



Solutions with you in mind

## Q1 2010 Financial Results

*May 13th, 2010*

# 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.*

# Summary – Q1 2010 Financial Results

- Sales on track (-1,0%), Normalized Net Income ahead of guidance (+3,0%).
- Cost discipline and savings a priority for 2010 (SG&A : -12,2% in Q1'10).
- Net Debt reduced to x 0,09 EBITDA 2009.
- Recurrent Free Cash Flow generation.
- 2010 guidance reiterated\*: - flat to slightly declining sales  
- sustained Normalized Net Income

€rounded million	YTD Mar 2010	YTD Mar 2010	% Variation
Net Sales	242,6	245,0	-1,0%
EBIT	62,9	63,3	-0,6%
EBITDA	78,2	79,2	-1,3%
Normalized Net Income	51,0	49,5	3,0%

\* Pending on the assessment of the news released on May 12th by the Spanish Government.

# Almirall at a glance

Solid fundamentals and transformational potential

- **Strong financial fundamentals**
  - Quarterly results in line with guidance.
  - Solid balance sheet with leverage potential.
  - Payout policy of 35-40% unchanged\*
- **Sustained core business performance**
  - Well diversified branded portfolio.
  - Strong track record in Corporate Development (upside not included in the guidance).
  - Two launches expected in 2010 (silodosin and Sativex®).
- **Transformational pipeline moving forward**
  - Sativex® approval expected in Q2.
  - LAS100977 (OD LABA) moving into phase IIb.
  - Near term catalysts : phase III from Eklira® and linaclotide.

# Income Statement

€rounded million	YTD Mar 2010	YTD Mar 2009	% Variation
<b>Net Sales</b>	<b>242,6</b>	<b>245,0</b>	<b>(1,0%)</b>
<b>Gross Profit</b>	<b>154,8</b>	<b>161,5</b>	<b>(4,1%)</b>
<i>% of sales</i>	63,8%	65,9%	
<b>Other Income</b>	<b>29,5</b>	<b>31,7</b>	<b>(6,9%)</b>
<b>R&amp;D</b>	<b>(36,5)</b>	<b>(33,4)</b>	<b>9,3%</b>
<i>% of sales</i>	(15,0%)	(13,6%)	
<b>SG&amp;A</b>	<b>(85,0)</b>	<b>(96,8)</b>	<b>(12,2%)</b>
<i>% of sales</i>	(35,0%)	(39,5%)	
<b>Other Op. Exp</b>	<b>0,1</b>	<b>0,3</b>	<b>(66,7%)</b>
<i>% of sales</i>	0,0%	0,1%	
<b>EBIT</b>	<b>62,9</b>	<b>63,3</b>	<b>(0,6%)</b>
<i>% of sales</i>	25,9%	25,8%	
<b>Depreciation</b>	<b>15,3</b>	<b>15,9</b>	<b>(3,8%)</b>
<i>% of sales</i>	6,3%	6,5%	
<b>EBITDA</b>	<b>78,2</b>	<b>79,2</b>	<b>(1,3%)</b>
<i>% of sales</i>	32,2%	32,3%	
Sale of noncurrent assets / Other	(0,2)	19,9	(101,0%)
Net financial income / (expenses)	(3,0)	(5,5)	(45,5%)
Corporate income tax	(8,7)	(14,0)	(37,9%)
<b>Net income</b>	<b>51,0</b>	<b>63,8</b>	<b>(20,1%)</b>
<b>Normalized Net Income</b>	<b>51,0</b>	<b>49,5</b>	<b>3,0%</b>
Earnings per share (€) <sup>(1)</sup>	0,31 €	0,38 €	
Normalized Earnings per share (€) <sup>(1)</sup>	0,31 €	0,30 €	
<b>Nu. of employees end of period</b>	<b>3.066</b>	<b>3.286</b>	<b>(6,7%)</b>

In line with guidance.

Driven by higher Eklira® development expenses.

Cost discipline and savings a priority in 2010.

Steady evolution of EBIT and EBITDA in line with sales.

Lower performance driven by € 20 mill. extraordinary item in Q1 2009.

