



Solutions with you in mind

## Half Year 2009 Financial Results and Business Update

*July 30th, 2009*

# 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.*

# Half Year 2009

## Highlights

- Solid financial performance.
- Financial guidance reiterated.
- Growth in dermatological portfolio, international expansion continues.
- Significant and positive newsflow in H1'09.
- Corporate development continues to be a priority for 2009.

# Summary - Positive Half Year 2009 Financial Results

Sound performance, in line to reach yearly financial targets

- Solid growth in Net Sales versus last year **(+4,5%)**
- Steady performance in EBIT **(+5,1%)** and EBITDA **(+3,9%)**.
- Positive growth in Net Income **(+20,9%)** and Normalized Net Income **(+3,1%)**.
- Net Debt stable at **x 0,68 EBITDA 2008**.
- Recurrent Cash Flow generation.

€rounded million	YTD June 2009	YTD June 2008	Variation
<b>Net Sales</b>	488,8	467,9	4,5%
<b>Other Income</b>	54,3	78,9	(31,2%)
<b>EBITDA</b>	143,6	138,2	3,9%
<b>Net income</b>	103,4	85,5	20,9%
<b>Normalized Net Income</b>	89,1	86,4	3,1%
Nu. of employees end of period	3.278	3.401	

# Income Statement

€rounded million	YTD June 09	YTD June 08	Variation
<b>Net Sales</b>	<b>488,8</b>	<b>467,9</b>	<b>4,5%</b>
<b>Gross Profit</b>	<b>314,8</b>	<b>294,7</b>	<b>6,8%</b>
<i>% of sales</i>	<i>64,4%</i>	<i>63,0%</i>	
<b>Other Income</b>	<b>54,3</b>	<b>78,9</b>	<b>(31,2%)</b>
<b>R&amp;D</b>	<b>(55,7)</b>	<b>(64,3)</b>	<b>(13,4%)</b>
<i>% of sales</i>	<i>(11,4%)</i>	<i>(13,7%)</i>	
<b>SG&amp;A</b>	<b>(200,6)</b>	<b>(202,8)</b>	<b>(1,1%)</b>
<i>% of sales</i>	<i>(41,0%)</i>	<i>(43,3%)</i>	
<b>EBIT</b>	<b>111,8</b>	<b>106,4</b>	<b>5,1%</b>
<i>% of sales</i>	<i>22,9%</i>	<i>22,7%</i>	
<b>EBITDA</b>	<b>143,6</b>	<b>138,2</b>	<b>3,9%</b>
<i>% of sales</i>	<i>29,4%</i>	<i>29,5%</i>	
Sale of noncurrent assets / Other	20,1	0,9	<i>n.m.</i>
Net financial income / (expenses)	(8,8)	(9,3)	(5,4%)
Tax	(23,7)	(12,5)	89,6%
<b>Net income</b>	<b>103,4</b>	<b>85,5</b>	<b>20,9%</b>
<b>Normalized Net Income</b>	<b>89,1</b>	<b>86,4</b>	<b>3,1%</b>
Earnings per share (€) <sup>(1)</sup>	0,62 €	0,51 €	
Normalized Earnings per share (€)	0,54 €	0,52 €	
<b>Nu. of employees end of period</b>	<b>3.278</b>	<b>3.401</b>	

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

## Highlights

- Positive evolution of Sales, EBITDA and Normalized Net Income, in line with guidance.
- Temporary gross margin increase driven by sales mix.
- SG&A reduction in absolute terms reflects costs containment measures.
- Strong EBIT growth mainly due to higher margins and despite the lower Other Income (one milestone payment in Q2 2008).
- Tax increase derived from higher profits and reduction of tax credits linked to R&D activity.
- Net Income boosted by divestment in Q1 of 13 non promoted products.

