



## Q1 2008 Financial Results

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Solutions with you in mind

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# Almirall: Positive Q1 2008 Financial Results

- Net Sales show a positive growth YTD versus last year **(+11,6%)**.
- Strong performance in Other Income **(+32,5%)** and EBITDA **(+16,8%)**.
- Solid Cash Flow generation from Operating Activities **(€52,4 million)**.
- Management reiterates financial guidance for 2008.

€Thousand	YTD 1Q 08	YTD 1Q 07	% var YTD 1Q 08 vs 07
Net Sales	238.389	213.615	11,6%
Other Income	30.841	23.277	32,5%
EBITDA	72.968	62.472	16,8%
Net income	45.292	50.243	-9,9%
Normalized Income	45.488	50.243	-9,5%
Nu. of employees end of period	3.359	2.973	13,0%

# Net Sales breakdown by Business

## Net Sales breakdown by Distribution Channel

€thousand	YTD March 2008	YTD March 2007	% Variation
Own sales Network (within Spain)	136.696	141.306	-3,3%
Own sales Network (other countries)	67.971	43.548	56,1%
Marketing with licensees	23.992	24.010	-0,1%
Corporate	9.730	4.751	104,8%
<b>Total</b>	<b>238.389</b>	<b>213.615</b>	<b>11,6%</b>

- International affiliates boosted by the incorporation of Hermal and Shire businesses.
- Spanish sales affected by Easter break in Q1 (vs. Q2 in 2007) and by the implementation of New Medicines Law.

# Net Sales breakdown by Region

## Net Sales breakdown by Geographic Area

€thousand	YTD March 2008	YTD March 2007	% Variation
Spain	136.696	141.306	-3,3%
Europe & Middle East	68.273	41.437	64,8%
America, Africa & Asia Pacific	23.690	26.121	-9,3%
Corporate	9.730	4.751	104,8%
<b>Total</b>	<b>238.389</b>	<b>213.615</b>	<b>11,6%</b>

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

## Net Sales breakdown by Top 10 Products

€thousand	YTD Mar 2008	YTD Mar 2007	% Variation
Ebastine	32.488	37.558	-13,5%
Atorvastatin	25.383	22.264	14,0%
Salmeterol & Fluticasone	15.686	16.818	-6,7%
Aceclofenac	12.785	13.999	-8,7%
Venlafaxine	13.210	12.408	6,5%
Almotriptan	14.756	12.925	14,2%
Escitalopram	13.038	10.962	18,9%
Candesart	9.515	8.907	6,8%
Lansoprazole	8.665	8.766	-1,1%
Almagate	5.074	6.300	-19,5%
Other	87.789	62.708	40,0%
<b>Total</b>	<b>238.389</b>	<b>213.615</b>	<b>11,6%</b>

- Stable sales of top ten products.
- Excellent evolution of atorvastatine, almotriptan and escitalopram.
- Lower ebastine sales in Spain and Japan (delayed allergy season and effect of Easter break in Spain).
- Price and generic pressure for aceclofenac in Europe.
- Effect of price erosion vs. Q1 in 2007 due to the implementation of New Medicines Law.

## Net Sales breakdown by Therapeutic Area

€ thousand	YTD Mar 2008	YTD Mar 2007	% Variation
Respiratory	51.664	58.682	-12,0%
CNS	48.040	44.017	9,1%
Cardiovascular	43.069	40.146	7,3%
Digestive	31.769	34.841	-8,8%
Osteomuscular	21.547	20.946	2,9%
Dermatology	24.904	2.474	906,8%
Urological	6.447	5.186	24,3%
Anti-infective	527	2.082	-74,7%
Oncology	1.005	1.298	-22,5%
Other ther. specialties	2.460	2.958	-16,8%
Miscellaneous	7.482	3.067	143,9%
<b>Total</b>	<b>238.389</b>	<b>213.615</b>	<b>11,6%</b>

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

# Income Statement

€Thousand	YTD 1Q 08	YTD 1Q 07	% var YTD 1Q 08 vs 07
<b>Net Sales</b>	<b>238.389</b>	<b>213.615</b>	11,6%
<b>Gross Profit</b>	<b>152.091</b>	<b>138.928</b>	9,5%
% of sales	63,8%	65,0%	
<b>Other Income</b>	<b>30.841</b>	<b>23.277</b>	32,5%
<b>R&amp;D</b>	<b>-31.351</b>	<b>-21.888</b>	43,2%
% of sales	-13,2%	-10,2%	
<b>SG&amp;A</b>	<b>-94.112</b>	<b>-86.460</b>	8,9%
% of sales	-39,5%	-40,5%	
<b>EBIT</b>	<b>56.935</b>	<b>54.561</b>	4,4%
% of sales	23,9%	25,5%	
<b>EBITDA</b>	<b>72.968</b>	<b>62.472</b>	16,8%
% of sales	30,6%	29,2%	
<b>Net income</b>	<b>45.292</b>	<b>50.243</b>	-9,9%
<b>Normalized Income</b>	<b>45.488</b>	<b>50.243</b>	-9,5%
Earnings per share (€) <sup>(1)</sup>	0,27 €	0,30 €	
Nu. of employees end of period	3.359	2.973	13,0%

<sup>(1)</sup> Number of shares after IPO

## Highlights

- Solid improvement of Net Sales and Other Income.
- Healthy R&D expense growth reflecting pipeline progression.
- Strong EBITDA growth linked to the incorporation of new businesses.
- Transitional Net Income erosion, as Q1 2007 was highly favoured by the sale of financial assets.



