First Half 2010 in line with guidance, strong R&D catalysts expected in second half

Barcelona, 30 July 2010

- Sales and Normalized Net Income within guidance.
- Steady sales growth in affiliates, Spanish sales eroded due to healthcare reforms and generics.
- Four product launches expected in 2010: Silodyx®, Sativex®, Toctino® and Conbriza®.
- New affiliate established in the Nordics.
- Material reduction of 9.6% in SG&A driven by cost discipline and operational efficiencies.
- Net Debt remains low at 0.09 x EBITDA 2009.
- Continued strong Free Cash Flow generation (+8.7%).
- Significant Phase III newsflow anticipated in Q4 2010: Eklira® and linaclotide.

Financial highlights (€ rounded million)

	H1 2010	H1 2009	Var.
Net Sales	**469.0**	488.8	**-4.0%**
EBIT	**104.7**	111.8	**-6.4%**
EBITDA	**135.3**	143.6	**-5.8%**
Normalized Net Income	**87.4**	89.1	**-1.9%**

Jorge Gallardo, Chairman and Chief Executive Officer, commented:

"We have achieved our financial targets in the first half of the year in a very challenging environment following recent cost-containment measures by the Spanish Government. We are in line with guidance and importantly we maintain a solid balance sheet position with improved cash flow generation that allows significant leverage capacity.

Sustained efforts to optimize our cost structure will continue during the rest of the year as well as potentially capturing new corporate development opportunities to strengthen our core business.

We have recently added two new important products to our portfolio. Year to date, Almirall is making good progress in nourishing our base business and we expect to launch four products during the second half of the year (Sativex®, Silodyx®, Toctino® and Conbriza®).

We maintain our strategic priorities with continued focus on innovation and long-term sustainable growth. We continue to invest in our potentially transformational pipeline which is progressing as expected and will deliver significant Phase III catalysts in the second half of this year".

Barcelona, 30th July 2010 - Almirall, the international pharmaceutical company based in Spain, announced results for the first half to June 30, 2010.

Financial Results

Net Sales were as expected lightly eroded (-4.0%) to € 469.0 mill with steady growth of the international affiliates (+0.8%), with lower domestic performance (-4.4%) and from partners (-10.7%). International sales accounted for 44% of the total. The adverse economic environment, generic competition as well as healthcare reforms and austerity plans have hindered the overall performance.

Gross Margin was € 292.4 mill (62.3% of sales vs. 64.4% in H1 2009) reflecting the unfavourable impact of the mandatory discount of 7.5% on patented products in Spain following the legislative reforms. The mix of sales also contributed to margin dilution during the first half of the year.

Other Income reached € 61.1 mill (+12.5%) driven by the higher co-development revenues from the Eklira® franchise (both Mono and Combo) and LAS100977 (OD LABA) and increased amortization of the downpayments received from Forest in both projects.

As anticipated**, R&D expenses** were up at € 69.4 mill (+24.6% vs. the same period of last year) as the company moves forward with a significant late stage pipeline that will deliver important Phase III catalysts in 2010 (linaclotide and Eklira®). This trend is expected to continue during the rest of the year in particular due to the positive progress of the respiratory franchise (Eklira® and LAS100977 -OD LABA-).

SG&A (Selling, general and administrative) expense for the first half was € 181.4 mill reflecting a material reduction of 9.6% driven by cost discipline and savings generated by the restructuring efforts implemented in 2009 as well as by back-office synergies and operational efficiencies.

Both **EBIT** and **EBITDA** have eroded (6.4% and 5.8%, respectively) in line with gross margin evolution in a context of cost containment, higher R&D and the savings following commercial realignment in several markets during 2009.

Net Income and **Normalized Net Income** totalled € 86.9 mill (-16.0%) and € 87.4 mill (-1.9%) respectively. The former was largely driven by the divestment of 13 products in H1 2009 (which provided an extraordinary item), whereas the latter is in line with guidance.

Free Cash Flow in the first half of the year improved to € 81.4 mill (+8.7% vs. H1 2009).

Net Debt at 30th June remains low at € 22 mill (x 0.09 EBITDA 2009). This provides us with significant financial room in our balance sheet to accommodate corporate development ventures.

The **company's expectations for 2010** were updated in June, following the approval of measures aimed to reduce public healthcare expenses in Spain. Almirall expects that total sales and normalized net income (excluding extraordinary items) could have a rate of decline for 2010 compared to 2009 in the mid single digits.

