



Annual Report 2011



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Message from the President



Jorge Gallardo - President

Last year was a difficult one, especially in Europe, due to the economic crisis that has so deeply affected a number of countries and that had particularly far-reaching repercussions on Spain. Deficit figures and budgetary shortfalls have forced governments to take drastic measures that are having major effects on the so-called "welfare state", which had been built up over the years. In Spain, a budget deficit surfaced whose political and economic consequences have been significant. Cuts in health spending have been one of the main priorities and, as has occurred on numerous occasions in the past, the hardest hitting measures have been on pharmaceutical expenditure.

In Spain, which is divided into 17 autonomous communities that fund their health spending directly, a wide range of measures have been introduced to address budget cutbacks, which date back several years, despite reassurances given to the sector by the government following two laws passed in 2010 that in themselves had serious consequences. In addition to the knock-on effect of the abovementioned laws, a new law came out in August 2011, which was to have a negative impact on the market to the tune of € 5,000 MM. To this must be added the various indiscriminate measures to cut back on spending adopted by the different communities (prescriptions by active ingredient, favouring generic drugs over those sold under trademarks, virtual blacklists, rejection of innovative products, increased debt, etc.). The consequence of this situation is that the market has fallen by 10 %, a situation that had never been seen before. The rapid fall in the sale of brand products with patent expiry also contributed to this situation, which has also had considerable effects on us as a company.

Fortunately, Almirall has to a certain extent been able to make up for this situation of the Spanish market thanks to our thriving international business, particularly in the case of our main affiliates in countries such as France, Italy, Germany and the Nordic Countries. In line with the forecasts issued to the market following the results of the last quarter of the year, our overall revenue was € 873.1 MM and our net income amounted to € 84.2 MM. These results are lower than in 2010, mainly due to the adverse situation of the Spanish market on which our sales have dropped by 21.7 %.

On a European level, 2011 saw the introduction of stricter regulations for the approval of new drugs and of the hurdles that must be overcome for setting prices and obtaining the reimbursement of drugs once they have been approved. This situation puts increasingly higher demands on us to demonstrate the effectiveness and safety of innovative products, which entails a considerable increase in the cost of developing a new drug and in the time needed to do so.

Despite this difficult situation, Almirall is still as committed as ever to R&D and it maintains the same level of investment as it made in 2010. Major advances have been made in our two principal projects: Aclidinium for chronic obstructive pulmonary disease (COPD) and Linaclotide for irritable bowel syndrome with constipation (IBS-C). Insofar as the former is concerned, the monotherapy was submitted for registration in the US (FDA) in June 2011 and in the EU (EMA) in July. Both applications are in process and we expect a reply during 2012. At the same time, development has begun on phase III for the combination of Aclidinium and Formoterol (COPD), and development of other projects continues in the dermatology and respiratory areas as can be seen in this year's report.

Consistent with the above, I am pleased to announce a dividend proposal to be made to the AGM of € 29,458,233, equivalent (in rounded figures) to € 0.18 per share, which shareholders will be able to choose whether to collect in cash or as script dividend.

We have also made major progress in various aspects connected to Corporate Governance. On 1 July, the posts of President and CEO, both of which I held, were divided into two separate posts and Eduardo Sanchiz was appointed CEO. Changes also took place in the Appointments and Remuneration Committee, and the Audit Committee as a result of the duration of terms of office (4 years since 2007) and of compliance with the regulations on the non-continuous renewal of the chairpersons of these two delegate Committees of the Board. As a result, Paul Brons is the new Chairman of the Audit Committee and Tom McKillop has been appointed to chair the Appointments and Remuneration Committee. Dr Bertil Lindmark (new Executive Director for R&D) has also been appointed as a new Executive Director by co-option to replace Dr Per-Olof Andersson.

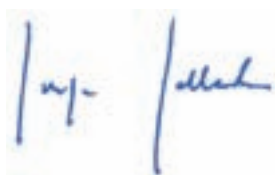
A number of initiatives have been taken with regard to the compliance policy in all areas of the company. Thus, a Corporate Compliance Committee has been created that reports directly to the Board of Directors. Its mission is to give support to and supervise the implementation of the legal risk control system.

Specifically, the following have been approved and published:

- The Corporate Governance Policy, whose purpose is to establish and sustain the company's various global corporate policies that make up Almirall's system of Corporate Governance, for which it must define who in the Management Committee is responsible for implementing them and set common standards for all internal regulations.
- The Policy on Corporate Committees, which define and establish the classification of the Corporate Committees set up at Almirall by stating their mission and responsibilities, and the policy on Legal Security, which establishes the principle of legal security as one of the company's strategic principles.
- The Legal Risk Control Policy, whose purpose is to provide the organisation with a legal risk control system, based on occupational hazard prevention and on planning how the system is to be managed, as a result of which checks can be performed to ensure compliance with the applicable regulatory framework at all times.

During 2012, it has been planned to approve and publish a new version of Almirall's Code of Ethics, which will contain the company's basic principles of behaviour and conduct, based on the various regulations that have already been established. This will also be a difficult year given that the adverse economic circumstances, both in Europe and Spain, will continue to prevail. However, as I have already highlighted, Almirall expects to report good news about its pipeline of projects in development and pending registration.

We will continue to make efforts on every front to obtain better results and create value to the benefit of society and our shareholders. Our mission continues to be the identification of new, innovative medicines to overcome health problems and we will dedicate all our efforts to doing so, as we have always done.



Jorge Gallardo
President

Interview with the CEO



Eduardo Sanchiz - CEO

First of all, how would you sum up the year?

On the positive side, we obtained results that are in line with the financial forecasts we gave to the market, namely, Net Sales of € 768.4 MM and a Normalised Net Income of € 97.9 MM.

It is also very important to take note of the advances and progress made in our R&D pipeline projects. It is particularly worth highlighting that we submitted Acridinium for registration in Europe and the USA, as well as Linaclotide in Europe. Overall, the projects that we have in the pipeline have made notable progress. We also moved forward in terms of local implementation of preparations for the launches anticipated for the end of 2012–2013.

On the downside, business in 2011 was badly affected by the changes experienced by Europe's drug sector and by Spain's in particular.

Which factors most influenced business performance last year?

In Spain, the year-on-year impact of previous laws and the one that was passed in 2011 have brought about a major contraction in the market, which for us translates as a 21.7 % fall in sales. This was coupled with the loss of the intellectual property rights on two successful products in Spain.

We have dealt with this challenge by focusing on the promotion of our most recent launches and on the careful management of expenses in the income statement.

Over the past three years, we have made efforts to curtail spending on SG&A by reducing it in absolute values every year.

We have also continued to concentrate on international growth. All of this goes hand in hand with Almirall's sound financial position, that is neutral net debt and the generation of cash flow.

What are Almirall's main strategic lines?

The first is to continue conducting our own R&D and coming up with innovative products. In other words, the way we see our mission is to combine our new products resulting from our R&D with the efforts we make in corporate development to continue to attract licenses or to acquire companies, products and product portfolios.

The second line is related to international growth. We want to continue expanding, both in terms of increasing our critical mass in countries in which we already have operations and in terms of setting up business in more territories, as well as maintaining our leading position in Spain. We must take advantage of the opportunity given to us by the arrival of new products to maximise their potential whilst continuing to grow in other territories.

The third is to position ourselves as a leading company in Almirall's priority therapeutic areas; those in which we already have a foothold, such as dermatology, and those in which we wish to grow in the short-term, such as the respiratory area. As a secondary priority, this also applies to the gastroenterology and pain areas.

Finally, the last strategic line is related to the evolution of the company's culture so that we are better able to adapt to the tremendous challenges we are facing abroad.

While we are on the subject of innovative products, what are the priority areas for R&D?

In 2011, Almirall invested 18.8 % of its sales in R&D. We are sixth out of all the companies from all sectors in Spain when it comes to investing in R&D. In fact, Almirall's annual investment in R&D accounts for 3 % of the country's pharmaceutical spending on R&D.

Despite this huge investment, the cost for each new molecule is continuing to rise in the industry and this has forced us to concentrate our efforts on research. In our case, we basically focus on the respiratory and dermatology areas. In both cases, we have a significant number of projects in the pipeline that afford very good opportunities for future growth.

What progress has been made in internationalisation, which has been so successful in past years?

The proportion of Almirall's total international business has grown steadily to reach 50 % of overall sales in 2011 and we wish to continue in this direction. This involves the following priorities: increasing our critical mass in countries in which we already run operations so that we can realise the full potential of sales of new molecules; looking at new countries in which we can set up business by capitalising on the potential of our new products, which means prioritising those countries that have the best benefit-cost ratio for our product portfolio.

In all cases, we will seek to reach agreements with prestigious partners; that is, by establishing alliances that will work for us, whether by strengthening our overall presence in these countries or by helping us to penetrate new territories to realise the full potential of new launches.

All of these changes and progress as a company must also be affecting its culture, people and teams.

That's right. Almirall is a company that has very clear strengths with regard to factors such as attracting and retaining people of the highest professional calibre, their development and seeking excellence. We work to the highest standards throughout the company, but having said that we must develop other values such as innovation that enable us to better adapt to an environment within the industry, which is undergoing a huge process of transformation.

What is the outlook for 2012; what are the challenges and opportunities?

Over the past 24 months, we have introduced six new products on our various markets. They offer a great opportunity for the company. We also hope that in 2012 we will have the two products approved that we believe will show the highest sales potential and that can transform the company over the next few years. I'm talking about Acridinium and Linaclotide. All of this makes us look to the future with great optimism.

The challenges are, on the one hand, to make this opportunity a reality and, on the other hand, to continue taking on board the economic impact of all of the measures taken by governments in different countries and particularly in Spain.

What is your vision for Almirall in the mid-term?

Almirall continues to do its utmost to contribute to the development of innovative medicines through its R&D, as well as through external collaborations, licenses and acquisitions. In the mid-term, I would like to see Almirall undergo significant growth and become a leading company in its key therapeutic areas, starting with the respiratory and dermatology ones. The company will continue its international growth by expanding in countries in which it already has operations and by penetrating new countries where it is making the first moves to establish its presence.

I am also confident that this evolution in the company's culture (based increasingly on concepts such as trust, partnership, personal accountability and innovation) will lead to an effective transformation in the way we work.

What would you say to Almirall's shareholders?

I would like to give them optimism and confidence in the future. We are going through a defining moment as a company, in which opportunities are greater than challenges, and I firmly believe that 2012 could be a key year for the transformation of our portfolio of products. At Almirall we work today to be able to provide the medicines of tomorrow.





Almirall at a glance

Almirall is an international pharmaceutical company committed to health that bases its strategy on innovation and international growth

- About us
- Mission, vision and strategy
- Corporate values
- Business model
- Corporate governance

About us

Almirall is a pharmaceutical company committed to health that bases its strategy on innovation and international growth. Headquartered in Barcelona (Spain),

Almirall researches, develops, manufactures and markets proprietary R&D and third party drugs for the purposes of improving people's health and well-being.

Almirall in figures in 2011

The company's ranking

- Leading position in Spain.
- **1st** dermatology pharmaceutical company in Germany.
- **6th** company in Spain in R&D investment in all sectors.

Global outreach

- Almirall's drugs are present in over **70** countries on the **5** continents.
- **12** affiliates in Europe and Mexico.
- **50 %** of sales made abroad.

Staff

- Over **2,700** employees:
 - Over **1,150** work outside of Spain.
 - Over **500** people devoted to R&D.

Total income

€ 873.1 MM

EBITDA

€ 160.1 MM

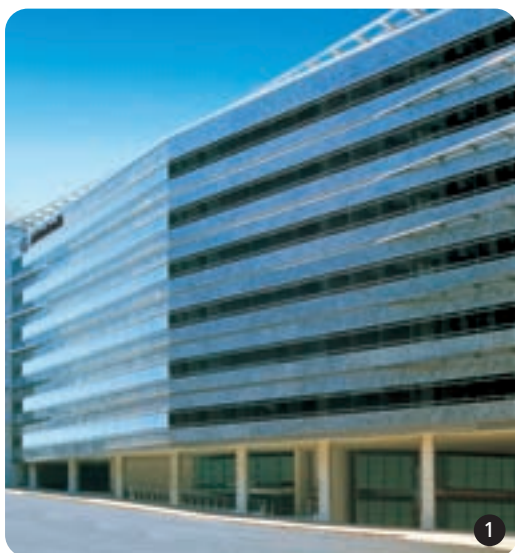
Net income

€ 84.2 MM

Investment in R&D

€ 144.5 MM





1. Headquarters (Barcelona, Spain).
2. Almirall drugs.
3. The Genuair® inhaler developed at the Centre of Excellence for Inhalation (Bad Homburg, Germany).
4. Pharmaceutical plant in Sant Andreu de la Barca (Barcelona, Spain).
5. Affiliate Nordic Countries.

Mission, vision and strategy

Mission

Our mission is to improve people's health and quality of life.

To do so, we research, develop, manufacture and market proprietary R&D and licensed drugs with the aim of offering society differentiated and added value therapeutic solutions.

At Almirall, we devote significant human, financial and technical resources to the research of new effective and safe medicines that contribute to improving health and well-being.

Vision

Innovation and internationalisation are the pillars on which Almirall has based its growth over the past decade. This has made it possible to consolidate 12 affiliates in Europe and Mexico.

Our drugs are currently sold in over 70 countries on the five continents.