# Balance Sheet

€rounded million	June 2009	% of BS	December 2008
Goodwill	273,1	19,1%	273,5
Intangible assets	371,0	26,0%	342,7
Property, plant and equipment	169,6	11,9%	175,7
Financial assets	4,0	0,3%	3,9
Other non current assets	164,2	11,5%	165,3
<b>Total Non Current Assets</b>	<b>981,9</b>	<b>68,7%</b>	<b>961,1</b>
Inventories	122,8	8,6%	112,5
Accounts receivables	135,0	9,4%	107,9
Cash & equivalents	168,3	11,8%	186,1
Other current assets	20,6	1,4%	28,8
<b>Total Current Assets</b>	<b>446,7</b>	<b>31,3%</b>	<b>435,3</b>
<b>Total Assets</b>	<b>1.428,6</b>		<b>1.396,4</b>
Shareholders equity	702,1	49,1%	653,0
Financial debt	295,3	20,7%	321,0
Other non current liabilities	182,3	12,8%	183,3
Other current liabilities	248,9	17,4%	239,1
<b>Total Equity and Liabilities</b>	<b>1.428,6</b>		<b>1.396,4</b>

## Highlights

- Increase of Intangible assets linked to linaclotide, *Sativex* and silodosin.
- Increase of Inventories and Accounts receivable mainly linked to seasonal effects and divestment in Q1 of 13 non-promoted products.
- Solid Financial position with Equity representing near 50% of the Balance Sheet.
- Cash position adjusted due to linaclotide, *Sativex* and dividend payment.
- Debt cancellation during H1 2009 leaves a Net Debt of € 156MM (x 0,68 EBITDA 2008).

# Cash Flow

€rounded million	YTD June 2009	YTD June 2008
<b>Profit Before Tax</b>	<b>127,1</b>	<b>98,0</b>
Depreciation and amortisation	31,8	31,8
Change in working capital	(56,9)	(27,3)
Other adjustments	2,2	17,6
<b>Cash Flow from Operating Activities (I)</b>	<b>104,2</b>	<b>120,1</b>
Financial Income	1,5	3,9
Investments	(50,4)	(13,5)
Divestments	19,3	2,3
Other cash flows	0,3	0,6
<b>Cash Flow from Investing Activities (II)</b>	<b>(29,3)</b>	<b>(6,7)</b>
Finance Expense	(10,0)	(13,4)
Dividends distribution	(52,5)	(52,5)
Debt increase/ (decrease)	(25,7)	(109,8)
Other cash flows	(4,4)	0,7
<b>Cash Flow from Financing Activities</b>	<b>(92,6)</b>	<b>(175,0)</b>
<b>Cash Flow generated during the period</b>	<b>(17,7)</b>	<b>(61,6)</b>
 <b>Free Cash Flow (III) = (I) + (II)</b>	 <b>74,9</b>	 <b>113,4</b>

## Highlights

- Temporary adjustment in Cash Flow from Operating Activities (see next slide).
- *Sativex* and *linacotide* payments included in Investments.
- Divestment in Q1 of 13 non-promoted products for a total of €19,1MM.
- Dividend payment in June.

# Comments on Cash Flow from Operating Activities

€rounded million	YTD June 2009	YTD June 2008
<b>Profit Before Tax</b>	<b>127,1</b>	<b>98,0</b>
Depreciation and amortisation	31,8	31,8
Change in working capital	(56,9)	(27,3)
Other adjustments	2,2	17,6
<b>Cash Flow from Operating Activities</b>	<b>104,2</b>	<b>120,1</b>

- Temporary increase in Accounts receivables and stocks due to the seasonality of sales (mainly ebastine).
- Temporary increase in Accounts receivables linked to the divestment in Q1.

Linked to the divestment of 13 products in Q1 (which is included in Profit Before Tax and has been deducted from the Cash Flow from Operating Activities).

## Key Takeaway

- Lower Cash Flow from Operating Activities in Q2 is temporary.