Corporate Development

Year to date, Almirall has formalized two important agreements which will reinforce Almirall's core business in the short term: Toctino® and Conbriza®. Both, together with Sativex® and Silodyx® are expected to contribute to the 2010 sales.

In June**,** Almirall signed an international exclusive distribution agreement to commercialise Basilea's **Toctino®** (alitretoin) in Austria, Belgium, Czech Republic, Italy, Luxembourg, Mexico, the Netherlands, Poland, Portugal, Slovakia and Spain. The product, a once-daily oral treatment for adults with severe chronic hand eczema (CHE) unresponsive to potent topical corticosteroids, has been already approved in all the countries under the scope of the agreement (except in Czech Republic, Mexico and Poland) and it has been granted pricing and reimbursement in Italy and Austria, where launch preparations are being initiated. A sequential roll-out to European countries is foreseen during the second half of 2010 and 2011.

In July, Almirall formalized a co-promotion agreement with Pfizer to commercialise **Conbriza®** (bazedoxifene) in Spain, where it has recently obtained approval from the Spanish Agency of Medicines (AEMPS) and co-promotion activities will start from September 2010. This product, a new therapeutic option for the osteoporosis treatment, will reinforce our base business for the coming years in Spain and enlarges our product portfolio in the musculoskeletal therapeutic area.

Also, in the context of the acquisition of Meda´s device inhalation unit (Sofotec) in 2006, Almirall and Meda have reached an agreement by which Almirall pays Meda € 45 million in order to recover certain rights given to Meda. Those rights relate to development and commercialisation of a respiratory combination project which will now belong entirely to Almirall.

Operations

Almirall is transitioning its portfolio through broad international rollout, leveraging key R&D opportunities (aclidinium bromide and linaclotide) that could materialize in the mid term and by means of capturing new corporate development opportunities in the short term.

Revenues in 2010 are benefiting from the sales gains brought by recently marketed products (Efficib®, Tesavel®and Astucor®) and four new launches are expected before the end of the year (Silodyx®, Sativex®, Toctino® and Conbriza®).

Sales evolution in the first half shows the unfavourable impact of healthcare reform in Spain and the expected generic erosion in atorvastatin. However current trends in the core business (expected to continue in H2 2010) are partially offset by focused cost rationalisation (reflected largely in SG&A) and operational efficiency gains.

Almirall has established a **new affiliate** in Copenhagen to cover five countries in the Nordic region (Denmark, Sweden, Norway, Finland and Iceland). **Almirall Nordic** will initially manage a diverse portfolio of products (Kestine®, Solaraze®, Colazide® and Balneum®), which up to now were distributed by local partners. The opening of this new affiliate is a further step in the footprint strategy of Almirall's internationalization, expanding its European coverage and aiming to maximise its current portfolio and future pipeline.

During the first half of the year, **International sales** were driven by the steady performance of our affiliates (+0.8%), especially Mexico, France, Germany and UK. On the flipside, sales from partners and exports were -10.7% driven by lower ebastine sales in Japan.

Spanish sales pulled back at € 262.9 mill (-4.4%). Strong market performance for key brands like Esertia®, Almogran®, Parapres®, Efficib® and Tesavel® offset the generic impact on Prevencor®. However, the underlying performance of Spanish sales (ex-atorvastatin) is +2.5%.

Corporate sales retreated 20.1% driven by the gradual reduction of the toll manufacturing business. As anticipated, this is a non-core business with dilutive margin contribution and we made a decision to discontinue it in due time.

The top 15 products continue to represent c. 73% of Net Sales reflecting a well balanced portfolio with no overexposure to a single product. Notable performances were seen with Almogran® (+11.2%), Solaraze® (+9.8%) and two new launches from 2009, Tesavel® and Efficib® which are ramping-up (+205.4%).

The sales growth in Gastrointestinal (+9.0%), CNS (+3.4%) and Dermatology (+6.6%) contributed to first half performance, whereas both Cardiovascular and Respiratory lost momentum.

Silodyx® (silodosin, for use in the treatment of benign prostatic hyperplasia) was approved earlier this year by the European Medicines Agency (EMA). The product is awaiting pricing and reimbursement resolutions by the Spanish agency and we expect it will generate sales in late 2010.

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

Also, after the recent agreement with Pfizer to commercialise **Conbriza®** (bazedoxifene) in Spain, we expect to initiate co-promotion activities from next September.

Pipeline Progression & 2010 Newsflow

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

Almirall is making good progress with a significant late-stage pipeline that will provide important Phase III newsflow in the forthcoming months, especially for Eklira® (COPD) and linaclotide (IBS-C), our most significant assets in development.