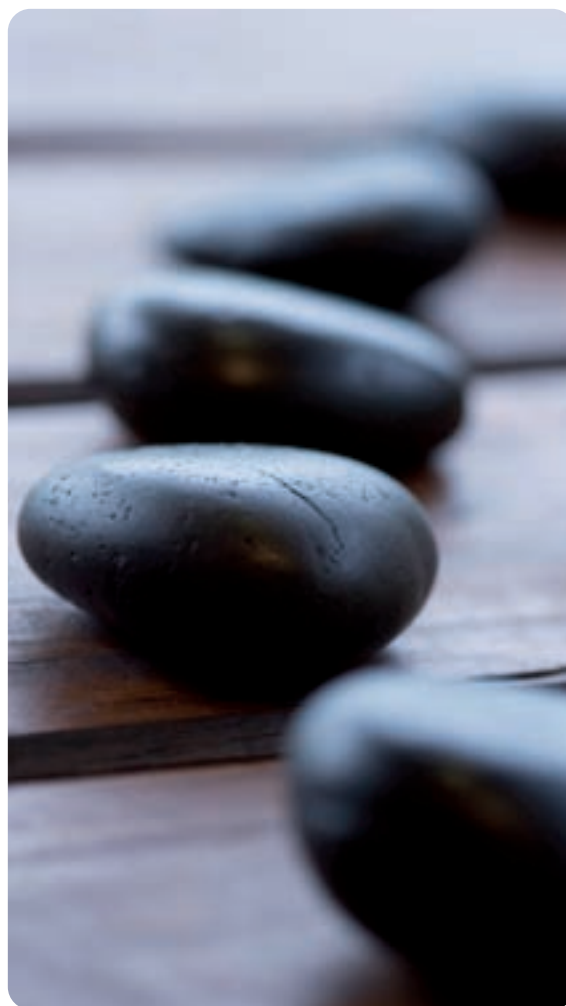
Our aim is to continue with our international growth and expansion so that we can become a leading pharmaceutical company recognised for its work in the respiratory, dermatology and gastrointestinal areas.

Strategy

One of Almirall's strategic priorities is to continue its international growth whilst maintaining a leading position in Spain.

To do so, it now has the largest R&D portfolio in its history, which includes products that will be made available to prescribers and patients in the short-term.

New launches are the result of both our R&D in strategic areas for Almirall, such as the respiratory and dermatology areas, and of having obtained the rights on products from other prestigious companies in areas such as gastroenterology and pain.



Our mission is to improve people's health and quality of life

Corporate values

Almirall's corporate values define its culture: the way we work on a daily basis, the way in which we channel the organisation's collective efforts and the way in which we interact with our stakeholders.

Our values, which are reflected in our daily behaviour, define who we are and how we should work to live up to the challenges and opportunities Almirall has as a company. Our values help to set us apart from our competitors and enable us to better put our position across to our various internal and external stakeholders.

In 2011, we redefined our corporate values in order to bring greater value to the company and to better adjust to the changing demands in the field of health and in society in general.

Our corporate values are:

- Trust
- Innovation
- Partnership
- Personal accountability

We bring value through values that add up.



Our corporate values help us to enhance the company's performance and overall results

Business model

Almirall's catalogue of treatments is sold through 12 affiliates in Europe and Mexico, and through agreements with trading partners in over 70 countries on the five continents.

The main feature of the portfolio of drugs is that it includes a balanced proportion of branded medicines comprising proprietary R&D products and licensed products, as well as a greater diversification by product, therapeutic area and geographical area.

Where do Almirall's drugs come from?

Proprietary R&D

Corporate development
agreements

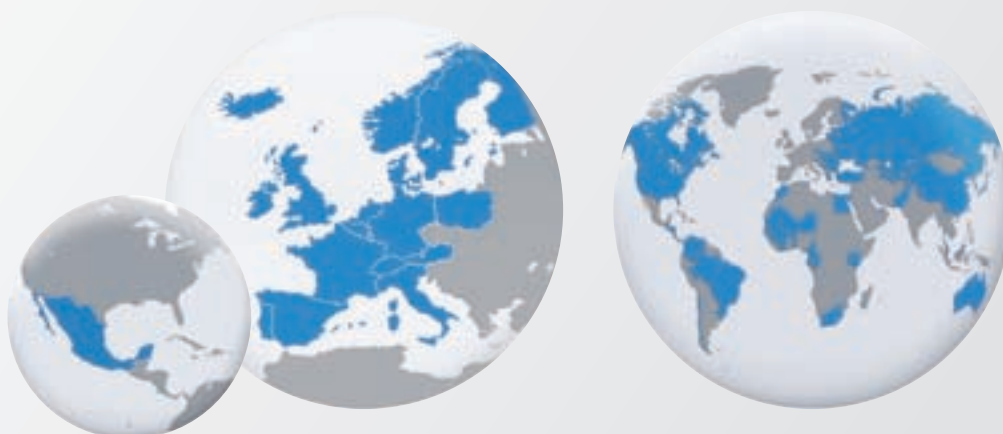
Catalogue of Almirall's products

Branded drugs, diversification by geographical area, therapeutic area and product.

How do we market them?

Through our affiliates

Through agreements with
strategic partners



Our products are present in over **70** countries on the **5** continents

Corporate governance

The fundamental purpose of Almirall's corporate governance policy is to protect the interests of over 30,000 shareholders around the world and maintain a transparent and rigorous information policy at all times.

Almirall's corporate governance

Board of Directors

Fundamental goals: to protect the interests of shareholders and maintain a transparent and rigorous information policy.

Audit Committee

Responsibilities:

- Review of periodic public financial information to ensure legal requirements and accounting principles are properly applied.
- Relations with the external auditor.
- Monitoring of internal audit systems, internal control and risk management.

Appointments and Remuneration Committee

Responsibilities:

- Supervision of the selection process of the company's executive directors and senior management.
- Support to the Board of Directors in determining and monitoring the remuneration policy of the above individuals.

Management Board

Basic duties: to define the company's general strategy and its specific application to R&D, business operations, finance and corporate development.



Over
30,000 shareholders
around the world

Board of Directors

The following table lists the members and the Secretary of the Board of Directors, and the nature of their positions as at 31 December 2011.

Members of the Board of Directors

Jorge Gallardo Ballart	President	Director
Antonio Gallardo Ballart	1 st Deputy President	External director
Daniel Bravo Andreu	2 nd Deputy President	External director
Paul Brons	Member	Independent external member
Tom McKillop	Member	Independent external member
Juan Arena de la Mora	Member	Independent external member
José Juan Pintó Sala	Secretary (non-member)	Non-director
Eduardo Sanchiz Yrazu	Member	Executive member
Luciano Conde Conde	Member	Executive member
Bertil Lindmark	Member	Executive member



1 Jorge Gallardo Ballart

- President
- PhD in Industrial Engineering
- Institutional positions at the EFPIA and Farmaindustria over several periods and member of Spain's Royal Academy of Pharmacy

2 Antonio Gallardo Ballart

- 1st Deputy President
- Further studies in Commerce and Business Management
- Awarded the plaque of the Civil Order of Public Health and the Medal of Merit for Work

3 Daniel Bravo Andreu

- 2nd Deputy President
- Degree in Pharmacy
- Shareholder and member of the Board of Directors in several companies

4 Paul Brons

- Member
- Degree in International Business
- Member of various advisory committees in the chemical and pharmaceutical industry, and Knight of the Dutch Order of the Lion

5 Tom McKillop

- Member
- PhD in Chemistry
- Institutional positions in the EFPIA and other organisations. Civil awards as a member of the Academy of Medical Sciences and honorary member of the Royal Society of Chemistry. Knighted in 2002

6 Juan Arena de la Mora

- Member
- PhD in Electromechanical Engineering and Master's Degree in Business Administration
- Member of the Board of Directors in various companies and holder of the Great Cross of Civil Merit

7 José Juan Pintó Sala

- Secretary (non-member)
- Degree in Law
- Belongs to various law firms and member of the Bar Associations of Barcelona and Madrid

8 Eduardo Sanchiz Yrazu

- Member
- Degree in Economics and Master's Degree in Business Administration
- Current CEO of Almirall. Has held positions in several companies in the pharmaceutical industry

9 Luciano Conde Conde

- Member
- Degree in Pharmacy and Master's Degree in Business Management and Marketing
- Current Chief Executive Operating Officer of Almirall. Has held positions in several companies in the pharmaceutical industry

10 Bertil Lindmark

- Member
- Degree in Medicine and PhD in Molecular Epidemiology
- Current Chief Executive Scientific Officer of Almirall. Has held positions in several companies in the pharmaceutical industry

Audit Committee

The company has an internal audit function and an annual external audit process that guarantees the integrity of the financial information reported.

The Audit Committee meets once every quarter to review the periodic financial information that 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 establish that the Committee may meet at the request of any of its members or every time a meeting is called by the Chairman, who is required to call a meeting whenever the Committee or its Chairman requests the issue of a report or the adoption of proposals, and, in any event, whenever deemed necessary for the proper discharge of its functions.

Members of the Audit Committee

(as at 31 December 2011)

Paul Brons	Chairman
Juan Arena de la Mora	Member
Daniel Bravo Andreu	Member

Appointments and Remuneration Committee

This Committee meets once every quarter and must also do so every time a meeting is called by the Chairman, whenever the Board 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. Whenever deemed necessary to discharge its functions adequately, the Committee may also seek advice from external experts.

Members of the Appointments and Remuneration Committee

(as at 31 December 2011)

Tom McKillop	Chairman
Antonio Gallardo Ballart	Member
Jorge Gallardo Ballart	Member

Management Board

As the leading governing body, the Management Board defines the general strategy of the company, as well as the overall scope of operations in the areas of R&D, operations, finance and corporate development.

The Management Board represents the main organisational functions of Almirall.

Members of the Management Board

(as at 31 December 2011)

Eduardo Sanchiz Yrazu	Chief Executive Officer
Luciano Conde Conde	Chief Executive Operating Officer
Eloi Crespo Cervera	General Director of the Industrial Area
Enrique Domínguez Cruz	General Manager Spain
Joan Figueras Carreras	General Counsel
Bertil Lindmark	Chief Executive Scientific Officer
Daniel Martínez Carretero	Chief Financial Officer
Vacant	Corporate Director of Human Resources



- | | |
|--------------------------|-----------------------------|
| ① Eduardo Sanchiz Yrazu | ⑤ Joan Figueras Carreras |
| ② Luciano Conde Conde | ⑥ Bertil Lindmark |
| ③ Eloi Crespo Cervera | ⑦ Daniel Martínez Carretero |
| ④ Enrique Domínguez Cruz | |





Research and development

Innovation, key to Almirall's strategy

- Highlights
- Strategic therapeutic areas
- New drugs under development
- R&D centres and resources
- Alliances with third parties

Highlights

Last year was a landmark year for Almirall's R&D as two applications were submitted in Europe for the registration of two innovative compounds, Linaclotide and Aclidinium, latter was also submitted for registration in the US. We are confident that both drugs will become valuable treatments in the near future for physicians and patients.

Aclidinium could become a very valuable therapeutic option for prescribers and patients in the treatment of COPD

The results of the pivotal studies of Aclidinium have confirmed a clinically significant improvement in bronchodilation, in symptoms and COPD patients' state of health. Significant improvement was observed in their quality of life and, in the studies conducted, Aclidinium was well tolerated. Finally, it was observed that the drug could be easily and safely administered using our Genuair® inhaler.

Linaclotide could be a therapeutic solution of great help and relief to patients who suffer from IBS-C

Linaclotide is a peptide that can deliver a wide range of benefits to patients who suffer from irritable bowel syndrome associated with constipation (IBS-C).

The studies conducted demonstrated that Linaclotide has local effects on intestinal movements and can improve relief from pain and bloating. Furthermore, it has been proven that as the absorption of Linaclotide is limited, the risk of systemic side effects is reduced. Finally, the administration of this once-a-day capsule has been shown to have benefits for over 6 months with no rebound effects if stopped.

*Aclidinium and Linaclotide
could become valuable
therapeutic solutions*



Almirall's R&D Centre in Sant Feliu de Llobregat (Barcelona, Spain)

The results of the studies conducted on Aclidinium and Linaclotide were presented at the most prestigious international conferences over 2011, amongst which the following can be highlighted:

Congress of the European Respiratory Society (ERS), Amsterdam, September 2011

This is a leading European congress for respiratory diseases at which the positive results of the phase III studies of Aclidinium were reported.

Congress of the United European Gastroenterology Federation (UEGF), Stockholm, October 2011

This is a leading congress for gastrointestinal diseases at which the positive results of the phase III studies of Linaclotide were reported.

A reply to the applications to register Aclidinium and Linaclotide is expected in mid-2012. Should they be approved by the regulatory authorities, Aclidinium would be added to Almirall's portfolio of proprietary products such as Ebastine, Almotriptan, Aceclofenac, Almagate, Fluprednidene, Clebopride, Cinitapride and Piketoprofen, which have made a decisive contribution to the company's international growth over the past few years.

Genuair®, Almirall's dry powder inhaler

Almirall's Genuair® is a proprietary technology, which is key for developing new inhalation compounds in monotherapies and combination therapies.

Distinctive features of Genuair®

- Ready-to-use, preloaded multi-dose device.
- Inhalation only requires two simple steps by patients: pressing the button and inhaling.
- The multiple feedback mechanism informs the patient whether the dose has been properly administered.
- The feedback consists of a visual display and an audible click.

The colour range of the Genuair® inhaler for Almirall's new portfolio of R&D respiratory projects has been successfully developed.



Aclidinium monotherapy

*Combination of Aclidinium
with Formoterol*

*Combination of a fixed dose
of Abediterol*

Strategic therapeutic areas

In 2011, Almirall directed its R&D efforts towards identifying and developing new drugs by focusing on specific therapeutic areas that combine unmet medical needs and a common underlying pathophysiology. Almirall's R&D teams are able to harness their scientific knowledge and the experience gained from previous projects, which allows them to be more competitive.

Respiratory diseases

Asthma

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

Many therapeutic needs have yet to be met in this area. These include improving patients' compliance with their medication, 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 reverse structural changes in the airways; and innovative approaches aimed at altering the process that leads to the development of the disease.