# Financial & Corporate Development Outlook 2009

## Financial guidance reiterated

- Expected single digit growth in sales, EBITDA and Normalised Net Income.
- Pay-out policy to be maintained at 35-40% (unless capital discipline and/or business requirements dictate otherwise).

## Corporate Development priorities for 2009

- Partnering key pipeline products.
- Pursuing new license-in opportunities.
- Continue to evaluate selected acquisitions.

# Net Sales breakdown by Business and Region

Growing internationally

## Net Sales breakdown by Business Channel

€rounded million	YTD June 2009	YTD June 2008	Variation
Own sales Network (within Spain)	274,9	277,4	(0,9%)
Own sales Network (other countries)	148,3	140,0	5,9%
Marketing with licensees	45,2	32,2	40,4%
Corporate	20,4	18,4	11,0%
<b>Total</b>	<b>488,8</b>	<b>467,9</b>	<b>4,5%</b>

## Net Sales breakdown by Geographic Area

€rounded million	YTD June 2009	YTD June 2008	Variation
Spain	274,9	277,4	(0,9%)
Europe & Middle East	149,4	139,0	7,4%
America, Africa & Asia Pacific	44,1	33,1	33,1%
Corporate	20,4	18,4	11,0%
<b>Total</b>	<b>488,8</b>	<b>467,9</b>	<b>4,5%</b>

### Highlights

- Stable sales in Spain.
- Increase in sales of international affiliates driven by France and Italy.
- A remarkable increase in licensees sales driven by ebastine in Japan.
- Corporate sales improvement linked to toll manufacturing.

## Net Sales breakdown by Top 10 Products

€rounded million	YTD June 2009	YTD June 2008	Variation
Ebastine	77,8	59,8	30,1%
Atorvastatin	60,8	51,7	17,6%
<i>Esertia</i> (escitalopram)	32,0	27,2	17,6%
<i>Plusvent</i> (salmeterol & fluticasone)	30,7	31,5	(2,5%)
Almotriptan	25,7	21,7	18,4%
Aceclofenac	22,6	26,7	(15,4%)
<i>Parapres</i> (candesartan cilexetile)	21,7	20,4	6,4%
<i>Opiren</i> (lansoprazole)	17,8	17,9	(0,6%)
<i>Dobupal</i> (venlafaxine)	17,5	26,4	(33,7%)
<i>Solaraze</i> (diclofenac sodium)	10,7	6,1	75,4%
Other	171,5	178,4	(3,9%)
<b>Total</b>	<b>488,8</b>	<b>467,9</b>	<b>4,5%</b>

€317M  
+ 9,7%

€289M

### Highlights

- Solid growth of top ten products in absolute value (+9,7%).
- Excellent evolution of ebastine, atorvastatin (*Prevencor* / *Astucor*), escitalopram (*Esertia*) and almotriptan.
- *Solaraze* leads the growth rate across top ten.

# About Solaraze



- As of May 2009, *Solaraze* was the biggest dermatological topical product in the German pharmaceutical market according to IMS.
- 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.
- In Europe and Australia, *Solaraze* is a market leader in the topical treatment of actinic keratosis. It is currently sold by Almirall in 12 countries, where it is marketed through Almirall's affiliates and distributors.