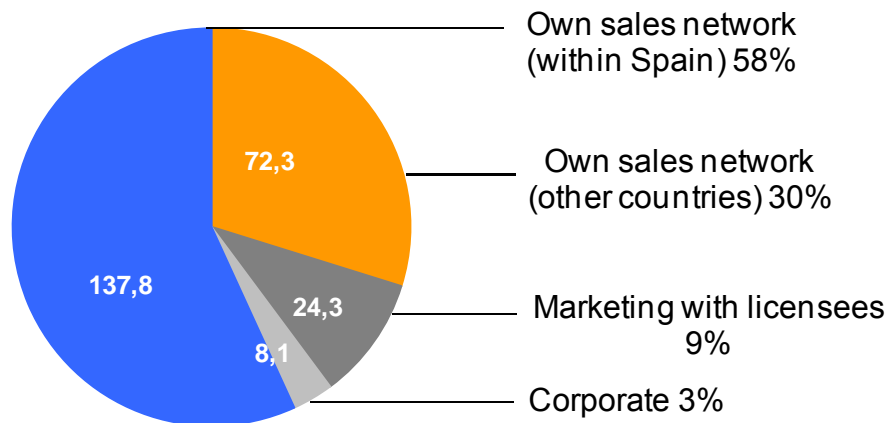
Ahead of guidance.

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

# Net Sales breakdown by Business Channel

Sales in € rounded million

Sales growth vs Q1 2009



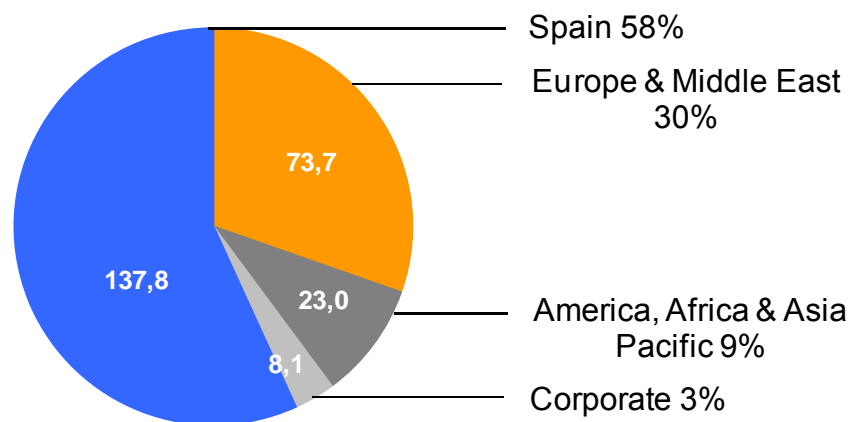
Own sales Network (within Spain)	0,5%
Own sales Network (other countries)	5,3%
Marketing with licensees	(14,3%)
Corporate	(24,2%)
<b>Total</b>	<b>(1,0%)</b>

## Highlights

- Relevant growth in affiliates, steady evolution in Spain
- Lower sales from partners linked to ebastine in Japan
- Gradual reduction of toll manufacturing drives Corporate sales evolution

# Net Sales breakdown by Geographic Area

Sales in € rounded million



Sales growth vs Q1 2009

Spain	0,5%
Europe & Middle East	4,9%
America, Africa & Asia Pacific	(14,4%)
Corporate	(24,2%)
<b>Total</b>	<b>(1,0%)</b>

## Highlights

- Spanish sales growth led by Esertia®, Plusvent®, Tesavel® and Efficib®.
- European sales driven by key affiliates France, Germany, Italy and UK
- America, Africa & Asia-Pacific influenced by lower ebastine sales in Japan.