COPD

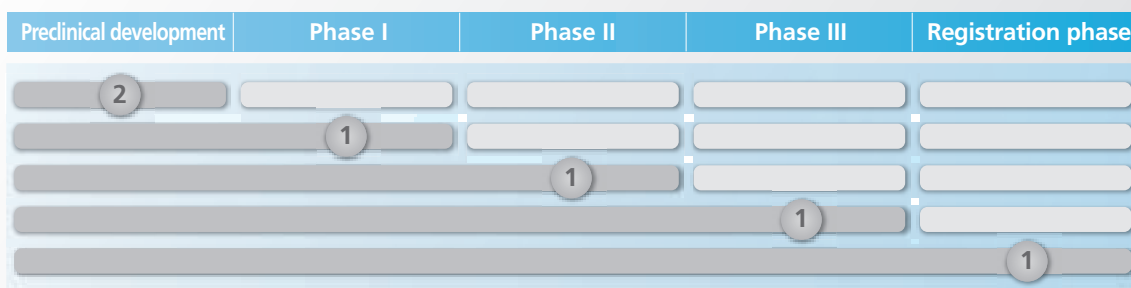
Chronic obstructive pulmonary disease (COPD) is a serious health issue across the world, mainly associated with smoking. The World Health Organisation estimates that by 2020 the disease could become the fifth most prevalent and serious disease in the world. The characteristic airflow obstruction associated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

Many medical needs are yet to be satisfied. These include seeking 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.

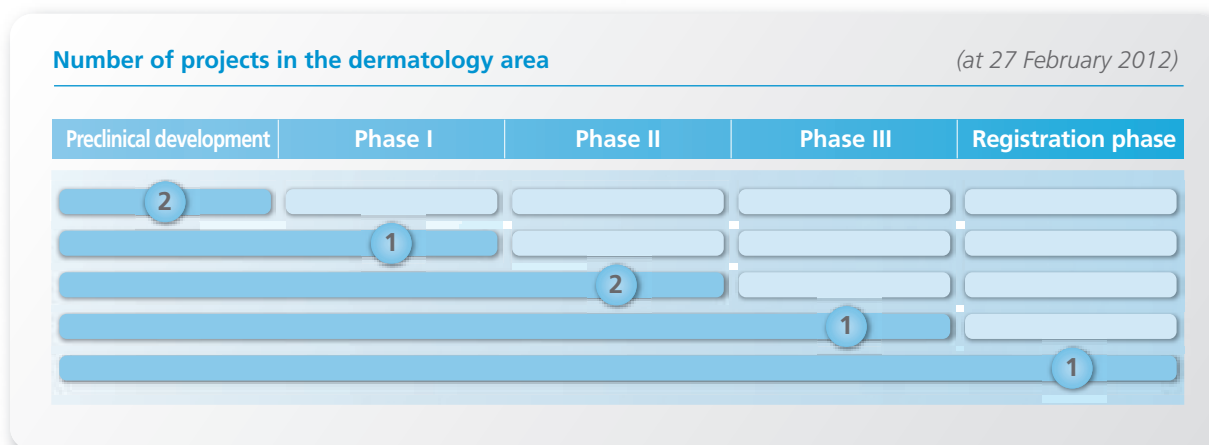
R&D focused on therapeutic areas with unmet medical needs

Number of projects in the respiratory area

(at 27 February 2012)



Dermatology



Although generally not life-threatening, skin conditions have a significant impact on patients' social and professional lives.

Psoriasis

Psoriasis is a chronic inflammatory disease that affects between 1.5 and 3 % of the world population. It manifests itself as erythematous plaques covered with marked hyperkeratosis predominantly 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.

Actinic keratosis

Actinic keratosis is a chronic pre-malignant skin disease that is induced through continuous UV exposure. It usually occurs in elderly patients and needs early treatment because it can develop into squamous cell carcinoma of the skin.

Gastrointestinal diseases

Irritable bowel syndrome (IBS)

Irritable bowel syndrome (IBS) is a chronic, functional, gastrointestinal disorder characterised by abdominal pain and discomfort associated with altered bowel habits.

The estimated prevalence of IBS in 10–15 % of Europe's population puts it on a par with better known conditions such as migraine (12 %) and asthma (11 %). It leads to a substantial reduction in quality of life, accompanied by considerable socio-economic and psychological consequences, and uses up a significant proportion of the resources available for gastrointestinal medicine, both in primary and secondary care.

In Europe an estimated nine million individuals suffer from irritable bowel syndrome associated with constipation (IBS-C), yet there is currently no available therapy approved by the EMA to treat this disorder, which can affect patients physically, psychologically, socially and economically.

New drugs under development

Projects under development in the respiratory area

Acclidinium monotherapy

In 2011, Almirall successfully completed the development of its twice-daily Acclidinium Bromide monotherapy. The results showed Acclidinium to be an efficacious and safe novel M₃ muscarinic antagonist for the treatment of COPD. Furthermore, Acclidinium provided consistent bronchodilation and control of COPD symptoms, with a risk-benefit profile, in patients suffering from this debilitating disease. Acclidinium is administered to patients by means of the Genuair® device, a new multi-dose inhaler developed by Almirall.

Regulatory submissions in the US and Europe for Acclidinium were filed in June and July 2011, respectively, as planned. The development and marketing of Acclidinium in the USA is done in partnership with Forest Laboratories.

In order to increase the global outreach of this product, Almirall and Kyorin signed an agreement in February 2011 whereby Kyorin was granted exclusive rights to develop and market Acclidinium in Japan for the treatment of COPD.

Subsequently, in February 2012, Almirall and Daewoong announced they had reached an agreement that granted the exclusive trading rights on Acclidinium in Korea.

Acclidinium and Formoterol in fixed dose combination (LAS40464)

Two phase IIb dose-ranging studies for comparing fixed dose combinations of Acclidinium Bromide and Formoterol administered in patients twice daily with stable-moderate to severe COPD were successfully completed in 2011. The combination of Acclidinium and Formoterol is also being developed using the Genuair® device.

In light of the successful completion of these phase II studies and following positive regulatory consultations with the authorities in Europe and the United States, two pivotal phase III studies were started with fixed dose combinations.



*Acclidinium filed for approval
in June and July 2011
in the US and Europe, respectively*

Fixed dose combination of Abediterol (LAS40171)

Abediterol is a novel once-daily, long-acting inhaled beta agonist that in early phase II studies demonstrated fast onset and long-lasting (24-hour) efficacy with a very good tolerability profile in patients with stable asthma after multiple dosing.

The combination of a fixed dose of Abediterol and a corticosteroid is currently being developed in the Genuair® inhaler for once-a-day administration for the treatment of both asthma and COPD. In 2009 a co-development and marketing agreement for this molecule was signed with Forest Laboratories, Inc. for the USA.

Following the regulatory reply from the authorities in the EU and the US, new phase II clinical studies were started on patients with asthma and COPD in 2011.



Acridinium in figures

The application to register Acridinium was the culmination of the work carried out by a large team of scientists from Almirall. The development of a new drug is the result of many years of work. In the case of Acridinium, it took over 10 years of work, 100 studies were conducted and 150,000 pages were written.

Projects under development in the dermatology area

LAS41002

This is an emulsion for the treatment of inflammatory skin conditions, such as psoriasis and eczema. It is currently going through the filing process, which it is expected will be finalised in the first half of 2012.

LAS41004

This compound is currently in phase II of clinical development. The aim is to confirm the anti-inflammatory activity of the compound in topical administration for the treatment of psoriasis.

LAS41005

In 2011, this project was successfully approved and Almirall launched LAS41005 under the brand name Actikerall®. It is prescribed for the treatment of actinic keratosis, a pre-malignant skin condition, which if not treated can develop into squamous cell carcinoma.

LAS41007

This is a project that contains a well-established active ingredient used in a unique formulation for the treatment of actinic keratosis. The project has been in phase III since 2010.

LAS41008

The aim of this project is to develop an oral treatment for the systemic treatment of moderate to severe psoriasis. The active ingredient has a well-established anti-psoriatic efficacy. It is planned to start phase III of this project in 2012.

Almirall has 6 dermatology projects under development

Projects under development in the gastrointestinal area

Linacotide

Linacotide is a first-in-class compound for the treatment of irritable bowel syndrome with constipation (IBS-C) licensed from Ironwood Pharmaceuticals for Europe. It is a once daily, orally delivered peptide that acts locally in the gut with no detectable systemic exposure at therapeutic doses. Linacotide is an agonist of guanylate cyclase type-C, a receptor found on the lining of the intestine.

In May 2009, Almirall signed a pan-European agreement with Ironwood and thus became responsible for the marketing of this compound in all European Union member states, plus Russia, the CIS (Commonwealth of Independent States of the former USSR), Switzerland, Norway and Turkey, as well as other countries of former Yugoslavia. Almirall is also responsible for activities relating to obtaining regulatory approval in the abovementioned territories.

In September 2011, Almirall submitted a marketing authorisation application to the European Medicines Agency (EMA) for Linacotide in Europe. The submission included phase III efficacy and safety data from two pivotal clinical studies that met all the primary and secondary endpoints according to FDA and EMA requirements. Full results of these two studies were presented at the United European Gastroenterology Week (UEGW) congress in Stockholm in October 2011.

*Linacotide filed for approval
in Europe in September 2011*

Projects under development in the autoimmune area

Sativex®

Sativex® is a first-in-class endocannabinoid system modulator and the first therapeutic option available for multiple sclerosis spasticity. It is composed primarily of a 1:1 ratio of two cannabinoids-CBD (cannabidiol-a non-psychoactive cannabinoid) and THC (delta-9-tetrahydrocannabinol). The CBD:THC formulation is considered to enhance the therapeutic benefits of THC, whilst minimising the unwanted psychotropic and other THC-related side effects.

Sativex® is prescribed as an add-on treatment for improving symptoms in patients with moderate to severe spasticity due to multiple sclerosis who have not responded adequately to other anti-spasticity medication.

Following its approval in Spain and the UK in 2010, Sativex® has subsequently also been approved in the Czech Republic, Denmark, Germany and Sweden. Submissions for approval have also been made to additional European countries under the mutual recognition procedure.

A phase III clinical studies programme is also in progress for Sativex® in the treatment of pain in patients with advanced cancer, who experience inadequate analgesia during chronic opioid therapy.

Almirall is responsible for the commercialisation of Sativex® and for making this innovative medicine available to healthcare professionals and patients in Europe (except the UK).

Almirall pipeline



COPD: chronic obstructive pulmonary disease
IBS-C: irritable bowel syndrome with constipation

(The information on the right-hand side of each arrow shows the stage of development at 27 February 2012)

*The most promising pipeline
in Almirall's history*

R&D Centres and resources

Although R&D at Almirall is mainly conducted in Spain, the company has specific centres of excellence in Germany and major international collaborations that contribute to the global scope of its development projects.

R&D Centre in Sant Feliu de Llobregat (Barcelona, Spain)

Almirall carries out most of its R&D activities at its facility located in Sant Feliu de Llobregat (Spain), which was opened in 2006. This R&D centre, with a surface area of over 27,500 m², is equipped with the most advanced technology and houses all the departments involved in the process of conducting the research and development of a new drug.

In addition to these R&D facilities, Almirall also has a chemical plant based in Sant Andreu de la Barca, in the Barcelona area, which houses a scale-up group to supply active ingredients for preclinical toxicology studies and clinical trials.



Almirall Centre of Excellence for Dermatology (Reinbek, Germany)

Almirall's centre of excellence for 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 knowledge about formulations and its experienced team, it has developed a dermatological R&D pipeline for research projects into the treatment of skin conditions.



Almirall Centre of Excellence for Inhalation (Bad Homburg, Germany)

This centre began its work in the field of pharmaceuticals in the middle of the last century and started developing inhalation products in the early 1980s. It was acquired by Almirall in June 2006.

Almirall is currently one of the leading companies in the pharmaceutical development of dry-powder inhalation products, and has increased its development capacity by more than 50 % thanks to its growing pipeline of inhalation research.

This centre of excellence employs more than 115 specialists who are dedicated to the development of inhalation prototypes delivered by Almirall's dry-powder Genuair® inhaler, and to the constant evaluation of new technology.



Alliances with third parties

Almirall collaborates with leading academic research groups and biotechnology companies across the world.

Network of external partnerships

Almirall's research scientists have established a wide network of external partnerships with experts in the fields of biology, chemistry and X-ray crystallography in order to contribute to the identification and validation of new targets, the creation of new research programmes, and to 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, such as the University of Michigan, Imperial College London, the University Hospital of South Manchester through the Medicines Evaluation Unit, the US National Institutes of Health, Galápagos, Argenta, Mercachem, Proteros and Evotec.

Almirall has also established a close partnership with Spanish universities in Barcelona, Valencia, Madrid, Granada and Santiago de Compostela, as well as with the Hospital Clínic de Barcelona, the CSIC (Spanish National Research Council) and the Parc Científic de Barcelona.

Agreements with other companies

Almirall has worked in close collaboration with a number of Spanish biotechnology companies, including, Galchimia, Enantia, Intelligent Pharma and Chemotargets, in order to deliver the Genius Pharma project.



This initiative was funded by the Spanish Government to foster research in Spain through the development of technological platforms aimed at facilitating the discovery of new drugs.