After the positive topline results in a Phase III BID* study with **Eklira®** (aclidinium bromide), two other Phase III BID* studies are ongoing. Results are expected between the second half of 2010 and early 2011 and Eklira® filing is targeted for 2011.

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

* BID = twice a day

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

In Q2 Almirall and Forest presented data from several studies of Eklira® and LAS100977 (OD LABA) at the Annual **ATS** (American Thoracic Society) that took place in New Orleans in May 14–19, 2010. Data also included posters on the two inhaled compounds as well as on the Genuair® inhaler.

Additionally, Almirall will present in the forthcoming **ERS** Congress (European Respiratory Society) in September in Barcelona new data on Eklira® and the Genuair® device as well as data on the LAS100977 (OD LABA).

Almirall's pipeline also includes two key licensed-in late-stage compounds for which we hold pan- European rights: linaclotide (licensed from Ironwood) and Sativex® (licensed from GW Pharma).

Linaclotide is a pan-European first-in-class opportunity in late stage development in a therapeutic area where no other treatment is available (IBS-C).

There are two ongoing Phase III trials in the US to assess the safety and efficacy of linaclotide in patients with IBS-C, with results expected in the fourth quarter of 2010.

Based on Scientific Advice from the European Medicines Agency (EMA) Almirall will utilize the US IBS-C Phase III clinical studies as a basis for a Market Authorisation Application. No additional EU Phase III clinical studies are contemplated, pending the results of the US studies. The composite primary endpoint in Europe is different from that required for the US, but both the EMA and the FDA have agreed to allow separate and independent statistical analysis plans of the primary data sets for the two territories.

With regards to **Sativex®**, in late March preliminary results were announced of a Phase IIb trial evaluating the efficacy and safety of Sativex® in the treatment of pain in patients with advanced cancer, who experience inadequate analgesia during optimized chronic opioid therapy. GW Pharma and its US licensing partner, Otsuka, reported that positive Phase IIb data supported advancing into Phase III development in cancer pain. Almirall holds pan-European commercial rights except in the UK.

The **S1P1** program has provided a development candidate for multiple sclerosis: LAS189913, which we incorporate to our pipeline at preclinical stage.

The **dermatology pipeline** continues on track with LAS41004, for psoriasis having moved to phase II.

Financial Calendar 2010

15 November 2010	Q3'10 results

Disclaimer

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

About Almirall

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

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

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Appendix 1: INCOME STATEMENT H1 2010

(€ rounded million)	YTD Jun 2010	YTD Jun 2009	% Var.
Net Sales	**469.0**	**488.8**	***(4.0%)***
Gross Profit	**292.4**	**314.8**	***(7.1%)***
% of sales	*62.3%*	*64.4%*	
Other Income	**61.1**	**54.3**	***12.5%***
R&D	**(69.4)**	**(55.7)**	***24.6%***
% of sales	*(14.8%)*	*(11.4%)*	
SG&A	**(181.4)**	**(200.6)**	***(9.6%)***
% of sales	*(38.7%)*	*(41.0%)*	
Other Op. Exp	**2.0**	**(1.0)**	*n.m.*
% of sales	*0.4%*	*(0.2%)*	
EBIT	**104.7**	**111.8**	***(6.4%)***
% of sales	*22.3%*	*22.9%*	
Depreciation	**30.6**	**31.8**	***(3.8%)***
% of sales	*6.5%*	*6.5%*	
EBITDA	**135.3**	**143.6**	***(5.8%)***
% of sales	*28.8%*	*29.4%*	
Sale of non current assets / Other	(0.1)	20.1	*(100.5%)*
Impairment reversals / (losses)	(1.0)	4.0	*(125.0%)*
Net financial income / (expenses)	(3.0)	(8.8)	*(65.9%)*
Corporate Income Tax	(13.7)	(23.7)	*(42.2%)*
Net income	**86.9**	**103.4**	***(16.0%)***
Normalized Net Income	**87.4**	**89.1**	***(1.9%)***
Earnings per share (€) [(1)]	0.52 €	0.62 €	
Normalized Earnings per share (€) [(1)]	0.53 €	0.54 €	
Nu. of employees end of period	3,031	3,278	(7.5%)