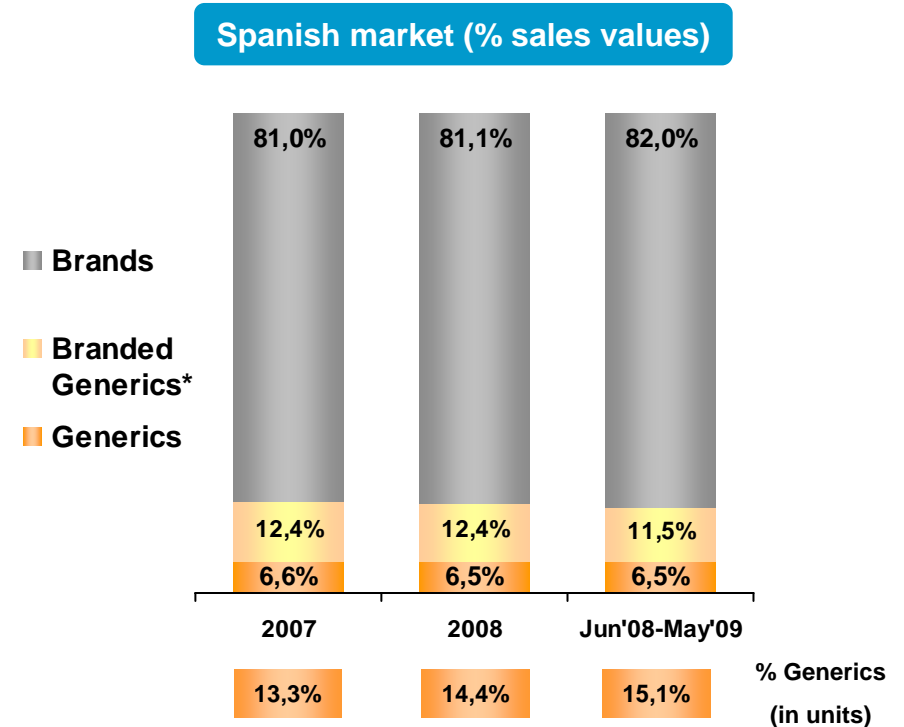
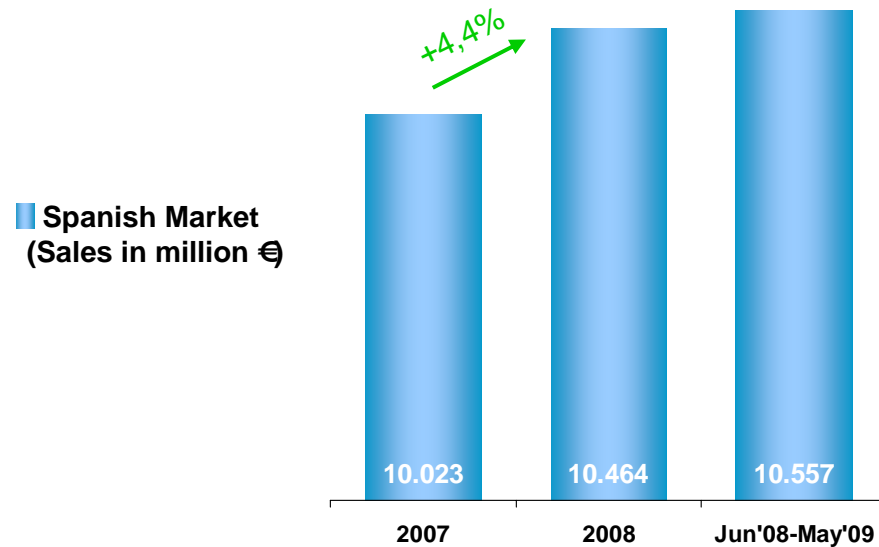
## Net Sales breakdown by main Therapeutic Area

€rounded million	YTD June 2009	YTD June 2008	Variation
Respiratory	113,9	96,7	17,8%
Cardiovascular	96,6	88,4	9,3%
CNS	84,0	89,3	(6,0%)
Digestive	71,1	67,9	4,8%
Dermatology	57,2	49,5	15,7%
Osteomuscular	36,6	43,2	(15,4%)
Other ther. specialties	29,4	33,0	(11,0%)
<b>Total</b>	<b>488,8</b>	<b>467,9</b>	<b>4,5%</b>

### Highlights

- Very positive evolution of respiratory, cardiovascular and digestive products.
- Strong growth in dermatology linked to the roll out of the derma portfolio.