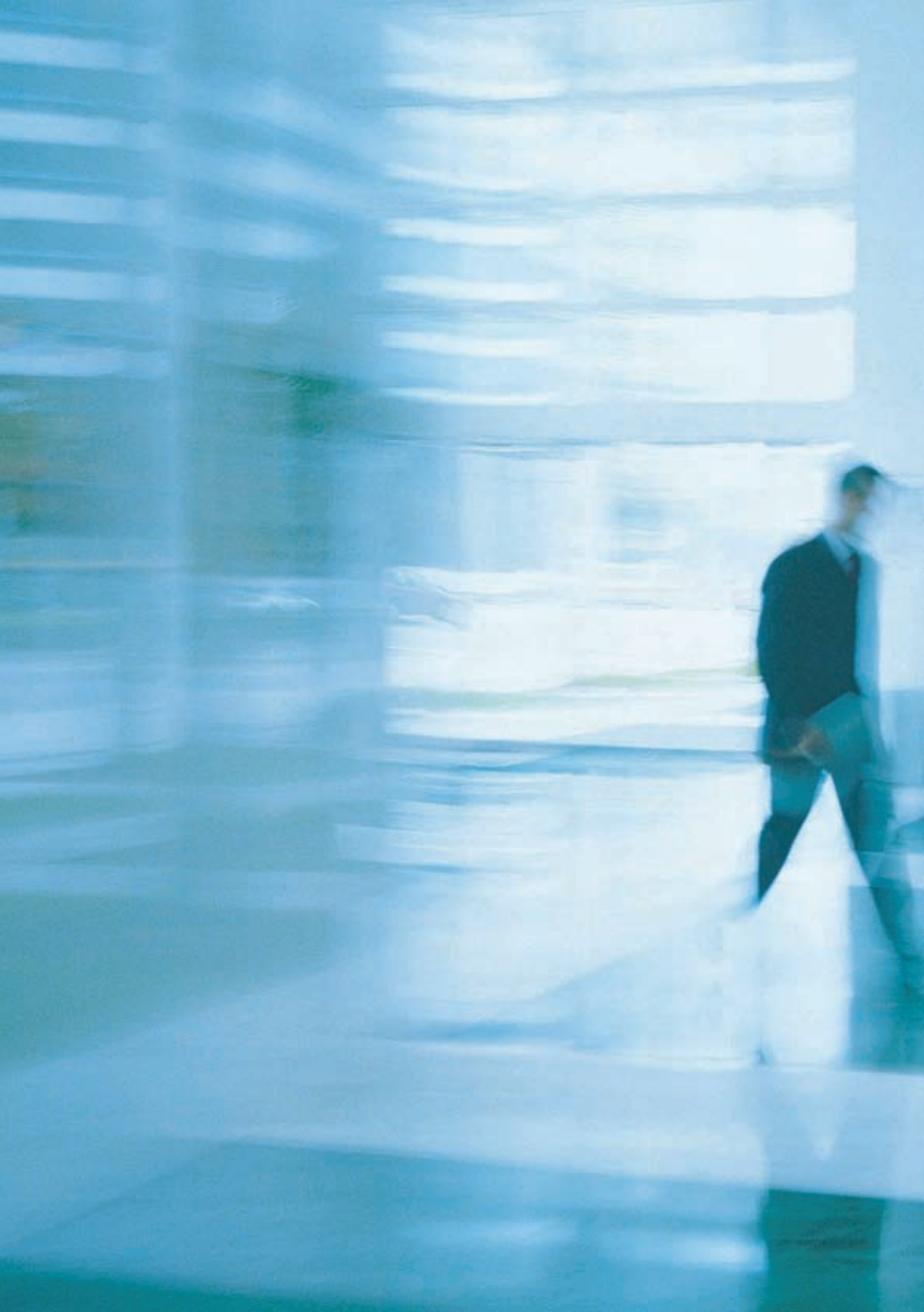
In collaboration with other laboratories, Almirall successfully submitted an application for the second generation of the Genius Pharma project (Neogenius), which has built on the advances and outcomes of the first project. Neogenius is a more ambitious drug discovery project involving 20 collaborating institutions, including universities, public research centres and small and medium enterprises.

Other collaborations

Almirall has also entered into collaboration agreements 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 field of inhalation.

From a clinical perspective, 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 studies in compliance with GLPs and the international criteria for harmonisation (ICH). These multi-centre trials have enabled Almirall to validate the efficacy and safety of its products more extensively in different population groups before filing for international registration.

Almirall is also participating in the Innovative Medicines Initiative (IMI), a unique collaborative public-private venture between the European Commission, the European Federation of Pharmaceutical Industries and Associations (EFPIA), regulators, academia and patient organisations. Almirall is an active member of consortia working on topics closely related to its therapeutic focus.





Corporate development

Contributes to the company's growth and international expansion

- Strengths in corporate development
- Successful track record
- Alliances through our affiliates
- Almirall's product agreements

Strengths in corporate development

Almirall's catalogue of drugs includes proprietary R&D products, as well as products and technologies resulting from acquisitions and agreements with other companies.

This mixed business model, which has been key to Almirall's growth over the past few years, allows us to diversify and strengthen our core business and pipeline.

Corporate development agreements are established with the aim of creating value in the long-term by:

- Pursuing new business opportunities
- Acquiring companies, technologies and products
- Identifying international partners for our R&D compounds

The corporate development strategy is implemented based on Almirall's commercial and strategic needs, both at a domestic and international level.

Since 2008, Almirall has signed 13 major corporate development agreements that have both contributed to strengthening its core business and to establishing alliances with other companies to market proprietary R&D products worldwide.

Our strengths

- ✓ Direct presence in Europe and Mexico
- ✓ Extensive portfolio of new products with great potential in the respiratory, dermatology, gastrointestinal and pain areas
- ✓ Know-how and resources throughout the value chain of a drug
- ✓ Financial stability
- ✓ Successful track record

*Corporate development,
key to Almirall's expansion*



Growth opportunities

Almirall's acquisition strategy focuses on seeking sales and product infrastructures that fall within the scope of the company's key therapeutic areas on a global level.

This strategy is implemented through a selective and systematic assessment of companies or business units that may share synergies with Almirall.

Our economic criteria for assessing and selecting projects combine rigour and flexibility, and focus on creating value for our shareholders in the long-term.

Successful track record

Successful track record						
		2008	2009	2010	2011	2012*
Corporate development agreements	Through affiliates	Tesavel® (Sitagliptin) Spain	Linacotide Europe	Toctino® (Alitretinoin) 10 countries	Libertek® (Roflumilast) Spain	Xarelto® (Rivaroxaban) Spain
		Astucor® (Amlodipine + Atorvastatin) Spain	Silodyx® (Silodosin) Spain	Conbriza® (Bazedoxifene) Spain	Cipralex® (Escitalopram) Italy	
	For proprietary products		Abediterol US		Acridinium Japan	Acridinium Korea
						Ebastine China and Southeast Asia

* As at 27 February 2012.

Almirall has acquired the trading rights on major international products to enable our affiliate in Spain to distribute them to doctors and patients. Of these, it is worth mentioning Tesavel® (Sitagliptin) in 2008, Silodyx® (Silodosin) in 2009, Conbriza® (Bazedoxifene) in 2010, Libertek® (Roflumilast) in 2011 and Xarelto® (Rivaroxaban) at the beginning of 2012.

On an international level, Almirall acquired the commercial rights in a number of countries for Linacotide in 2009 and Toctino® (Alitretinoin) in 2010. An application was submitted to register the former in 2011 and an official reply is expected in 2012. Meanwhile, Almirall has launched Toctino® in Austria and Italy. We recently also added Cipralex® (Escitalopram) to the product portfolio promoted by our affiliate in Italy.

Insofar as proprietary R&D products are concerned, Almirall has granted the commercial rights on Acidinium to Japan (2011), Korea (2012) and the US (2006). It is expected that a sales agreement for this product in Europe will be announced during the first few months of 2012.

Another of the results of Almirall's research into asthma and COPD, Abediterol, was licensed to Forest in the USA in 2009.

In 2011, Almirall licensed the marketing rights for Ebastine (the company's best selling product in 2011) in China and other countries in Southeast Asia.

Alliances through our affiliates

Almirall supplements its proprietary R&D with acquisitions and product license agreements or similar arrangements to market through its affiliates in Europe and Mexico.

The Corporate Development team helps to leverage Almirall's core business through acquisitions and business opportunities in therapeutic areas in which Almirall is already present or that may be of interest.

Our experience enables us to offer added value to all companies that wish to associate with a pharmaceutical company with a firm international foothold and a broad range of treatments.

Almirall's clinical and regulatory teams make every endeavour to ensure that development is properly carried out and that the final product is launched on the market successfully.

Main therapeutic areas of interest:

Currently, Almirall's priority therapeutic areas for its corporate development are:

- Respiratory
- Dermatology
- Gastroenterology
- Pain

These therapeutic areas are in synergy with and complement the current R&D project portfolio. This enables the company to capitalise on the experience built up by our R&D and marketing teams.

We diversify and strengthen our business through acquisitions and licenses



High value added agreements

Almirall actively looks for business opportunities with one key objective: to obtain licenses with high added value.

The products and technologies obtained provide society with innovative drugs that contribute to improving people's health and quality of life.

We recently added three novel drugs to the respiratory (Libertek®), central nervous system (Cipralext®) and cardiovascular (Xarelto®) areas.

Agreements

Our most recent deals illustrate Almirall's potential for establishing alliances with companies in the sector.

- **Libertek®** (Roflumilast): in May 2011, Almirall and Nycomed announced that they had reached a co-branding agreement for the commercialisation of Roflumilast in Spain. The launch of Libertek® took place in October 2011.

Roflumilast is the first orally administered anti-inflammatory treatment for COPD whose novel feature is that it acts as a selective inhibitor of the enzyme phosphodiesterase 4. Roflumilast is specifically designed to treat the inflammation characteristic of the disease, reduce its exacerbations and improve pulmonary performance when it is combined with the drugs a patient is already taking.

Besides adding a first-in-class product to our catalogue, this agreement has enabled us to capitalise on our expertise in the respiratory area. Roflumilast is a new class of drug that sits comfortably with our business strategy and complements other bronchodilator drugs for COPD, such as our R&D compound, Acclidinium bromide, which has been registered in Europe and the United States.

- **Cipralex®** (Escitalopram): in October 2011, Almirall and Lundbeck announced that they had reached a co-promotion agreement for Escitalopram in Italy under the brand name Cipralex®.

Escitalopram is an antidepressant from the family of selective serotonin reuptake inhibitors (SSRI), which are prescribed for treating depression and anxiety disorders.

This new collaboration with Lundbeck will enable us to strengthen our business in Italy, and to take advantage of our experience and knowledge about diseases of the central nervous system.



- **Xarelto®** (Rivaroxaban): in February 2012, Almirall and Bayer announced that they had reached an agreement to co-promote Rivaroxaban in Spain.

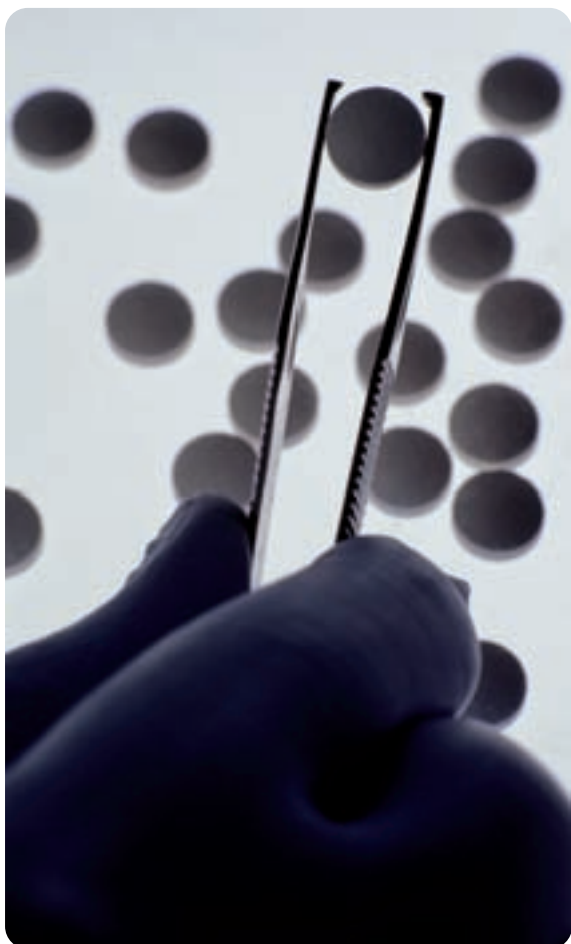
Rivaroxaban is an oral anticoagulant developed by Bayer, whose use in Europe has been authorised for three indications: the prevention of strokes and systemic embolism in adult patients with non-valvular atrial fibrillation and one or more risk factors; the treatment of deep vein thrombosis (DVT) and the prevention of recurrent DVT and of pulmonary embolism following acute DVT in adults; and the prevention of venous thromboembolism in adult patients who have undergone elective hip or knee replacement surgery.

Rivaroxaban perfectly complements Almirall's portfolio, for which the company has already successfully launched other therapeutic solutions that benefit society.

Almirall's product agreements

Almirall also markets its proprietary research products through collaboration agreements with other pharmaceutical companies in order for its drugs to gain a greater presence on a global level.

Furthermore, in countries in which Almirall has its own sales network, it is able to introduce more products on the market by granting licenses and other agreements, thus extending the company's business to these territories.



Therapeutic areas of interest

- **Respiratory**

The great potential of the respiratory franchise should be highlighted. It includes the Acridinium monotherapy, in the registration phase, and the combination of Acridinium with Formoterol, in phase III, both of which are to treat COPD.

- **Allergy**

The main product in this area is Ebastine, Almirall's R&D antihistamine, which is marketed in over 30 countries and is the company's top selling product.

- **Dermatology**

As a dermatology company, Almirall is ranked first in Germany and eighth in Europe. It is currently in negotiations with other companies to reach partnering arrangements for products that have already been launched or are in the development phase.

- **CNS (central nervous system)**

The company's presence in this segment has been consolidated with Almirall's R&D antimigraine drug, Almotriptan. It is the first Spanish R&D drug that has been approved by the Food and Drug Administration (FDA) in the United States.

Depending on this strategy and on the regulatory framework in each territory, the company determines the right time to license out its products, which is generally when a product has been proven to be effective in the first studies on patients in phase IIa (proof of concept).

*Our R&D products are a key factor
for attaining a greater
international presence*

Agreements

Our corporate development efforts met with great success in 2011. A number of agreements were signed that have increased the company's international expansion and have made patently clear the great value and potential of Almirall's proprietary R&D products.

- **Acclidinium:** in February 2011, Almirall and Kyorin announced that they had reached an agreement whereby Almirall gave Kyorin the exclusive rights to develop and sell Acclidinium in Japan.

In February 2012, Almirall and Daewoong also announced that they had signed an agreement whereby Almirall granted Daewoong exclusive rights for Acclidinium in Korea.

Acclidinium, a compound developed by Almirall, is a novel long-acting inhaled anticholinergic bronchodilator for the treatment of COPD. It is administered via a multi-dose, dry-powder inhaler, Genuair®, a proprietary technology.

COPD patients have difficulty in breathing, excess mucus and a chronic cough. It is estimated that around 8.6 % of the Japanese population and 13 % of the Korean population over 40 years of age suffer from COPD.