# Balance Sheet

€Thousand	YTD 1Q 08	% of BS	Dec 31 2007
Goodwill	274.059	19,1%	274.258
Intangible assets	374.896	26,2%	383.448
Property, plant and equipment	174.788	12,2%	179.340
Financial assets	5.994	0,4%	6.298
Other non current assets	146.864	10,3%	144.159
<b>Total Non Current Assets</b>	<b>976.601</b>	<b>68,2%</b>	<b>987.503</b>
Inventories	112.214	7,8%	112.851
Accounts receivables	134.286	9,4%	106.982
Cash & equivalents	173.786	12,1%	189.950
Other current assets	35.922	2,5%	41.823
<b>Total Current Assets</b>	<b>456.208</b>	<b>31,8%</b>	<b>451.606</b>
<b>Total Assets</b>	<b>1.432.809</b>		<b>1.439.109</b>
Shareholders equity	616.403	43,0%	573.655
Financial debt	407.703	28,5%	466.208
Other non current liabilities	190.884	13,3%	187.358
Other current liabilities	217.819	15,2%	211.888
<b>Total Equity and Liabilities</b>	<b>1.432.809</b>		<b>1.439.109</b>

## Highlights

- Transitional increase of accounts receivable.
- € 55 million reduction of Financial Debt.

# Cash Flow

€Thousand	YTD MAR 2008	YTD MAR 2007
<b>Profit Before Tax</b>	<b>51.672</b>	<b>64.625</b>
Depreciation and amortisation	16.033	7.911
Change in working capital	-39.545	-56.652
Other adjustments	24.280	-12.552
<b>Cash Flow from Operating Activities</b>	<b>52.440</b>	<b>3.332</b>
Finance Income	1.677	12.640
Investments	-2.813	-3.839
Divestments	962	37.437
Changes in scope of consolidation	0	0
Other cash flows	281	6.917
<b>Cash Flow from Investing Activities</b>	<b>107</b>	<b>53.155</b>
<b>Unlevered Free Cash Flow</b>	<b>52.547</b>	<b>56.487</b>

## Highlights

- Cash Flow from Operating Activities improved due to D&A (linked to 2007 acquisitions) and better working capital management.
- Cash Flow from Investing Activities decreased, as Q1 2007 was favoured by the sale of financial assets.

## 2008 Financial guidance reiterated

- Group sales expected to grow at low double digit.
- International Sales expected to account c. 40-45%.
- Gross Margin to improve as percentage on sales.
- EBITDA and Other income envisaged to grow in excess of 25%.
- R&D expense expected to grow in excess of 20%.
- Depreciation and amortization could nearly double due to recent acquisitions.

## Other Q1 Newsflow

### R&D

- Four clinical posters submitted and accepted at ATS (Toronto, May 2008):
  - #4420: PK and safety Single doses in HV
  - #4441: PK and safety Multiple doses in HV
  - #4442: QT safety in healthy subjects
  - #3142: COPD Phase II, dose-finding study

(Abstracts available at the ATS website, full data to be presented May 20<sup>th</sup>)

### Operations

- Opening of a new affiliate in the United Kingdom with its headquarters near London. Almirall Ltd. started up with a staff of 50 people and is also responsible for Ireland sales. It is anticipated that in 2008 the affiliate will achieve sales revenues of around 30 million euros.

### Other Financial

- 40% Dividend approved in the AGM.

## About Almirall

# An R&D-driven international pharma company

Headquartered in Barcelona, Spain

Headquarters



R&D Centre



- **Spanish international R&D-driven company (#1 Spanish company, #3 Spanish market )**
  - Founded in 1943. IPO in 2007. c. 3.400 people worldwide
  - Direct presence in 9 countries, proprietary products present in more than 70 countries
  - € 792,5 MM Sales (+4,5%) and € 170,3 MM EBITDA (+18,3%) in 2007
- **Expanding international business**
  - 2 acquisitions since IPO: Hermal and a Shire's portfolio, 2 new affiliates (UK & Ireland, Austria)
  - International revenue 34% of total in 2007 and growing
  - Successful approval of proprietary products in the US, UK and Japan in the last 20 years
- **Recognized strategic partnerships** including J&J, Forest – US, Dainippon – Japan, Gedeon Richter – Eastern Europe and Nycomed – Nordics and Russia
- **Diversified, branded and patented product portfolio** with highly effective promotional efforts targeted at key brands
- **Key R&D areas** include respiratory diseases (Asthma and COPD) and autoimmune diseases (RA, MS and Psoriasis)
  - R&D targeting balance between risk and return
  - Basis for internationalisation
  - Focus on Acridinium Bromide (Phase III results by 2nd Half 2008 – Blockbuster potential)
- **Experienced management team with proven track record**
  - Proven ability to deliver growth both organically through own R&D and through product in-licensing and M&A

# Investing in Almirall



- **Attractive business model**
  - Branded, patented and a well balanced product portfolio
  - Spanish leadership, partner of choice in home country
  - Proven resilience to adverse market conditions
  - Growing international business through own affiliates and local partnerships
- **Strong R&D heritage**
  - Designed to balance risks and rewards
  - Historic R&D productivity above industry average
  - Complemented through corporate development
  - Significant pipeline
- **Potential blockbuster in Acridinium Bromide**
  - Late-stage opportunity
  - Attractive and sizeable COPD market
  - Low risk, fast-follower to Spiriva, with a validated target
  - Potential to transform the Company, key catalysts in 2008
- **Strong financial performance/outlook**
  - Margin enhancement potential
  - Focus on maximizing revenue growth potential
  - Healthy cash-flow generation
- **Experienced international management team with proven track record**

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