# Trends Spanish pharma market



\* Branded products subject to reference pricing

## Key Takeaway

- Pharma market in Spain keeps a growing trend.
- Generic market share is limited and stable (both in values and units).
- Agreement between Spanish Ministry of Health and Spanish Pharma Industry Association in Q1 by which the Spanish Government agrees to maintain a stable legal framework.

# Latest operational events

## Product launch

- Launch of *Tesavel* (sitagliptin) last December (co-marketing agreement with MSD).

## Product launch

- Launch of *Astucor* (amlodipine + atorvastatin) last January (co-marketing agreement with Pfizer).

## Asset divestment

- Divestment of 13 non-promoted products for a total of €19,1M last January.

## Product launch

- Launch of *Efficib* (sitagliptin + metformin) during May (co-marketing agreement with MSD).

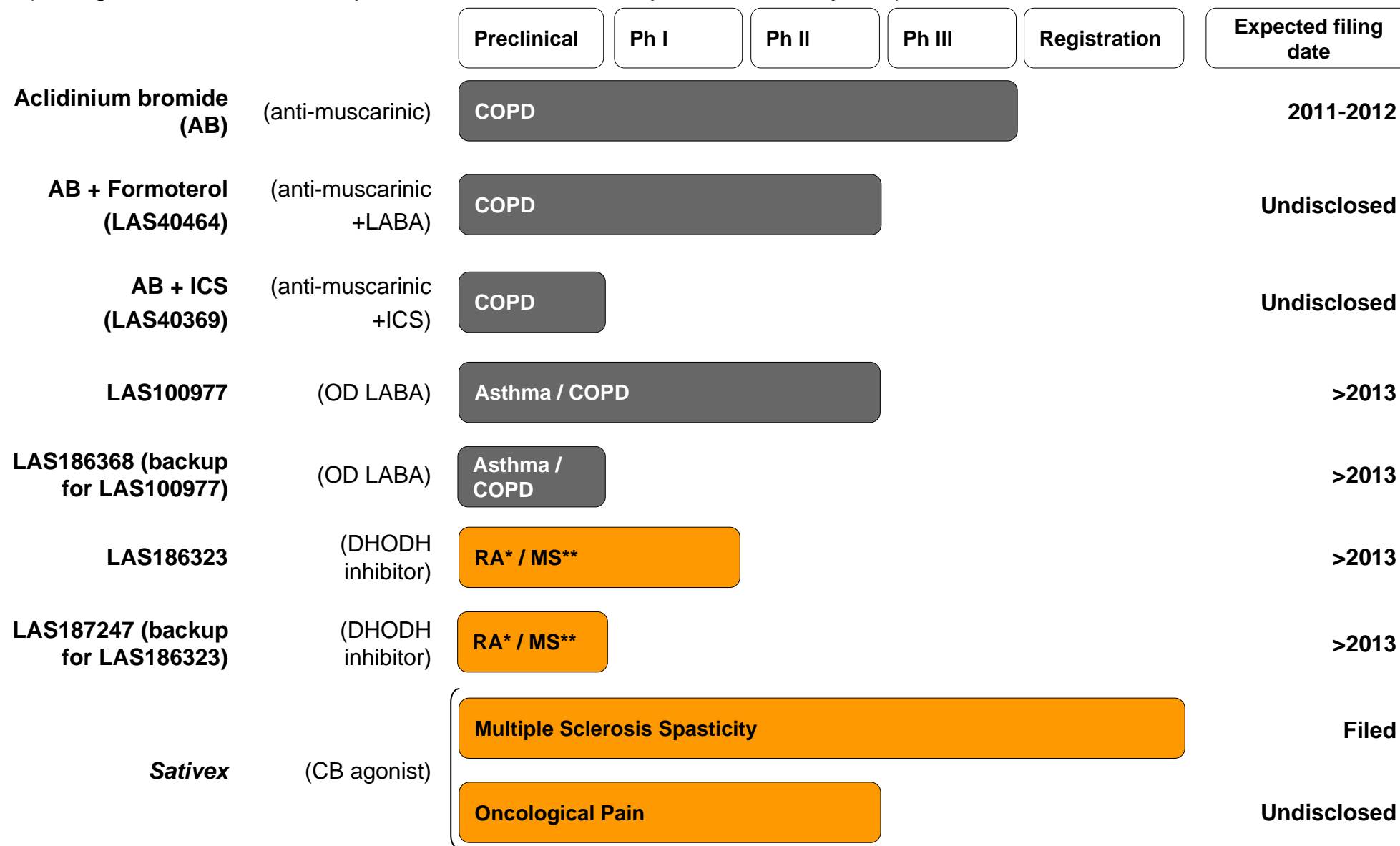
## Asset optimisation

- Closing of the pharmaceutical plant in France in order to optimize company's assets and production costs. Effects of this operation already included in the yearly guidance.

# A pipeline with significant upside (I)

(the right end of each bar represents status of development as of July 30<sup>th</sup>)