These agreements to out-license Acclidinium have built on the global outreach attained following the agreement signed with Forest Laboratories for the USA in 2006 and have brought us one step closer to realising its full potential value.

In 2011, discussions were held to establish a Europe-wide agreement that may be concluded in the first half of 2012.

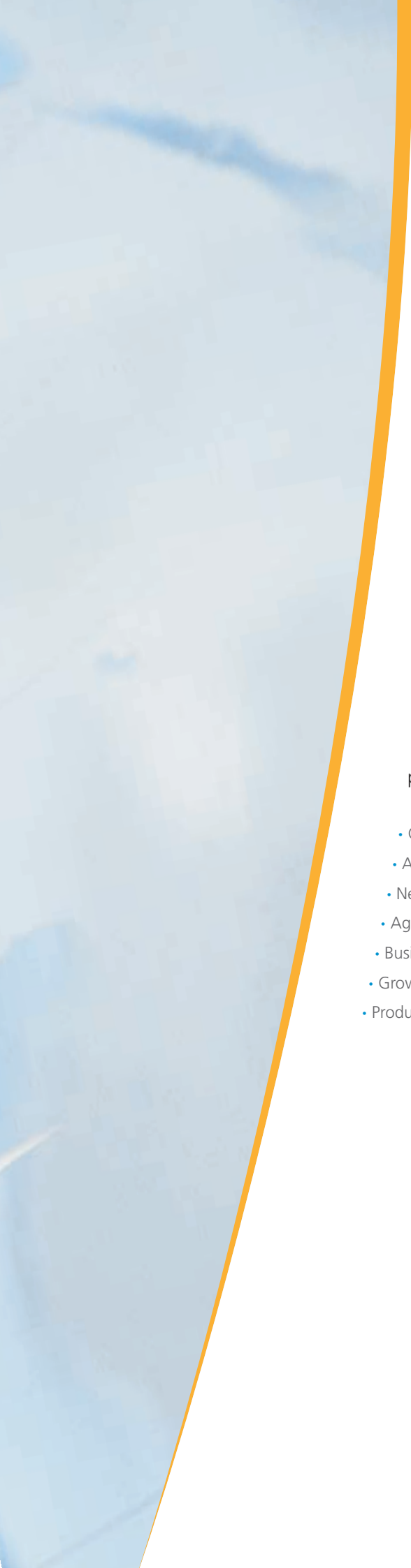


- **Ebastine:** in October 2011, Almirall and Nycomed (now Nycomed-Takeda) signed a license agreement for Ebastine, under the trademark Kestine® in China, where the product has already been approved and included on a reimbursement scheme. The agreement includes the right to market the product in other emerging markets such as Malaysia, the Philippines, Thailand and Indonesia.

Ebastine, a compound developed by Almirall's R&D, is a second-generation histamine H1 receptor antagonist that does not cause drowsiness and is administered once a day. This product is prescribed for allergic rhinitis and chronic idiopathic urticaria.

Thanks to this agreement, Almirall has broadened the global outreach of Ebastine, which is already found in over 30 countries through subsidiaries and licensees.





Operations

Almirall, a leading international pharmaceutical company present on the five continents

- Global reach of Almirall's drugs
- Almirall's affiliates
- New brands marketed by Almirall
- Agreements with third parties
- Business year sales
- Growth platforms
- Production

Global reach of Almirall's drugs

Internationalisation is one of Almirall's strategic pillars and abroad sales accounted for over 50 % of total sales in 2011. Through its growing international business activities, Almirall has consolidated the presence of its products on a global scale through its own affiliates and sales agreements with other prestigious companies in key geographies, such as the United States, Japan and China.

Almirall currently has 12 affiliates in Europe and Mexico and has signed agreements with trading partners in order to make its products available to prescribers and patients in countries in which they are not sold directly. Almirall's products are currently sold in over 70 countries on the five continents. The company has estimated that by 2014, international sales could account for 70 % of its total sales.



Almirall's key products with international outreach

- | | | | |
|---------------|---------------|-------------|-------------|
| ● Aceclofenac | ● Balneum® | ● Decoderm® | ● Solaraze® |
| ● Actikerall® | ● Cinitapride | ● Ebastine | ● Toctino® |
| ● Almotriptan | ● Clebopride | ● Sativex® | ● Vaniqa® |

In 2011, a number of products were launched through our affiliates.

- **Actikerall®**: prescribed for the treatment of hyperkeratotic actinic keratosis. It was launched in Germany and the United Kingdom.
- **Balneum Intensive®**: for dry skin conditions. It was launched in Spain.

- **Libertek®**: the first oral treatment prescribed for COPD. It was launched in Spain.

- **Sativex®**: prescribed to patients with spasticity due to multiple sclerosis. It was launched in Denmark, Germany and Spain.

- **Solaraze®**: prescribed for the treatment of actinic keratosis. It was launched in Spain.

Europe

- Aceclofenac
- Actikerall®
- Almotriptan
- Balneum®
- Cinitapride
- Clebopride
- Decoderm®
- Ebastine
- Sativex®
- Solaraze®
- Toctino®
- Vaniqa®

Africa

- Aceclofenac
- Ebastine

Asia Pacific

- Aceclofenac
- Almotriptan
- Balneum®
- Cinitapride
- Ebastine

Middle East

- Aceclofenac
- Ebastine

Australia

- Balneum®
- Solaraze®
- Vaniqa®

*Almirall's products are
present in over 70 countries
on the 5 continents*

Almirall's affiliates

Germany

- Operations began in 2003 and, following the acquisition of Hermal in 2007, it has become one of Almirall's largest affiliates.
- Sativex® and Actikeral® are the latest two products to have been added to the portfolio.

Austria

- The Austrian affiliate, which joined the company following the acquisition of Hermal in August 2007, specialises in dermatological diseases.
- The most relevant products on its dermatology portfolio are: Balneum® (Urea), Solaraze® (Diclofenac Sodium + Hyaluronic Acid) and Toctino® (Alitretinoin).

Benelux

- This affiliate began business in 1990 in Belgium and in Holland in 2000.
- It markets the following proprietary products: Biofenac® (Aceclofenac), Estivan Lyo® (Lyophilised Ebastine), Almogran® (Almotriptan), Estivan® (Ebastine) and Balneum® (Urea).



Almirall Germany is preparing for new product launches

With a strong history, we continue to work to satisfy unmet needs by improving diagnosis and treatment through the right medicines and an excellent team.

Spain

- The company began its business and industrial activities in 1944 in Spain, where its headquarters are located.
- Its latest launches, Tesavel®, Efficib®, Silodyx®, Solaraze® and Sativex® are making a significant contribution to revenue and are rejuvenating Almirall's product portfolio.

France

- Operations began in 2001.
- The affiliate currently markets the following products: KestinLyo® (Lyophilised Ebastine), Kestin® (Ebastine), Almogran® (Almotriptan), Spagulax® (Ispaghul), Mupiderm® (Mupirocin), Cebutid® (Flurbiprofen), Solaraze® (Diclofenac Sodium + Hyaluronic Acid) and Vaniqua® (Eflornithine).

Italy

- Operations began in 2002.
- Amongst other products, it markets the following: Pantopan® (Pantoprazole), Kestine Lio® (Lyophilised Ebastine), Kestine® (Ebastine), Almogran® (Almotriptan), Airtal® (Aceclofenac), Motilex® (Clebopride), Solaraze® (Diclofenac Sodium + Hyaluronic Acid), Toctino® (Alitretinoin) and Cipralex® (Escitalopram).

Nordic Countries

- Almirall set up a new affiliate in Denmark in 2010 that sells products in five Nordic Countries (Denmark, Finland, Iceland, Norway and Sweden).
- It currently manages a diverse product portfolio, comprising amongst others: Kestine® (Ebastine), Solaraze® (Diclofenac Sodium + Hyaluronic Acid), and Balneum® (Urea). Sativex® is the latest drug to have been added to its product portfolio.

Poland

- The Polish affiliate was created at the beginning of 2008, following the acquisition of Hermal.
- Its main products are: Balneum® (Urea), Aknenormin® (Isotretinoin), Aknemycin® (Erythromycin), Verrumal® (Fluorouracil + Salicylic Acid) and Akneroxid® (Benzoyl Peroxide).



Almirall UK is going through times of change

The new product launches deliver a unique opportunity to Almirall in the UK to strengthen our portfolio and our ability to deliver innovative solutions and value to prescribers and patients.



Almirall Mexico celebrates its 10th birthday

The success of our launches has consolidated our position in Mexico following 10 years of continual growth. Our aim is to continue to offer Mexican society high added value therapeutic solutions.

Portugal

- It began its activities in 1993.
- The affiliate currently markets the following products: Airtal® (Aceclofenac), Kestine Lio® (Lyophilised Ebastine), Kestine® (Ebastine), Almogran® (Almotriptan) and Provax® (Lyophilised Bacterial Lysate).

United Kingdom-Ireland

- Set up in January 2008, dermatological illnesses are the therapeutic focus of Almirall in the United Kingdom.
- Its most relevant products are Solaraze® for the treatment of actinic keratosis, Vaniqa® for facial hirsutism, Balneum® for dry skin, Colazide® for the treatment of ulcerative colitis and Lodine® for rheumatoid arthritis. Actikerall® is the latest drug to have been added to its product portfolio.

Switzerland

- Following the acquisition of Hermal, all the rights for marketing Hermal products in Switzerland were transferred to Almirall.
- The most relevant products on its dermatology portfolio are: Optiderm® (Urea) and Tannosynt® (Synthetic Tannin) for dry skin, Verrumal® (Fluorouracil + Salicylic Acid) for warts, Curatoderm® (Tacalcitol) for psoriasis and Almogran® (Almotriptan) for the treatment of migraine.

Mexico

- Almirall began its operations in Latin America in 2001 and the Mexican affiliate markets the following products: Pemix® (Cinitapride), Bristaflam® (Aceclofenac), Evastel Z® (Lyophilised Ebastine) and Evastel® (Ebastine), Pridamiral Pack® (Cinitapride and Omeprazole) and Almax® (Almagate), amongst others.
- Almirall Mexico was recently awarded a seal of approval as a Company with Transparent Practices for its commitment to ethics.

New brands marketed by Almirall

Brand name Active ingredient	Indication	Characteristics	Marketing
Actikerall® 5-Fluorouracil + Salicylic Acid	Hyperkeratotic actinic keratosis (grade I/II of severity) It is a non-melanoma type of cancer.	Actikerall® is a topical solution for non-invasive lesions in the treatment of actinic keratosis.	 - Proprietary R&D drug. - Commercialized in Germany and the United Kingdom.
Libertek® Roflumilast	COPD COPD patients have difficulty in breathing, excess mucus and a chronic cough.	Libertek® is a selective inhibitor of the enzyme phosphodiesterase 4 (PDE4), which administered orally has shown to be effective in reducing inflammation due to COPD.	 - Co-branded with Takeda-Nycomed. - Commercialized in Spain.
Sativex® THC (Delta-9-Tetrahydrocannabinol) and CBD (Cannabinol)	Spasticity associated with multiple sclerosis There are almost 700,000 patients in Europe, 80 % of whom are affected by spasticity (muscle stiffness).	Sativex® is a first-in-class treatment prescribed to patients with spasticity due to multiple sclerosis who have not responded well to other treatments available to date.	 - Licensed from GW Pharmaceuticals. - Almirall holds the sales rights for Europe (except the United Kingdom). - Commercialized in Denmark, Germany and Spain.

Agreements with third parties

The sales agreements in force in 2011 covered over 20 active ingredients recognised for their success and high added value.

The latest sales agreements for products such as Efficib®, Sativex®, Silodyx®, Tocrino® and Tesavel® made a significant contribution to sales in 2011 and have become a new cycle of products undergoing growth.

Molecule	Commercial partner	Brand marketed by Almirall
Alitretinoin	Basilea Pharmaceuticals	Tocrino®
Atorvastatin	Pfizer	Prevencor®
Atorvastatin + Amlodipine	Pfizer	Astucor®
Bazedoxifene	Pfizer	Conbriza®
Candesartan - Candesartan / HCTZ	Takeda - Nycomed	Parapres® / Parapres Plus®
Diclofenac sodium	Skyepharma	Solaraze®
Eflornithine	Skinmedica	Vaniqa®
Eplerenone	Pfizer	Elecor®
Escitalopram	Lundbeck	Esertia® (ES) / Ciprallex® (IT)
Lansoprazole	Takeda - Nycomed	Opiren® / Opiren Flas®
Pantoprazole	Takeda - Nycomed	Pantopan®
Risedronate	Sanofi-Aventis	Actonel®
Roflumilast	Takeda - Nycomed	Libertek®
Salmeterol + Fluticasone	GlaxoSmithKline	Plusvent®
Silodosin	Recordati	Silodyx®
Sitagliptin	Merck Sharp & Dome	Tesavel®
Sitagliptin + Metformin	Merck Sharp & Dome	Efficib®
THC and CBD	GW Pharmaceuticals	Sativex®
Tolterodine	Pfizer	Urotrol®/ Urotrol Neo®
Venlafaxine	Pfizer	Dobupal®

Almirall has entered into agreements to market therapeutic solutions of added value

Sales agreements on proprietary products

Almirall's international expansion over the last decade has been based on three of its proprietary R&D products: Aceclofenac, Almotriptan and Ebastine.

Aceclofenac



Commercial partner

Territory

Gedeon Richter	Eastern Europe
Eurofarma	Brazil
Daewoong	South Korea
Nycomed	Venezuela / Turkey
Abiogen	Italy
GSK Trading Services	Egypt
Galenica	Greece
Harley's	Kenya / Uganda / Tanzania
Droguerie Phenicia	Lebanon
Crinos	Italy
Piex	French West Africa
Angelini	Spain
Highnoon	Pakistan
Novis	Greece

Almotriptan



Commercial partner

Territory

Cilag	Germany
Johnson & Johnson	USA / Canada
Meda	Nordic Countries
Novis	Greece
Yuhan	South Korea
Pharmachemie	The Netherlands

Ebastine



Commercial partner

Territory

Al-Baker	Arab Emirates
Al-Maseela	Kuwait
Aspen Pharmacare	South Africa
Boryung	South Korea
Cardinal Health	China
Chiesi	Italy
Dainippon	Japan
Droguerie Phenicia	Lebanon
Eczacibasi	Turkey
Eurofarma	Brazil
Harley's	Kenya / Uganda / Tanzania
Highnoon	Pakistan
Meiji	Japan
Novis	Greece
Nycomed	Nordic Countries / Baltic Countries / Russia / Venezuela
Orient Europharma	Taiwan

Business year sales

Almirall recorded net sales of € 768.4 MM in 2011. The company reached its sales targets in a difficult climate and maintains a highly diverse portfolio in terms of products, geographical areas and therapeutic areas.