# Breakdown of the core business

- Proprietary products
- In-licensing products

€rounded million	YTD	YTD	%	Presence	
	Mar 2010	Mar 2009	Variation	Spain	Intl.
● Ebastel <sup>®</sup> and others ( <i>ebastine</i> )	35,4	39,6	(10,6%)	✓	✓
● Prevencor <sup>®</sup> ( <i>atorvastatin</i> )	23,0	28,5	(19,3%)	✓	
● Esertia <sup>®</sup> ( <i>escitalopram</i> )	17,9	15,0	19,3%	✓	
● Plusvent <sup>®</sup> ( <i>salmeterol &amp; fluticasone</i> )	16,1	15,8	1,9%	✓	
● Almogran <sup>®</sup> ( <i>almotriptan</i> )	15,6	14,8	5,4%	✓	✓
● Parapres <sup>®</sup> ( <i>candesartan cilexetile</i> )	12,5	10,8	15,7%	✓	
● Airtal <sup>®</sup> and others ( <i>aceclofenac</i> )	11,7	11,4	2,6%	✓	✓
● Opiren <sup>®</sup> ( <i>lansoprazole</i> )	9,1	9,0	1,1%	✓	
● Dobupal <sup>®</sup> ( <i>venlafaxine</i> )	8,6	8,7	(1,1%)	✓	
● Solaraze <sup>®</sup> ( <i>diclofenac sodium</i> )	5,4	4,8	12,5%		✓
● Almax <sup>®</sup> ( <i>almagate</i> )	5,2	5,3	(1,9%)	✓	✓
● Balneum <sup>®</sup> ( <i>soya oil</i> )	5,0	5,0	0,0%		✓
● Tesavel <sup>®</sup> ( <i>sitagliptin</i> ) + Efficib <sup>®</sup> ( <i>sitagliptin+metformin</i> )	4,9	0,7	>100%	✓	
● Pantopan <sup>®</sup> ( <i>pantoprazole</i> )	4,7	5,1	(7,8%)		✓
● Cidine <sup>®</sup> and others ( <i>cinitapride</i> )	4,2	3,6	16,7%	✓	✓
● Other	63,3	66,9	(5,4%)	✓	✓
<b>Total</b>	<b>242,6</b>	<b>245,0</b>	<b>(1,0%)</b>		



## Net Sales breakdown by main Therapeutic Area

€rounded million	YTD Mar 2010	YTD Mar 2009	% Variation
Cardiovascular	44,0	47,1	(6,6%)
Respiratory	54,3	58,6	(7,4%)
CNS	46,9	42,8	9,5%
Gastrointestinal	39,0	34,7	12,6%
Dermatology	29,3	27,5	6,4%
Osteomuscular	18,3	18,9	(3,0%)
Urological	4,4	5,6	(21,0%)
Other ther. specialties	6,4	9,7	(23,7%)
<b>Total</b>	<b>242,6</b>	<b>244,9</b>	<b>(1,0%)</b>

### Highlights

- Positive evolution in CNS, GI and dermatology.
- Cardiovascular and respiratory have lost momentum driven by trends in Prevenor® and Ebastel®.