Respiratory  
Auto-immune

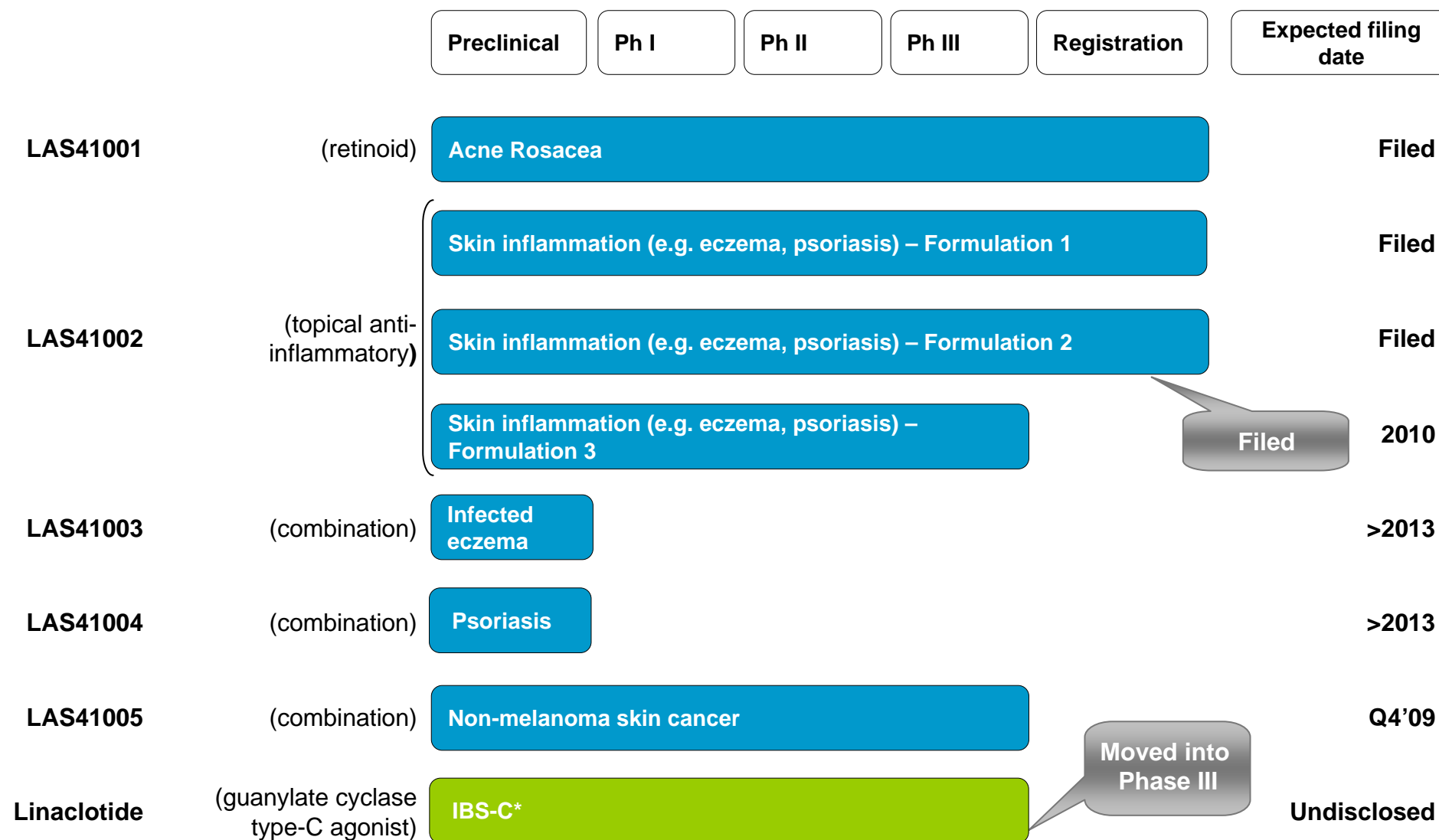




# A pipeline with significant upside (II)

(the right end of each bar represents status of development as of July 30<sup>th</sup>)

■ Dermatology  
■ Gastrointestinal



# R&D / Regulatory Newsflow

**Acridinium bromide**  
New phase III trial ongoing\*

R&D

**Acridinium bromide**  
New phase II trial ongoing\*

**Acridinium bromide**  
New clinical trials to be announced

**ERS 2009**  
Further details on AB's  
Phase III data  
(ACCLAIM studies)

**ATS 2010**  
OD LABA update

**Sativex**  
Phase IIb results  
(oncological  
pain)

Q3'09

Q4'09

Q1'10

Q2'10

Regulatory

**LAS41005**  
Filing  
(combination for non-melanoma skin  
cancer)

**LAS41001**  
Regulatory outcome  
(acne rosacea)

**LAS41002**  
**Formulations 1&2**  
Regulatory outcome  
(skin inflammation)

**Sativex**  
(Spasticity in MS)  
Regulatory outcome (Spain, UK)

# About Almirall

# Almirall - Growth, innovation and financial performance

## Corporate profile and key facts

### Headquarters



### R&D Centre



- **A growing R&D-driven pharma company listed in 2007**
  - Founded in 1943. Headquartered in Barcelona, Spain.
  - #1 Spanish- based pharma company, #1 in Derma in Germany, #7 in Derma across Europe.
  - Well-diversified, branded and patented product portfolio.