Almirall successfully adapted to the adverse times marked by the world economic situation and the austerity measures in public spending over the past year and a half, which have had a huge impact on all pharmaceutical companies.

Despite this situation, Almirall has experienced growth in its international business and the latest launches have been turned into a new cycle of products that is making

extremely good progress and which has rejuvenated the product portfolio.

A breakdown is given below of sales based on a number of segmentation criteria.

Net sales by distribution model

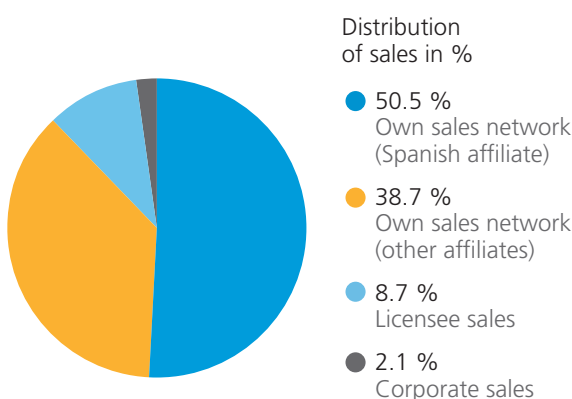
In 2011, 50 % of sales (€ 388 MM) were made in Spain and 38 % (€ 297.3 MM) through international affiliates. Therefore, almost 90 % of the sales in the year were achieved through Almirall's affiliates.

Net sales by distribution model

Rounded to nearest million euros

	2011
Own sales network (Spanish affiliate)	388.1
Own sales network (other affiliates)	297.3
Licensee sales	66.6
Corporate sales (*)	16.4
Total	768.4

(*) Toll manufacturing.



International growth

	2002	2007	2011	e2014
Affiliates	5	7	12	>15
% of international sales	22 %	34 %	50 %	>70 %

Net sales
in 2011 of
more than : € **768** MM

An upward trend has been observed in international sales, which reflects the company's efforts to grow on a global level. Our forecasts show that by 2014 international sales will account for over 70 % of sales.

Net sales by geographical area

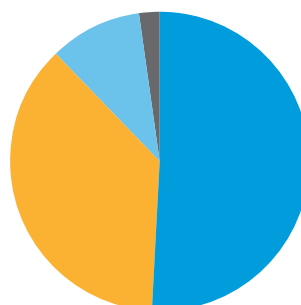
International sales maintained their upward trend, whilst corporate sales dropped due to the termination of toll manufacturing agreements, in line with the strategy to discontinue this line of business.

Net sales by geographical area

Rounded to nearest million euros

	2011
Spain	388.0
Europe	287.2
Africa, America and Asia (*)	76.8
Corporate sales	16.4
Total	768.4

(*) Includes the Middle East.



Sales by geographical area in %

- 50.5 % Spain
- 37.4 % Europe
- 10.0 % Africa, America and Asia
- 2.1 % Corporate sales

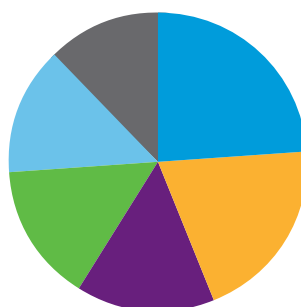
Net sales by therapeutic area

Almirall is a leader in sales in its key therapeutic areas (respiratory, dermatology and gastrointestinal) and they account for 59 % of total sales.

Net sales by therapeutic area

Rounded to nearest million euros

	2011
Respiratory	181.1
Gastrointestinal	156.3
Dermatology	118.2
Central nervous system	114.3
Cardiovascular	106.2
Musculoskeletal	53.5
Urology	20.2
Other therapeutic areas	18.6
Total	768.4



Sales by therapeutic area in %

- 23.6 % Respiratory
- 20.4 % Gastrointestinal
- 15.4 % Dermatology
- 14.9 % Central nervous system
- 13.9 % Cardiovascular
- 11.8 % Other therapeutic areas (includes musculoskeletal and urology)

A well-balanced product portfolio

Almirall's 15 top-selling products accounted for almost 70 % of net sales, which reflects a balanced portfolio without over-exposure to a single product.

Breakdown of the 15 top-selling brands in 2011

Rounded to nearest million euros

	2011 sales	% of total	Proprietary product	Agreements with third parties
Ebastel® and others (Ebastine)	116.2	15	√	
Plusvent® (Salmeterol and Fluticasone)	54.3	7		√
Almogran® and others (Almotriptan)	49.7	6	√	
Parapres® (Candesartan Cilexetil)	47.9	6		√
Efficib® and Tesavel® (Sitagliptin)	36.8	5		√
Airtal® and others (Aceclofenac)	30.8	4	√	
Esertia® (Escitalopram)	30.6	4		√
Prevencor® (Atorvastatin)	30.5	4		√
Solaraze® (Diclofenac Sodium)	26.6	3		√
Opiren® (Lansoprazole)	21.9	3		√
Almax® (Almagate)	19.4	3	√	
Decoderm® and others (Fluprednidene)	18.0	2	√	
Balneum® (Urea)	17.8	2	√	
Pantopan® (Pantoprazole)	17.7	2		√
Cidine® and others (Cinitapride)	14.7	2	√	
Other	235.5	32	√	√
Total	768.4			

Almirall has a highly diverse product portfolio in terms of geographical and therapeutic areas, and well-balanced in proprietary R&D and licensed products.

Of the 15 top-selling products in 2011, seven were proprietary products: Ebastel®, Almogran®, Airtal®, Almax®, Decoderm®, Balneum® and Cidine®.

Almirall has a highly diverse product portfolio

Growth platforms

1. Acridinium

Treatment

COPD (chronic obstructive pulmonary disease).

Characteristics

- Inhaled long-acting M₃ muscarinic antagonist.
- Improves bronchodilation and the symptoms of COPD.
- Favourable risk-benefit profile.
- Novel, easy-to-use proprietary technology inhaler, Genuair®.

Current position

- An application was submitted to register it in Europe and the US in 2011 for monotherapy treatments.
- An official reply is expected in 2012.

Opportunities

- Agreements have been reached for its sale in the US, Japan and Korea.

2. Linaclotide

Treatment

IBS-C (irritable bowel syndrome with constipation).

Characteristics

- New first-in-class compound.
- Once daily oral capsule.
- Acts locally on the gastrointestinal tract and is minimally absorbed.
- Clinical studies on around 1,600 patients with IBS-C bear out its sustained efficacy and good safety profile.

Current position

- An application was submitted to register it in Europe in 2011 for the treatment of moderate to severe IBS-C.
- An official reply is expected in 2012.

Opportunities

- Almirall holds the trading rights in Europe.

3. Sativex® (THC and CBD)

Treatment

Spasticity associated with multiple sclerosis.

Characteristics

- First-in-class therapeutic option.

Current position

- Launched in 2011 by Almirall in three European countries (Denmark, Germany and Spain).

Opportunities

- Four additional launches planned for 2012 (Austria, Czech Republic, Italy and Sweden).
- In the process of regulatory approval in a further 10 European countries.
- Phase III underway for cancer pain.



4. Dermatology franchise

Almirall is currently the top dermatological company in Germany and the eighth company in Europe.

The dermatology franchise accounted for 15 % of total sales in 2011 and is a strategic therapeutic area for the

growth of the company. The three main products in the dermatology area in terms of sales for 2011 were Solaraze®, Decoderm® and Balneum®.

A breakdown is given below of the premium products in the dermatology franchise.

Brand name Active ingredient Marketing	Indication	
Actikeral® 5-Fluorouracil + Salicylic Acid Commercialized in Germany and the United Kingdom.	Hyperkeratotic actinic keratosis (grade I/II of severity) • Prescribed for non-melanoma skin cancer.	
Balneum line Balneum Intensive® Urea 5 % + Ceramide 3 Balneum Plus® Urea + Laureth-6.5 Commercialized in Europe, Asia and North America.	Wide range of products for a complete emollient treatment, designed for the skin's different specific needs. • Balneum Intensive® is prescribed for dry and very dry skin. • Balneum Plus® is specially formulated to treat dry skin and associated itchiness.	
Solaraze® Diclofenac Sodium + Hyaluronic Acid Commercialized in Europe and Australia.	Actinic keratosis • This is considered to be the first stage in the development of skin cancer caused by exposure to the sun, which affects between 8 and 10 % of the world's population.	
Toctino® Alitretinoin Commercialized in Italy and Austria.	Severe chronic hand eczema that does not respond to potent topical corticoids. • Severe chronic hand eczema is a skin disease involving an immunoinflammatory response that affects patients' hands.	

Production

Almirall's industrial organisation ensures that quality products are manufactured in the amounts and within the timeframes required to meet the global demand for our products at an optimum cost.

Our manufacturing process strictly fulfils all of the highest national and international standards on quality, production, health and safety, and the environment.

Streamlining of plants

The 2011 business year was a busy one for the industrial area. We completed an ambitious streamlining process of our pharmaceutical activities, thanks to which we now have more specialised plants that improve our competitiveness and make us better prepared to face current and future challenges. This plan involved the transfer of over 270 drugs over a two-year period from the plants in Sant Andreu and Sant Just Desvern to the one in Reinbek, as well as the close of operations at the plant in Sant Just. The project also included outsourcing the production of non-strategic products and the discontinuation of unprofitable product lines.

The figures involved in this project speak for themselves: an investment of almost € 4 MM; the execution of 17 development projects and 19 building projects to adapt over 1,200 m² of manufacturing space;

over 270 adaptations to regulations in 36 different countries that were all approved without any changes being required, as was the case of the inspections conducted by the health authorities to authorise new manufacturing facilities; the relocation of 108 employees, who were given 5,000 hours of training; and 20 stamps of approval given to equipment, areas and services, and 26 process validations.

It should be highlighted that due to the scale and complexity of this project, it was originally intended to be completed over three years. However, we managed to complete it successfully in just two years using our own resources, without the support of external consultants while it was being completed, and during which time over 66 million units were manufactured to high levels of quality and cost efficiency.

The final result is the reorganisation of our industrial pharmaceutical activities so that plants are more productive, efficient and better prepared to successfully rise to the challenge of new product launches.

*In 2011, we completed
the project to streamline
pharmaceutical plants*



Pharmaceutical plant in Sant Andreu de la Barca (Barcelona, Spain)

Production of new drugs

The industrial area has been primed for the production of new drugs at the time they are approved by the regulatory authorities.

Aclidinium

In 2011, we worked hard to prepare our chemical plants (Sant Andreu de la Barca and Sant Celoni) to be able to handle production capacity, and to ensure that Aclidinium would be ready for inspection by the EMA and the FDA. The inspections were given unqualified approval, which will make it possible to reach our goal of supplying Aclidinium to all markets.

Linaclotide

A great deal of work was also done this year to prepare for the launch of Linaclotide: industrial transfer and scaling, the validation of processes, and the acquisition and installation of a packaging line to cope with the exciting challenge of launching Linaclotide in Europe.

Ready for new launches

The launch of the new drugs, Aclidinium and Linaclotide, is of the Almirall's main growth opportunities. Both of these pharmaceutical products will be manufactured at our production plant in Sant Andreu de la Barca.

Contingency plans have been drawn up to be able to deal with a possible increase in demand. A risk minimisation plan has likewise been devised for the supply chain. It ensures increases in production capacity can be covered and that alternative suppliers can be used for components, from the production and micronisation process of the active ingredient, to the manufacture of the Genuair® inhaler, and the assembly and packaging process.



*Almirall has all the resources
needed to manufacture new drugs*





Social commitment

Almirall fulfils a threefold commitment: to research and develop innovative drugs that improve people's health and well-being, to promote the development of its employees and to protect the environment

- Our commitment
- Society
- Employees
- Environment

Our commitment

We have a firm commitment to society, our employees and the environment.

This commitment is based on:

- Delivering innovative drugs to society so that healthcare professionals are able to offer their patients therapeutic solutions.
- Maintaining a healthy environment for our employees, in which they can develop their talents.
- Respecting the environment by introducing environmental protection measures.



Society

At Almirall, besides our commitment to research and develop products that improve people's health and well-being, we consider that it is our responsibility to convey our knowledge to society. We therefore offer training and scientific dissemination activities, actions for the promotion of healthy habits and we are actively involved in a number of social projects.

Training and scientific dissemination activities

In the framework of our commitment to healthcare professionals, at Almirall we run projects designed to promote the development of their skills and to help them better understand our products. In order to attain these goals, we strongly believe that they should be given lifelong learning opportunities through sponsorships and the promotion of activities that enable them to learn on a daily basis.

- In 2011, we taught 98 courses that were attended by over 3,200 people, 70 workshops with over 1,000 attendees and 78 medical meetings with 3,400 participants.
- We have collaborated on 72 projects organised by civil society (professional associations and scientific societies).

- We should highlight our commitment to young professionals, who are able to build up their experience thanks to our platforms at www.trainmed.com and www.comunidadresidentes.com, which provide doctors in training with tools for improving their professional development.

At Almirall we also try to disseminate the scientific knowledge gained from our research projects to healthcare professions by means of scientific publications. Thus, in 2011, 14 papers were published in scientific journals and 33 specific publications were written for conferences (poster abstracts and other kinds of submission).

At the same time, the Internet has become a highly effective medium for disseminating knowledge about our products and for offering services to professionals. Although most of these projects are undertaken in-house, we occasionally sponsor projects promoted by third parties.