# Balance Sheet

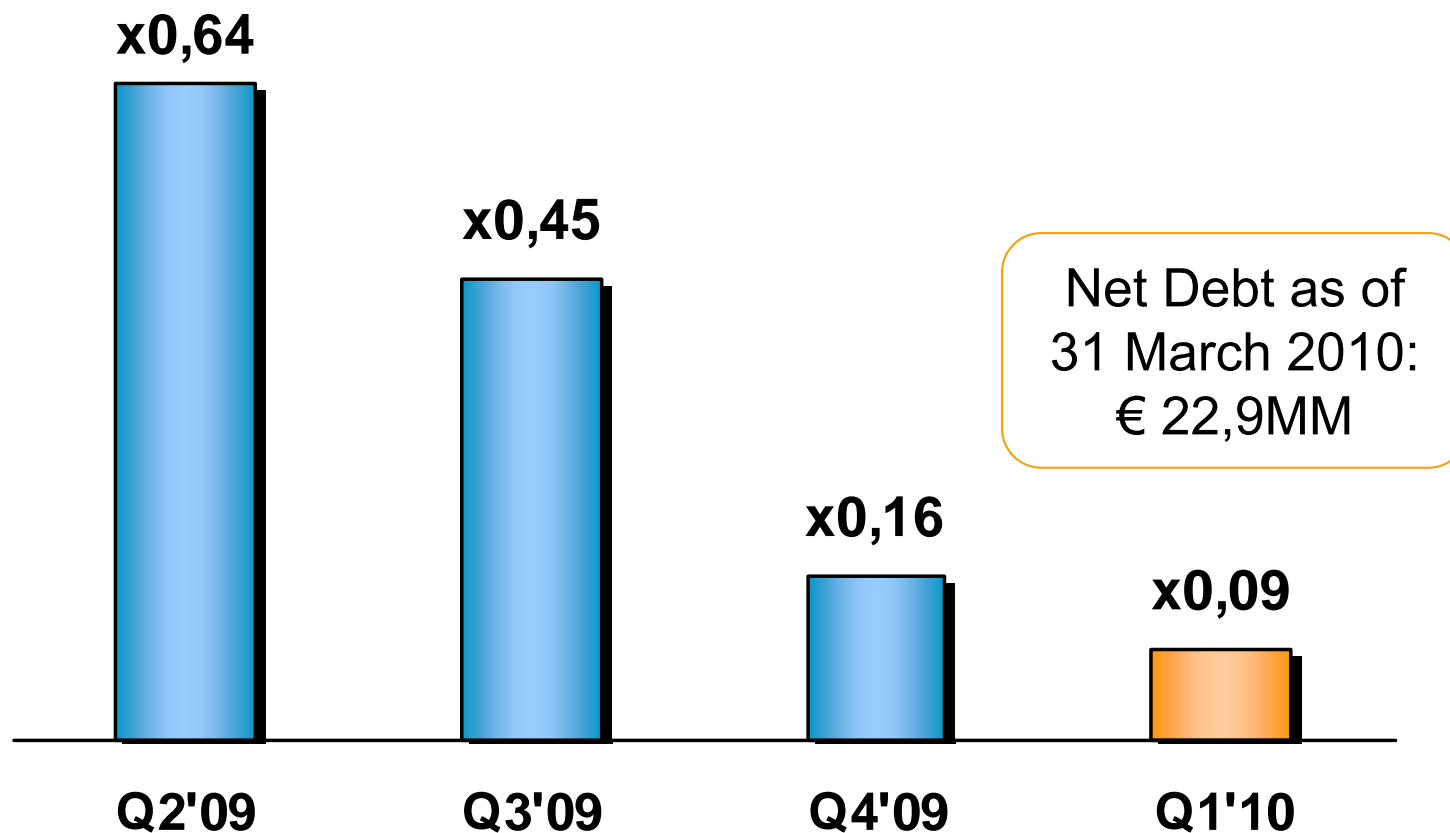
€rounded million	March 2010	% of BS	December 2009
Goodwill	272,5	18,5%	272,7
Intangible assets	345,1	23,4%	352,8
Property, plant and equipment	163,9	11,1%	169,1
Financial assets	10,8	0,7%	10,8
Other non current assets	172,4	11,7%	173,6
<b>Total Non Current Assets</b>	<b>964,7</b>	<b>65,4%</b>	<b>979,0</b>
Inventories	100,3	6,8%	97,7
Accounts receivables	138,4	9,4%	120,4
Cash & equivalents	245,2	16,6%	259,7
Other current assets	25,8	1,7%	26,2
<b>Total Current Assets</b>	<b>509,7</b>	<b>34,6%</b>	<b>504,0</b>
<b>Total Assets</b>	<b>1.474,4</b>		<b>1.483,0</b>
Shareholders equity	804,1	54,5%	751,0
Financial debt	233,1	15,8%	265,7
Non current liabilities	223,8	15,2%	228,4
Current liabilities	213,4	14,5%	237,9
<b>Total Equity and Liabilities</b>	<b>1.474,4</b>		<b>1.483,0</b>

Temporary increase in accounts receivables. Seasonal effect during first part of the year.

Equity now represents nearly 55% of Total Assets.

Debt reduction of € 30MM during Q1 2010 leaves a Net Debt of € 22,9MM (x 0,09 EBITDA 2009).