- **A fully integrated company with a solid, expanding international business**
  - Own affiliates in 11 countries, proprietary products present in more than 70 countries.
  - Recognized partnerships (Pfizer, GSK, J&J, Forest, Dainippon, Takeda, Nycomed).
  - Four new license-in agreements since Q4'08.
- **A successful and focused R&D strategy that balances risk and return**
  - 40 years of R&D expertise, successful approval of proprietary products in the US, UK and Japan in the last 20 years.
  - Significant business opportunity with acridinium bromide franchise and LAS100977 (OD LABA).
  - Research focus : respiratory diseases (Asthma and COPD), autoimmune diseases (RA, MS) and dermatology.
- **Solid financial performance in a challenging environment**
  - €1.056 MM Total Revenue (+15,1%), €903 MM Sales (+13,9%), €230 MM EBITDA (+35,0%) and Free Cash Flow €218,8 MM in 2008.
  - Net Debt x 0,68 EBITDA 2008 as at June 30th 2009 – Capability for non-organic growth.
  - Reiterated payout policy : 35-40% (unless capital discipline and/or business requirements dictate otherwise).

# Contact details

For further information, please contact:

**Jordi Molina, Head of Investor Relations**

**Ph. +34 93 291 3087**

**[jordi.molina@almirall.com](mailto:jordi.molina@almirall.com)**

Or visit our website: **[www.almirall.com](http://www.almirall.com)**



Solutions with you in mind