Training for
healthcare
professionals: **7,600**
participants

- The corporate website (www.almirall.com) had over 467,000 hits in 2011.
- The portal for healthcare professionals hosted by Almirall in Spain (www.solucionesalmirall.com) has over 42,000 registered users who, in 2011, visited the site over 71,000 times.
- In addition, the Pharmacy Club website (www.clubdelafarmacia.com), which has over 40,000 registered users, had over 84,000 visits.

The medical calls by Almirall's sales reps is also one of the most effective communication channels with healthcare professionals, as this direct contact enables them to convey the advances made in the research related to our drugs.

Almirall is fully committed to promoting its products in a professional, ethical and transparent way. We comply with all of the ethical codes promoted by the various professional associates of the pharmaceutical industry in all of the countries in which we operate.

In 2011, the efforts of Almirall Mexico to comply with the Code of Best Practices for Promotion (CBPP) were rewarded based on the results of an audit carried out by *Gestión Social y Cooperación* (GESOC), an independent organisation.



Almirall goes beyond the standards set by the pharmaceutical industry's ethical codes on promotion

As a member of the IFPMA (International Federation of Pharmaceutical Manufacturers and Associations), the EFPIA (European Federation of Pharmaceutical Industries and Associations) and local associations from the pharmaceutical industry, Almirall adheres to the guidelines laid down by these federations and associations with regard to its promotional activities and its relations with healthcare professionals and other related groups.

Almirall Mexico has been recognised as an ethical and transparent company in its promotional activities



Actions for promoting healthy habits

Almirall undertakes significant dissemination actions, which specifically address patients and their environment, with the aim of promoting lifestyle changes for improving their health.

Internet has now become a key channel for reaching patients. From Almirall's websites the following can be highlighted:

- In 2011, Almirall reaffirmed its commitment to patients with multiple sclerosis (MS) by creating a website at www.lifeandms.com. It contains audiovisual materials designed to offer patients with multiple sclerosis and their families or carers useful and relevant information about the disease and its symptoms.
- On the website at www.cuidatusalud.com, we provide advice and information about the main pathologies for which Almirall delivers solutions. In 2011, we had 70,000 hits.
- The intention of www.nohaydolor.info is to provide information about the prevention, identification and treatment of any type of minor injury that may be sustained by people who play sports. In 2011, we had 92,000 hits.
- With regard to OTC products, the Thiomucase website (www.thiomucase.es) provides information about the product and cellulite, as well as related advice. In 2011, we managed to exceed the figure of 50,000 registered consumers, with over 155,000 hits.

*Internet has become
a key channel for reaching patients*



Our commitment to patients extends to a number of initiatives, such as taking part in World Diabetes Day for preventing and raising awareness about the disease. In addition, we are actively involved through our sponsorship of Respiratory and Mental Health workshops, which are intended to enable patients and their families to deal with their symptoms. These projects are undertaken through a partnership with the *Universidad de los Pacientes* (University of Patients), run by the Autonomous University of Barcelona. The aim of all of these initiatives is to improve the quality of healthcare through information, training and research activities.

Almirall also took part in an awareness-raising and education campaign about COPD during World COPD Day with the publication of a study called ConocePOC, which brought to light the level of unawareness of the population about this disease and the importance of informing patients to aid prevention.

Additionally, since 2009 Almirall has published its support to patient organisations on the Social Commitment section of its website (www.almirall.com).

Social projects

Our involvement in the social, cultural and economic framework of the communities in which we conduct business is one of the main goals Almirall strives to attain in its constant endeavour to strengthen the dual notion of industry-society.

In 2011, we continued collaborating with the Vicente Ferrer Foundation. After our involvement in previous years in the training of people for health centres, Almirall has earmarked funds to build houses in the Anantapur region in India. This is yet one more action that Almirall has carried out with the Vicente Ferrer Foundation since 2008.

Almirall has also sat on the board of trustees of the Integra Foundation since 2004. The aim of this foundation is to act as an intermediary in finding job placements for people in a position of social exclusion.



*Almirall has collaborated with
the Vicente Ferrer Foundation
since 2008*

Employees

Almirall reaffirms its commitment to its staff on a daily basis. Our goal is to encourage the professional development and talent of our employees, as well as to safeguard their health and safety in their day-to-day work.

Professional development and talent

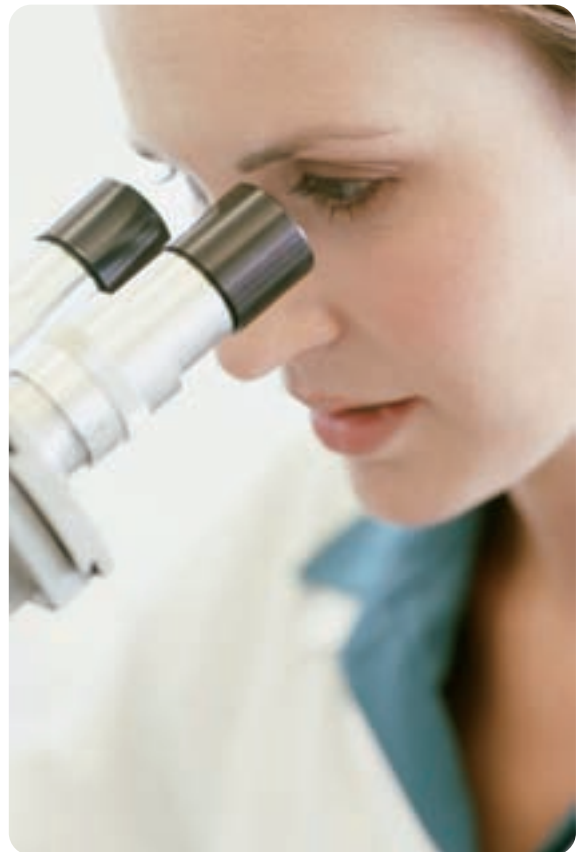
One of the differentiating features of Almirall is its staff. Every year, the company makes a number of training courses available to its employees, as well as actions for the development of their competences and skills, all of which translates as professional and personal growth.

Our corporate culture takes the view that differences should be embraced and respected. Over 20 nationalities work together at Almirall, which means that cultural diversity is also a constant source of professional and personal enrichment, as well as giving the company added value.

Innovation and teamwork are a substantial part of the way we work at Almirall. As a result, the individual and collective efficiency of our employees has become one of our competitive strengths.

As a result of this continued effort, the CRF Institute, an international organisation dedicated to coordinating and reviewing research projects in the world of business, ranked Almirall as a "Top Employer".

Other Spanish companies were also recognised through this award. Like Almirall, they were rated as "trustworthy" by the organisation and stood out for their management and commitment to talent.



Almirall is also committed to helping young people still in education to access the job market through a scholarship programme. 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 business schools, 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 assigned to them.

*Almirall:
Top Employer*



Occupational hazard prevention

We are likewise committed to the health and safety of our employees through our occupational hazard prevention policy, which is assigned all of the resources necessary to ensure it is properly planned and effectively implemented.

- We consider the prevention of occupational hazards as a strategic 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 regulations.

- We take responsibility for and promote 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 occupational hazard prevention.

- We train our employees in health and safety and provide 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.

- We encourage our 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 is taken of them.

Occupational hazard prevention is a goal shared by the company and its employees. All employees, whatever their position or duties, are responsible for ensuring that health and safety regulations are fulfilled. As a result of this joint effort, in 2007 Almirall was awarded with the TÜVRheinland certificate, which attests to compliance with the international health and safety standard, OHSAS 18001:2007.

This certification was renewed for three years in 2010, following a new audit that covered all of Almirall's worksites and activities in Spain. TÜVRheinland thus certified that the company continues to have an ongoing policy that meets the latest and most rigorous occupation health and safety standards, which go beyond the requirements laid down by current Spanish legislation.

At Almirall, we are convinced that the health and safety of our employees very much depends on their having a healthy lifestyle. Ensuring that our canteens offer a balanced diet or creating spaces devoted to fitness at our worksites are examples of the actions the company has taken with regard to this matter.



*Occupational hazard prevention
is a top priority for Almirall*

Environment

Almirall's environmental policy clearly reflects its commitment to the environment, which is based on the principles of prevention, recycling, control and involvement of employees and collaborators.



- A commitment to the continued improvement of our **environmental management**, in line with the legal requirements in force and other requirements to which Almirall adheres voluntarily.
- A commitment to the prevention of contamination:
 - Reduction and eradication at source (substitution of materials, changes in processes, products, technology, etc.).
 - Reuse and recycling (during processes, at facilities and for external transfers).
 - Recovery and treatment (recovery of waste streams, treatment of emissions and waste discharges to reduce their impact on the environment).
 - Control mechanisms.
- Efficient and rational management of natural resources, such as raw materials, energy and water resources, through the promotion of energy and water savings, and efficient processes.
- Setting up of regular environmental management programmes, whose goals are in line with the legislation in force, the company's environmental policy and all significant environmental aspects identified.
- Involvement and participation of employees and companies that work with Almirall.

*At Almirall we apply
strict environmental
protection measures*

The implementation of these principles in Spain resulted in Almirall obtaining the ISO 14001:2004 certification from the Bureau Veritas in 2004. It was awarded in recognition of Almirall's environmental management system, which covers its R&D activities, the manufacture of active ingredients, and the manufacture and wholesale of pharmaceutical products. Following the successful renewal of the certification in 2007, it was transferred to TÜVRheinland in 2009.

This certification was renewed for three years in 2010 following a new audit conducted by TÜVRheinland, which certified that Almirall continues to apply the latest and most rigorous environmental management criteria, beyond the standards required by the legislation in force in Spain.



Among the initiatives that Almirall has promoted for a number of years, one of the main actions has been the recycling of paper and cardboard.

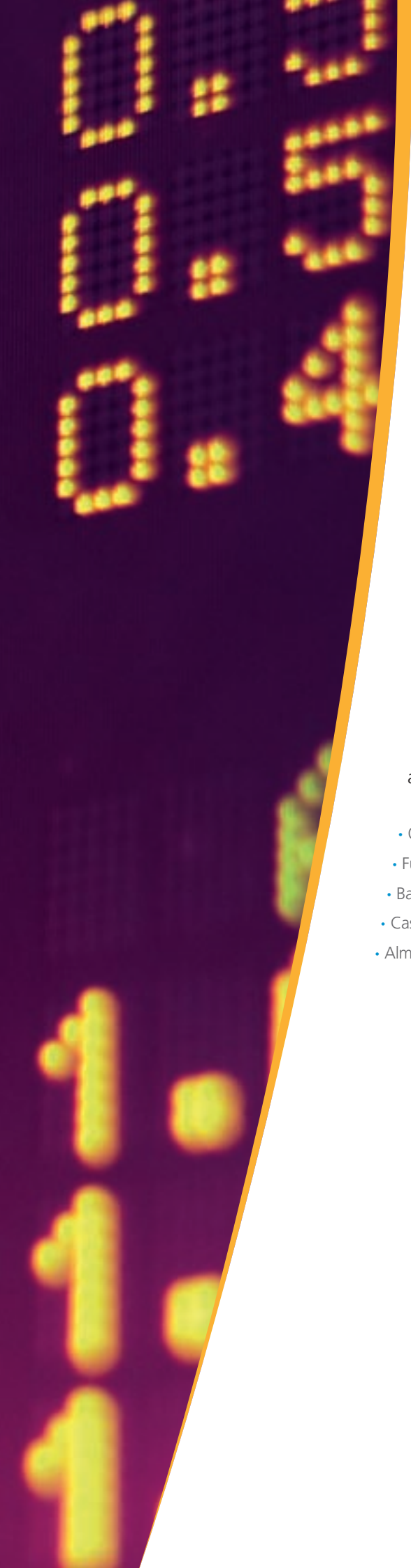
To further develop these initiatives, in 2008 we signed an agreement with FEMAREC, a not-for-profit welfare organisation and a leading charity in the professional integration of people at risk of exclusion, for the purpose of managing and recycling the paper and cardboard generated by Almirall's various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

Our commitment to the environment also includes the recycling of unused medicines. In Spain, this is managed through our membership of the pharmaceutical industry's Integrated System for the Management and Collection of Packaging (SIGRE), a not-for-profit organisation set up to collect and manage the waste medicine that is found in homes. There is another similar example in France, through CYCLAMED.



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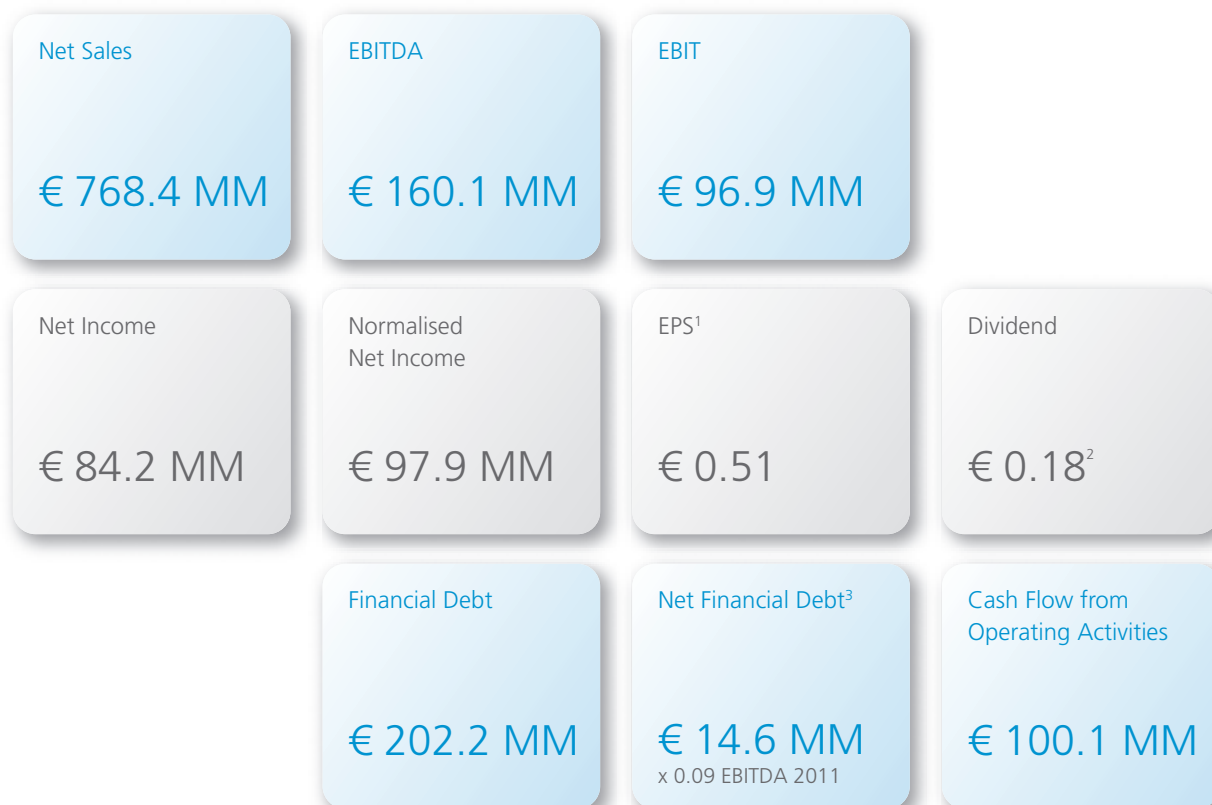


Finance and stock performance

Results for 2011 according to guidance and positive news
at the beginning of 2012

- Overview of the year
- Functional Income Statement
- Balance Sheet
- Cash Flow
- Almirall on the Stock Exchange

Overview of the year



¹ Earnings per share.