## Net Debt vs EBITDA 2009



Expected positive Net Cash during 2010\*

# Cash Flow

€rounded million	Mar YTD 2010	Mar YTD 2009
<b>Profit Before Tax</b>	<b>59,7</b>	<b>77,8</b>
Depreciation and amortisation	15,3	15,9
Change in working capital	(25,3)	(48,5)
Other adjustments	(28,4)	4,8
<b>Cash Flow from Operating Activities (I)</b>	<b>21,3</b>	<b>50,0</b>
Financial Income	0,4	1,0
Investments	(2,4)	(12,2)
Divestments	0,0	19,1
Other cash flows	1,1	(0,6)
<b>Cash Flow from Investing Activities (II)</b>	<b>(0,9)</b>	<b>7,3</b>
Finance Expense	(4,4)	(5,1)
Dividends distribution	0,0	0,0
Debt increase/ (decrease)	(32,5)	(24,9)
Other cash flows	2,0	(3,4)
<b>Cash Flow from Financing Activities</b>	<b>(34,9)</b>	<b>(33,4)</b>
<b>Cash Flow generated during the period</b>	<b>(14,5)</b>	<b>23,9</b>
<b>Free Cash Flow (III) = (I) + (II)</b>	<b>20,4</b>	<b>57,3</b>

Improvement in seasonal working capital.

Mainly driven by the divestment of 13 non-core products in Q1'2009.

Tight maintenance CAPEX policy.

Includes debt reduction of € 32MM in Q1 2010.

# About Sativex®

First-in-class endocannabinoid system modulator



- Almirall holds pan-European rights (ex-UK).
- Spanish regulatory approval for the spasticity MS indication expected in Q2.
- After first approval, the mutual recognition procedure will start in several EU countries.
- Oncological pain indication planned to move into phase III.

## About Silodyx®

Silodosin, the novel approach to the BPH\* patient needs

- Co-marketing agreement with Recordati in Spain.
- The product will be marketed under the trademark Silodyx® for the treatment of benign prostatic hyperplasia.
- The agreement enables Almirall to strengthen its core business over the coming years and reinforce its portfolio in the urology area.
- Market authorisation granted in March 2010.
- Expected to contribute to 2010 sales, pending of price and reimbursement negotiation.

# ATS presentations (I)

New Orleans, 14-19 May 2010



## Eklira® (aclidinium bromide)

**Tuesday, 18 May** – The following study results will be presented:

- Efficacy and safety of aclidinium bromide 400 µg BID compared with placebo and tiotropium in patients with moderate to severe COPD (#F77, Magnussen, H).
- Aclidinium bromide improves exercise endurance, dyspnea and inspiratory capacity in patients with moderate to severe COPD (#F65, Maltais, F).
- Safety and tolerability of aclidinium bromide administered intravenously and absolute bioavailability of inhaled aclidinium bromide in healthy subjects (#F101, Ortiz, S).
- Pharmacokinetics of aclidinium bromide 200 µg and 400 µg in young and elderly patients with chronic obstructive pulmonary disease (#F83, de la Motte, S).
- Metabolism and excretion of aclidinium bromide following intravenous administration of [<sup>14</sup>C] aclidinium bromide in healthy subjects (#F100, Flach, S).
- In addition to those above, two preclinical studies characterizing the profile of aclidinium by comparison to glycopyrrolate will be presented. (#A55, #F85).

# ATS presentations (II)

New Orleans, 14-19 May 2010



## Genuair®

**Tuesday, 18 May** – Three posters will be presented that assess:

- The reliability of the technical features of the inhaler (#1710).
- The stability of Eklira® (aclidinium bromide) in the inhaler under various storage conditions (#1733)..
- Aerodynamics and particle size of aclidinium bromide administered using the inhaler (#1739).