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

n.m.: non meaningful

Appendix 2: BALANCE SHEET H1 2010

(€ rounded million)	June 2010	% of BS	December 2009
Goodwill	272.3	18.6%	272.7
Intangible assets	341.7	23.4%	352.8
Property, plant and equipment	160.6	11.0%	169.1
Financial assets	11.7	0.8%	10.8
Other non current assets	173.8	11.9%	173.6
Total Non Current Assets	**960.1**	**65.7%**	**979.0**
Inventories	108.1	7.4%	97.7
Accounts receivable	126.2	8.6%	120.4
Cash & equivalents	242.9	16.6%	259.7
Other current assets	23.0	1.6%	26.2
Total Current Assets	**500.2**	**34.3%**	**504.0**
Total Assets	**1,460.3**		**1,483.0**
Shareholders equity	786.6	53.9%	751.0
Financial debt	229.4	15.7%	265.7
Non current liabilities	215.1	14.7%	228.4
Current liabilities	229.2	15.7%	237.9
Total Equity and Liabilities	**1,460.3**		**1,483.0**

Appendix 3: CASH FLOW H1 2010

(€ rounded million)	Jun YTD 2010	Jun YTD 2009
Profit Before Tax	**100.6**	**127.1**
Depreciation and amortisation	30.6	31.8
Change in working capital	(9.2)	(56.9)
Other adjustments	(33.6)	2.2
Cash Flow from Operating Activities (I)	**88.4**	**104.2**
Financial Income	1.2	1.5
Investments	(12.2)	(50.4)
Divestments	0.6	19.3
Other cash flows	3.4	0.3
Cash Flow from Investing Activities (II)	**(7.0)**	**(29.3)**
Finance Expense	(8.6)	(10.0)
Dividends distribution	(55.1)	(52.5)
Debt increase/ (decrease)	(36.3)	(25.7)
Other cash flows	1.8	(4.4)
Cash Flow from Financing Activities	**(98.2)**	**(92.6)**
Cash Flow generated during the period	**(16.8)**	**(17.7)**
Free Cash Flow (III) = (I) + (II)	**81.4**	**74.9**

Appendix 4: GEOGRAFIC SALES SEGMENTATION H1 2010

(€ rounded million)	YTD Jun 2010	YTD Jun 2009	% Var.
Spain	262.9	274.9	(4.4%)
Europe & Middle East	151.4	149.4	1.4%
America, Africa & Asia Pacific	38.3	44.1	(13.1%)
Corporate	16.3	20.5	(20.1%)
Total	**469.0**	**488.8**	**(4.0%)**

Appendix 5: CORE PRODUCT SALES H1 2010

(€ rounded million)	YTD Jun 2010	YTD Jun 2009	% Var.
Ebastel® and others (*ebastine)*	69.9	77.8	(10.1%)
Prevencor® (*atorvastatin*)	41.9	59.2	(29.2%)
Esertia® (*escitalopram*)	35.1	32.0	9.8%
Plusvent® (*salmeterol & fluticasone*)	30.6	30.7	(0.3%)
Almogran® *(almotriptan)*	28.6	25.7	11.2%
Parapres® (*candesartan cilexetile*)	23.4	21.7	8.0%
Airtal® and others *(aceclofenac)*	21.0	22.6	(7.2%)
Opiren® (*lansoprazole*)	17.2	17.8	(3.0%)
Dobupal® (*venlafaxine*)	16.3	17.5	(7.2%)
Solaraze® (*diclofenac sodium*)	11.8	10.7	9.8%
Tesavel® (*sitagliptin*) + Efficib® (*sitagliptin+metformin*)	10.8	3.6	205.4%
Almax® (*almagate*)	10.7	10.3	3.6%
Balneum® (*soya oil*)	9.5	9.3	2.3%
Pantopan® (*pantoprazole*)	9.2	10.6	(13.7%)
Cidine® and others (*cinitapride*)	7.7	7.2	6.9%
Other	125.3	132.1	(5.2%)
Total	**469.0**	**488.8**	**(4.0%)**

Appendix 6: NET SALES BY THERAPEUTIC AREA H1 2010

(€ rounded million)	YTD Jun 2010	YTD Jun 2009	% Var.
Respiratory	105.6	113.9	(7.3%)
CNS	89.1	86.2	3.4%
Cardiovascular	81.9	96.6	(15.2%)
Gastrointestinal	77.6	71.1	9.0%
Dermatology	61.0	57.2	6.6%
Osteomuscular	33.9	34.3	(1.3%)
Urological	8.5	10.4	(18.2%)
Other ther. specialties	11.4	18.9	(39.8%)
Total	**469.0**	**488.8**	**(4.0%)**