² Rounded figure. Shareholders will be able to choose between cash and scrip dividend shares.

³ Financial Debt (€ 202.2 MM) - Cash and Equivalents (€ 228.9 MM) + Pension Liabilities (€ 41.3 MM) = € 14.6 MM.



Main achievements

Last year was marked by the impact of cutbacks in health spending approved by the Spanish government on 19 August 2011 (Royal Decree 9/2011), as well as by the effect of austerity measures approved in 2010 and growing competition from generic drugs.

As a result, net sales dropped by 12.9 %, mainly due to the Spanish market. At the end of 2011, international sales accounted for 50 % of the company's total turnover, in contrast to 44 % in the previous business year. Almirall's process of internationalisation continues to be one of its strategic priorities.

Our R&D projects reached significant milestones, amongst which the following should be highlighted:

- The joint application submitted with Forest Laboratories to the Food and Drug Administration for the registration of Aclidinium in June. It is a novel inhaled long-acting muscarinic antagonist for the treatment of chronic obstructive pulmonary disease (COPD).
- The application submitted in July to the European Medicines Agency (EMA) for the registration of Aclidinium.
- The application submitted in September to the EMA for authorisation to market Linaclotide.

Additionally, work began in November with Forest Laboratories on phase III clinical studies for a metered-dose inhaler combining Aclidinium and Formoterol. The combination is administered twice daily through the Genuair® inhaler to treat moderate to serious chronic obstructive pulmonary disease (COPD).

From the point of view of Equity, there is a solid balance sheet position, with a reduction of Net Debt to € 14.6 MM (in comparison with the 2010 closing) and a Financial Debt that represents 13.9 % of total assets (which will be cancelled over 2012).

To summarise, in 2011 the group worked to adapt to the new environment so that it could remain consistent in its messages and strategic goals: promoting R&D, growing internationally and maintaining our leading position in Spain.

Net Sales were down to € 768.4 MM (-12.9 %) as a result of the austerity measures in public spending in 2010 and 2011 in Spain, which have had a material impact on the price of drugs. The erosion of sales and the increase in spending on R&D have entailed a decrease in EBIT and EBITDA (-37.2 % and -26.0 %), which totalled € 96.9 MM and € 160.1 MM, respectively, in a context of cost containment and cost optimisation.

The Normalised Net Income reached € 97.9 (-28.4 %), in line with forecasts, whilst the Net Income reached € 84.2 MM (-29.0 %).

Cash Flow from Operating Activities totalled € 100.1 MM. Almirall continued to improve its solid Balance Sheet with Net Debt as at 31 December 2011 falling to € 14.6 MM (x 0.09 EBITDA 2011).

Internationalisation continues to be one of Almirall's strategic priorities

Functional Income Statement

2011 Functional Income Statement		Rounded to nearest million euros	
	2011	2010	% Var.
Net Sales	768.4	882.4	(12.9 %)
Gross Profit	477.3	546.2	(12.6 %)
% of sales	62.1 %	61.9 %	
Other Income	104.7	119.7	(12.5 %)
R&D	(144.5)	(144.9)	(0.3 %)
% of sales	(18.8 %)	(16.4 %)	
SG&A	(340.4)	(363.5)	(6.4 %)
% of sales	(44.3 %)	(41.2 %)	
Other Operating Expenses	(0.2)	(3.1)	(93.5 %)
% of sales	(0.0 %)	(0.4 %)	
EBIT	96.9	154.4	(37.2 %)
% of sales	12.6 %	17.5 %	
Depreciation and Amortisation	63.2	61.9	2.1 %
% of sales	8.2 %	7.0 %	
EBITDA	160.1	216.3	(26.0 %)
% of sales	20.8 %	24.5 %	
Sale of Non-Current Assets / Other	(2.7)	(0.5)	n.m.
Restructuring Costs	(9.9)	(11.6)	(14.7 %)
Impairment Reversal / (Losses)	(7.0)	(14.0)	(50.0 %)
Net Financial Income / (Expenses)	(5.3)	(9.1)	(41.8 %)
Corporate Income Tax	12.2	(0.6)	n.m.
Net Income	84.2	118.6	(29.0 %)
Normalised Net Income	97.9	136.7	(28.4 %)
Earnings per Share (€) ⁽¹⁾	€ 0.51	€ 0.71	
Normalised Earnings per Share (€) ⁽¹⁾	€ 0.59	€ 0.82	
No. employees at end of period	2,765	2,831	(2.3 %)

⁽¹⁾ Number of shares at the end of the period: 166,098,610.
n.m.: not material

Comments on the Functional Income Statement

Sales totalled € 768.4 MM, which is a 12.9 % decrease in comparison with the previous year. This trend is essentially due to the performance of sales in the Spanish market (-21.7 %). The group sales were up in Europe and the Middle East (+0.8 %), as well as in America, Asia and Africa (+3.4 %). On a global level, Ebastine stands out as Almirall's top selling product, whilst Tesavel®/Efficib® (launched in 2009) is the product that showed most growth (+49.6 %). In contrast, the erosion in sales of Atorvastatin, Escitalopram and Lansoprazole is due to the competition of generic drugs and the abovementioned measures approved in Spain (Royal Decree 9/2011).

Other Income dropped by 12.5 % in comparison with last year due to the reduction in income related to co-promotion agreements.

R&D Expenditure remained at similar levels as a consequence of the ongoing phase III studies of the Acridinium and Formoterol combination.

SG&A dropped thanks to continuous strong cost focus over the period and previous ones.

As a result of the abovementioned performances, the EBIT and EBITDA decreased by 37.2 % and 26 %, respectively, in comparison with the same period in the previous year.

Corporate Income Tax in 2011 gave rise to income as a consequence of lower profit before tax, combined with tax credits related to R&D activities (which remain stable in comparison with the previous year).

As a result of this, the total Net Income was € 84.2 MM, with a 29 % drop in comparison with the previous year, whilst the Normalised Net Income decreased by 28.4 %, thus totalling € 97.9 MM (adjusted for non-ordinary items), in line with what had been anticipated.



In 2011, Almirall reached its financial targets in an adverse environment

Despite the expected fall in sales, we improved our Gross Margin, generated significant savings and implemented our ongoing cost containment measures.

With Net Debt close to zero and a solid Cash Flow, the company maintains solid financial fundamentals. The dividend proposal to the AGM of € 0.18 per share includes an option whereby shareholders will be able to choose whether to collect in cash or as scrip dividend shares.*

* rounded figure

Balance Sheet

2011 Balance Sheet		Rounded to nearest million euros	
	2011	% of BS	2010
Goodwill	271.1	18.6 %	271.9
Intangible Assets	353.1	24.2 %	382.8
Property, Plant and Equipment	152.1	10.4 %	154.8
Non-Current Financial Assets	8.5	0.6 %	10.2
Other Non-Current Assets	213.1	14.6 %	189.0
Total Non-Current Assets	997.9	68.5 %	1,008.7
Inventories	93.2	6.4 %	87.9
Accounts Receivable	106.0	7.3 %	103.8
Cash and Equivalents	228.9	15.7 %	312.9
Other Current Assets	30.6	2.1 %	23.4
Total Current Assets	458.7	31.5 %	528.0
Total Assets	1,456.6		1,536.7
Shareholders' Equity	854.7	58.7 %	819.3
Financial Debt	202.2	13.9 %	297.5
Non-Current Liabilities	188.3	12.9 %	206.8
Current Liabilities	211.4	14.5 %	213.1
Total Equity and Liabilities	1,456.6		1,536.7

Comments on the Balance Sheet

Regarding the group's Balance Sheet as at 31 December 2011, the aspects discussed below should be highlighted.

The Intangible Assets heading includes payments made for Libertek® and Sativex® in 2011. The decrease is due to the depreciation of the products that have already been launched and to losses due to impairment over the business year.

The position of Other Non-Current Assets of € 213.1 MM includes the tax credits that are mainly attributable to the accumulated deductions of R&D, whose effective benefits will be applied in subsequent years.

Inventories show a one-off increase that is related to the process of concentrating manufacturing capabilities.

In Liabilities, there is an increase in Shareholders' Equity (accounting for 59% of the Balance Sheet) due to the effect of:

- Net Income for the period of € 84.2 MM.
- A dividend payout of € 47.4 MM.

Financial debt amounted to € 202.2 MM. The reduction was due to the cancellation of payments according to schedule for a total of € 92 MM. Net Debt, once liquidity and pension liabilities are discounted, decreased to € 14.6 MM, equivalent to 0.09 times the year's EBITDA.

Cash Flow

2011 Cash Flow

Rounded to nearest million euros

	2011	2010
Profit before Tax	72.0	119.2
Depreciation and Amortisation	63.2	61.9
Change in Working Capital	(6.6)	21.8
Other Adjustments	(28.5)	(28.3)
Cash Flow from Operating Activities	100.1	174.6
Financial Income	8.5	4.3
Investments	(38.5)	(93.0)
Divestments	2.7	0.9
Other Cash Flows	0.0	2.8
Cash Flow from Investing Activities	(27.3)	(85.0)
Finance Expense	(14.7)	(16.9)
Dividends Distribution	(47.4)	(55.1)
Debt Increase / (Decrease)	(90.4)	36.5
Other Cash Flows	(4.3)	(0.8)
Cash Flow from Financing Activities	(156.8)	(36.3)
Cash Flow generated during the period	(84.0)	53.3
Free Cash Flow	72.8	89.6

Comments on the 2011 Cash Flow

Operating Free Cash Flow totalled € 100.1 MM, which showed a decrease on the previous year due to the reduction in the PBT (profit before tax) and the performance of the Working Capital, mainly as a result of a one-off increase in inventories due to the streamlining of manufacturing plants.

Free Cash Flow reached € 72.8 MM in 2011, despite the fall in investments for corporate development projects.

Contents of the External Auditors' Report

The external auditors' report issued by PriceWaterhouse Coopers on 24 February 2012 contains unqualified positive opinion on the Consolidated Financial Statements for 2011, which include the following documents:

- Consolidated Balance Sheet at 31 December 2011.
- Consolidated Income Statement.
- Consolidated Statement of Comprehensive Income.
- Consolidated Statement of Changes in Equity.
- Consolidated Cash Flow Statement.
- Notes to the Consolidated Financial Statement.

The full contents of the 2011 Consolidated Financial Statements, the notes to the accounts and the auditors' report can be found at www.cnmv.es and www.almirall.com.



Almirall on the Stock Exchange

The 2011 financial year was important for Almirall. We were consistent with our strategic goals: enhancing R&D, growing internationally and maintaining our leading position in Spain. Despite this, Almirall's share price was affected by legislative reforms and by the situation of Spain in international financial markets.

In 2011, the price of shares declined by 22 %, which was basically due to two major legislative reforms in Spain that have entailed a substantial drop in the price of medicines. In addition, the feelings of international investors towards Spain, with respect to the risks of sovereign debt, also affected the performance of listed Spanish companies.

Share capital structure Majority shares

As at 31 December 2011, the parent company's shareholding structure was made up of 166,098,610 shares with a face value of € 0.12 each, all of which had been fully subscribed and paid up.

The shareholders with a significant direct or indirect shareholding in Almirall's share capital of over 3 %, of which the parent company is aware, according to the information held on the official registries of the Spanish Securities Commission (CNMV) as at 31 December 2011, are as follows:

Name or company name of the direct shareholder	2011 No. of shares	% share in Almirall
Grupo Plafin, S.A.	76,833,723	46.258 %
Todasa, S.A.	42,028,091	25.303 %
Wellington Management Company LLP	5,022,243	3.024 %

The changes in the law and their impact on the evolution of the core business in 2011 forced Almirall to redefine its financial targets for the year in terms of sales and the Normalised Net Income. Before these legislative changes, Almirall expected both figures to decline by a high single digit and a low double digit (respectively) in 2011. However, following the implementation of these reforms, the company revisited its estimates for these figures and announced new targets that forecast a decline of around 10 % and of a percentage in the high twenties, respectively.

As at 31 December 2011, the parent company was not aware of any other shareholdings equal to or above 3 % of its share capital or with voting rights in the parent company, or that, if below the set stake, are allowed to exercise a significant influence over it.

On the date that the Financial Statements were drawn up, the Board of Directors agreed to propose to the AGM the implementation of a shareholders remuneration scheme called scrip dividend. Under this scheme, shareholders will be given the alternative of receiving shares issued by the parent company without restrictions on the possibility of being paid a cash equivalent to the 2011 dividend payout. This option will be orchestrated through an increase in freed-up capital, which will be subject to approval by the AGM of Almirall, S.A.



Solutions with you in mind

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