## LAS100977 (OD LABA)

**Wednesday, 19 May** – The following two clinical posters will be presented:

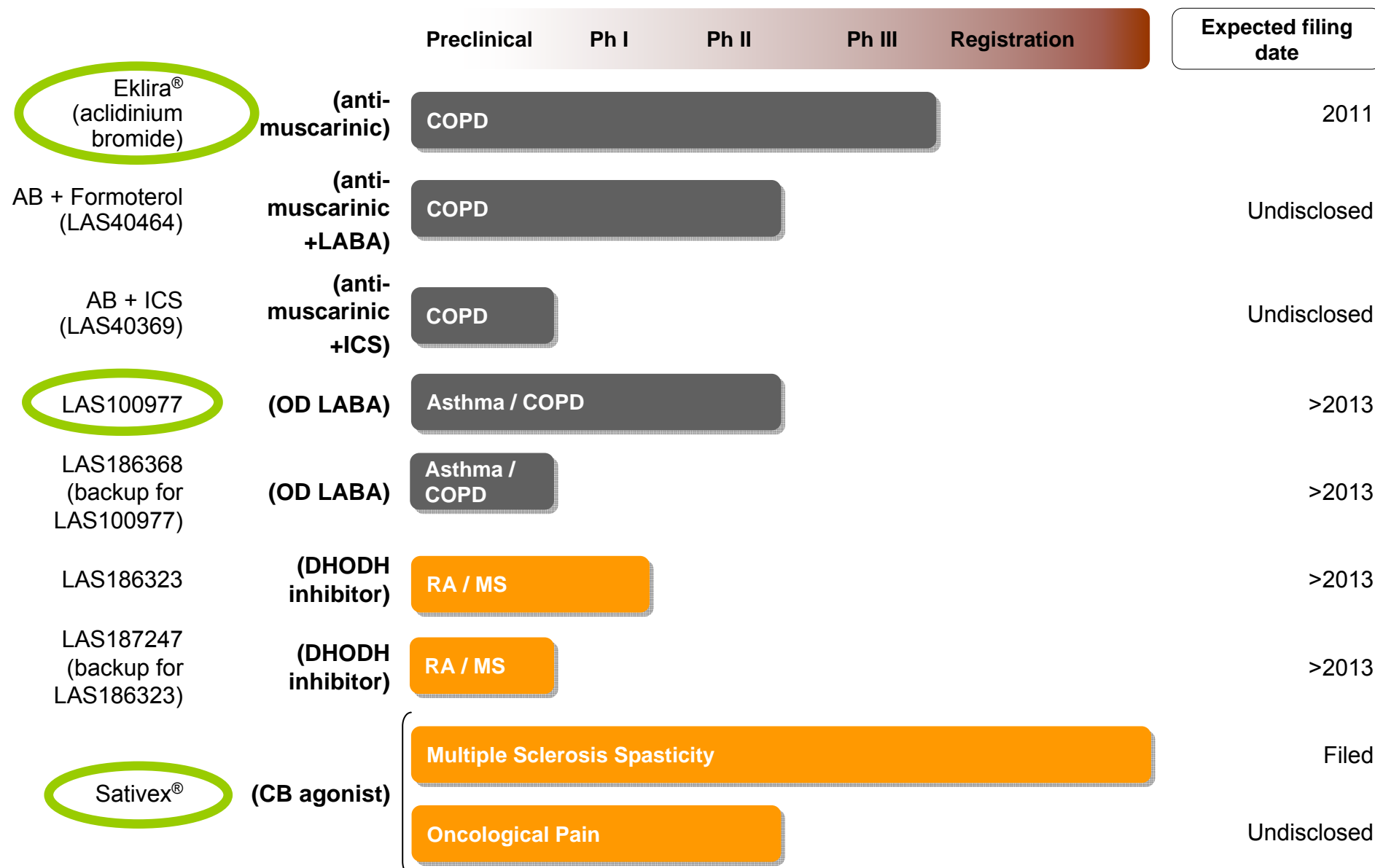
- Efficacy and safety of single inhaled doses of LAS100997, a novel long acting B2-agonist in patients with persistent asthma (#221 Beier, J).
- Single doses of LAS1009977, a novel long acting B2-agonist, show high activity and long duration in healthy subjects (#E31, Wolfgang, T).
- In addition, two preclinical studies assessing the potency, selectivity and duration of action for LAS100977 will be presented. (#E43, Aparici, M and #E44 Miralpeix, M).



# A pipeline with significant upside (I)

(the right end of each bar represents status of development as of May 13<sup>th</sup> 2010)

