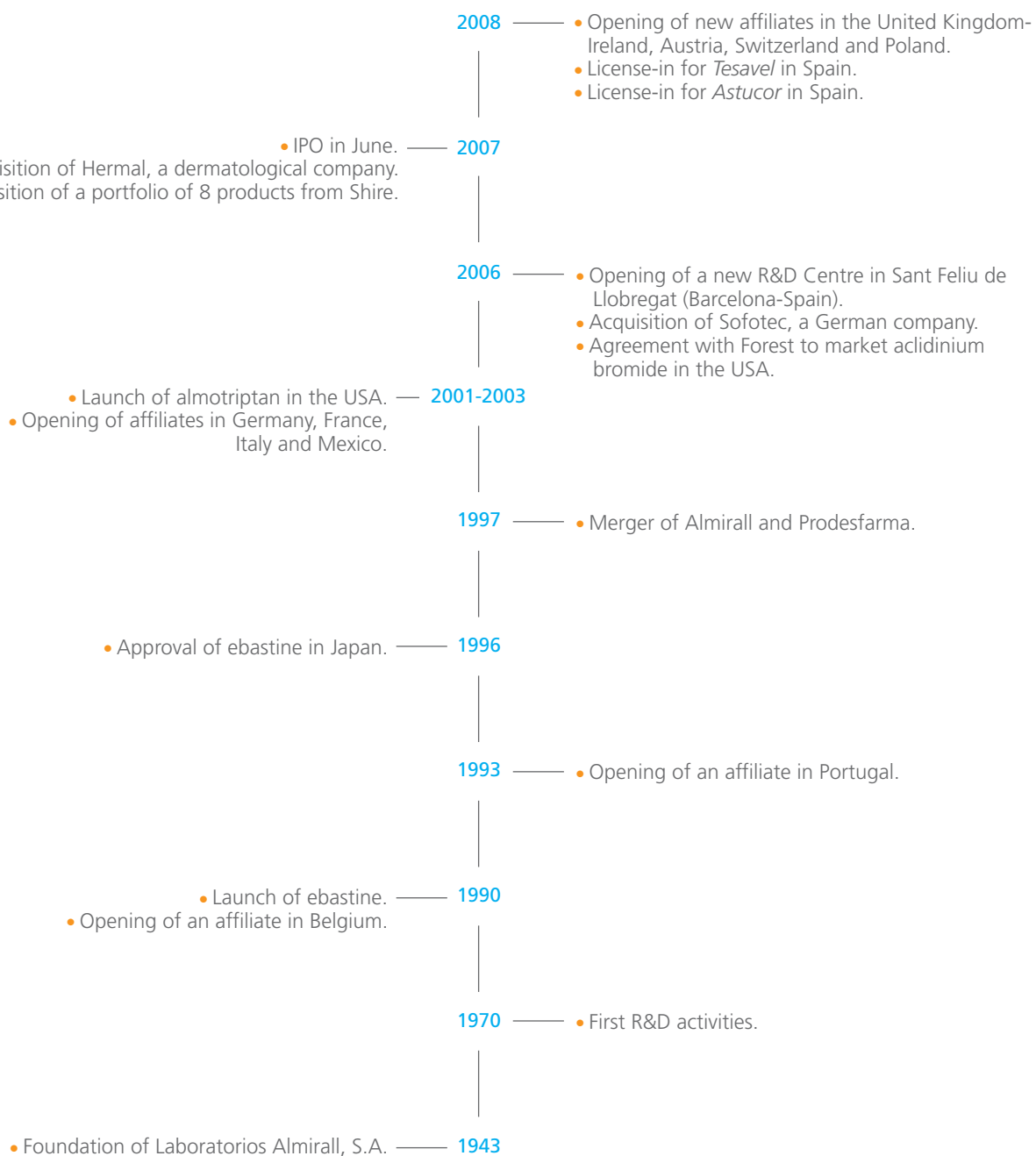
Social Commitment

Almirall's environmental policy is consistent with its commitment to the environment.

The prevention of occupational hazards is a goal shared by Almirall and its employees.

Almirall's commitment to society includes training and awareness-raising initiatives aimed at both patients and healthcare professionals.

Almirall's history





Solutions with you in mind

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