Respiratory  
Auto-immune

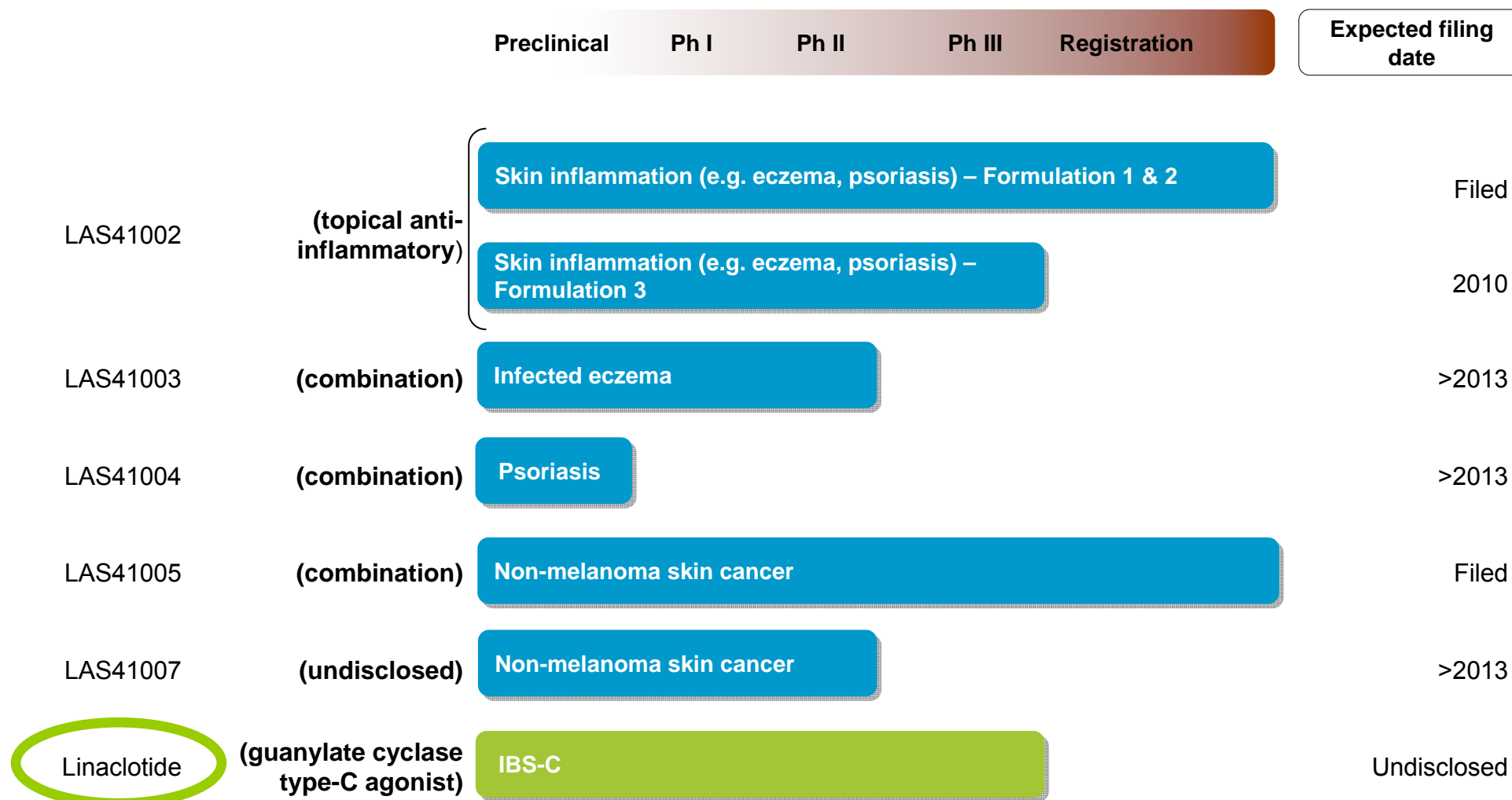


# A pipeline with significant upside (II)

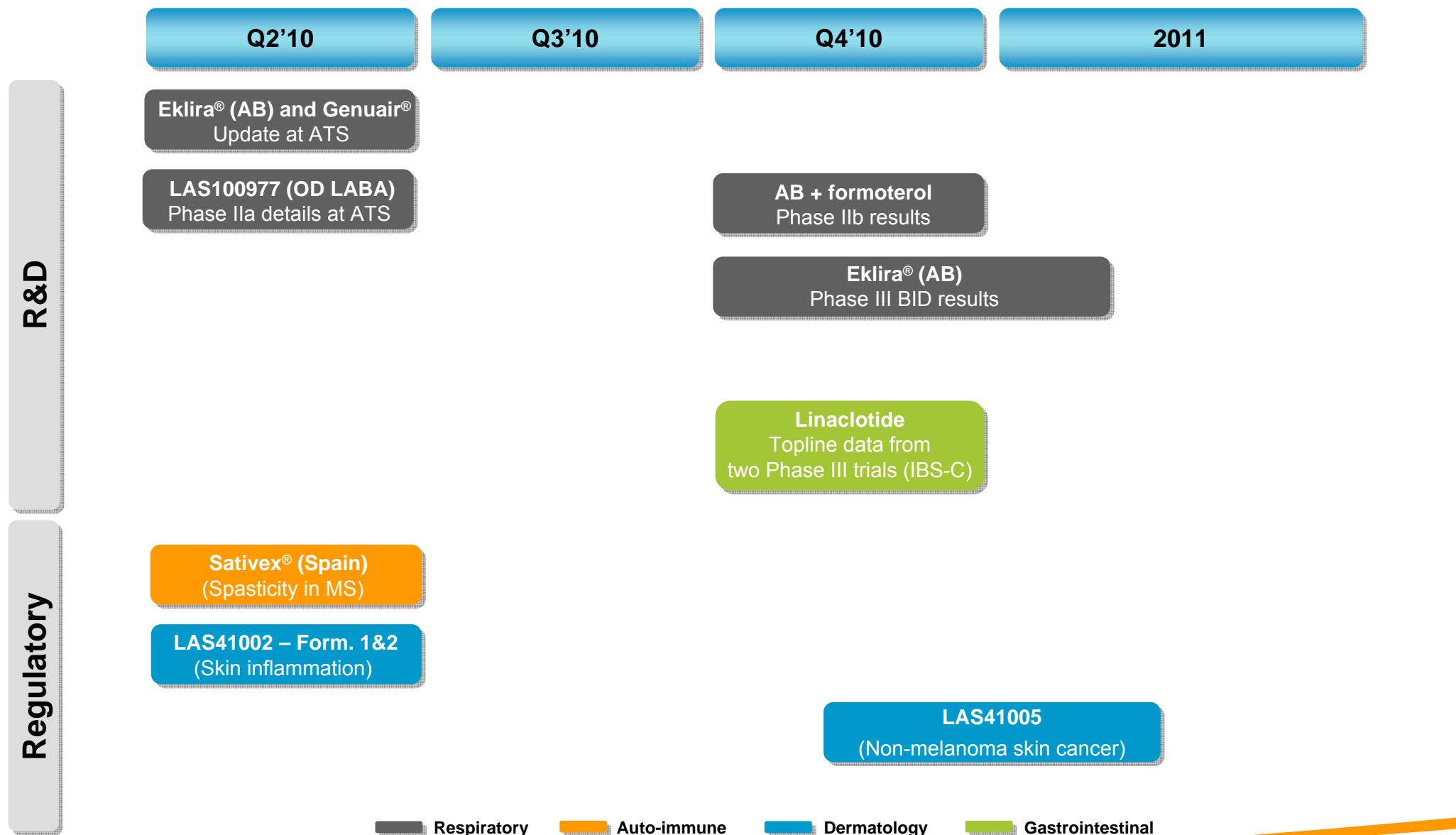
(the right end of each bar represents status of development as of May 13<sup>th</sup> 2010)

 Dermatology  
 Gastrointestinal

Expected filing date



# Significant pipeline newsflow during 2010



# Outlook 2010

## Financial Outlook 2010 reiterated\*

- Flat to slightly declining sales.
- Ongoing cost containment efforts (except for R&D).
- Aiming to sustain the company's normalised profits.

## Corporate Development: partnering and pipeline

- Partnering key pipeline products (Eklira® and LAS100977 -OD LABA-).
- Pursuing new license-in opportunities.
- Continue to evaluate selected acquisitions.

\* Pending on the assessment of the news released on May 12th by the Spanish Government.

## Key potential growth drivers

- Eklira<sup>®</sup> franchise: a sizable and growing COPD market of US\$ 12,2 billion\*.
- Linacotide: pan-European first-in-class opportunity in late-stage development (no other treatment available).
- Sativex<sup>®</sup>: Expected approval in Q2, rights across EU (ex-UK).
- Derma roll out ongoing to nourish the base business.

\* The World Health Organisation estimates show that COPD becomes in 2030 the third leading cause of death worldwide

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