PHARMING

PHARMING ANNOUNCES ANNUAL RESULTS 2005
Company poised for growth with solid financial position

Leiden, The Netherlands, February 17, 2006. Biotech company Pharming Group N.V. ("Pharming" or "the Company") (Euronext: PHARM) (PHARM.AS) announced today its annual results (unaudited) for the period ended December 31, 2005. The Company reported on its solid financial position and on progress with the development of its product pipeline.

Key Developments

Financial

- Net cash of € 13.2 million used for operating activities in 2005
- Net loss of € 17.9 million in 2005 (including non-cash IFRS 2 costs)
- € 8.8 million cash raised mainly from exercise of warrants and options
- Cash position of € 20.3 million (including marketable securities) at December 31, 2005
- Raised over € 30 million through a strategic agreement with affiliates of Paul Royalty Fund II, LP ("Paul Royalty Fund") and from institutional investors in January 2006
- Solid balance sheet with over € 50 million in cash including above transactions

Product Development

- Completion of the rhC1INH dossier for compassionate use filings for hereditary angioedema (HAE)
- Filing of orphan drug applications on rhC1INH for new indications beyond HAE
- Clinical development of rhC1INH for HAE expanded to 25 centers with over 150 patients enrolled
- Completion of human lactoferrin (hLF) filing for Generally Recognized as Safe (GRAS) notification with the Food and Drug Administration (FDA)
- Recombinant human fibrinogen (rhFIB) being tested in US Army funded project on fibrin bandage
- Research collaboration with NovaThera Limited ("NovaThera") on product pipeline

Corporate

- Manufacturing partnership with the Akzo Nobel subsidiary Diosynth B.V. ("Diosynth") for rhC1INH
- Milestone payment from Laboratorios del Dr. Esteve, S.A. ("Esteve") for rhC1INH clinical development
- Partnership with AgResearch on hLF and Pharming's protein production technology
- Pharming included in Euronext Next 150 Index and selected for Euronext Amsterdam Midkap Index

"Pharming has successfully completed a major biotech turnaround and will now strive to be cash flow positive," said Dr. Francis J. Pinto, CEO of Pharming. "With product filings, a strong cash position in excess of € 50 million and further expansion of the product pipeline, a new growth era is ahead of us."

Financial

The total costs and expenses in 2005 (including € 2.4 million non-cash costs) were € 18.9 million compared to € 15.3 million in 2004. As a result, the net loss in 2005 was € 17.9 million compared to a net loss of € 14.2 million in 2004. Net cash used for operating activities in 2005 was € 13.2 million compared to € 10.2 million in 2004. The costs in 2005 mainly include charges made for clinical studies with rhC1INH in Europe and North America, research and development on product pipeline, and the filings for rhC1INH and hLF.

Pharming's cash position including marketable securities at December 31, 2005 was € 20.3 million in comparison to € 25.8 million at the end of 2004. The Company raised € 8.8 million mainly from exercise of warrants and options in 2005. The equity position of the Company was € 28.7 million compared to € 36.2 million at the end of 2004. Total liabilities were € 5.8 million compared to € 1.6 million at December 31, 2004. The liabilities mainly reflect amounts to be paid by the Company to Diosynth for the commercial supply of rhC1INH and expansion of upstream production facilities.

In 2006, Pharming raised over € 30 million through a strategic agreement with Paul Royalty Fund and a share placement with new institutional investors. The Company now has a solid balance sheet with over € 50 million in cash.

Product Development

Pharming completed the recombinant human C1 inhibitor dossier for compassionate use filings for treatment of HAE. Several countries have specific legislation for compassionate use to make products available in a quick and efficient manner for patients with unmet medical needs. This approach will provide for a more rapid availability of rhC1INH for HAE patients in markets with limited treatment options. In 2005, the Company expanded its clinical development of rhC1INH for treatment of HAE in Europe and North America to 25 centers and over 150 patients enrolled.

Pharming completed its human lactoferrin filing for a GRAS notification with the FDA and notified the FDA that its hLF is generally recognized as safe for use as an ingredient in functional foods. Pharming's hLF GRAS notification has been reviewed by an independent scientific expert panel. After careful evaluation of numerous safety studies performed with Pharming's hLF as well as of published scientific data, the expert panel has concluded that hLF is safe for its intended uses.

Pharming has submitted orphan drug applications with rhC1INH for specific new indications beyond HAE. The Company is initiating studies with rhC1INH for inflammatory and cardiovascular indications. Pharming expects to provide further information on these developments in the first half of 2006.

Pharming's recombinant human fibrinogen is being tested in a US Army funded research project, focusing on the development of fibrin bandages. In addition, the Company has initiated research work with NovaThera on combining its protein products with biomaterials for tissue repair applications.

Corporate

In 2005, Pharming established a partnership with Diosynth for the commercial production of rhC1INH. The collaboration has successfully produced consistency batches required for commercial scale up and production. The availability of commercial supply of rhC1INH has enabled Pharming to pursue compassionate use filings for the product in Europe. Pharming received a milestone payment for the clinical development of rhC1INH from Esteve. The Company has a partnership with Esteve for the marketing and sales of rhC1INH in Spain, Portugal and Greece.

Pharming signed an agreement with AgResearch on the development and production of hLF. In addition, the Company granted AgResearch a research license to its proprietary protein production technology. Pharming was issued a patent on hLF from the Japanese Patent Office, which covers the production and purification of the product as well as its use in food formulations.

Pharming and NovaThera formed a collaboration to combine NovaThera's proprietary biomaterial products with Pharming's recombinant proteins. The collaboration with NovaThera could provide Pharming with several new medical device products. Pharming retains commercial rights to the new products and ownership of the intellectual property developed in the collaboration. NovaThera will receive milestone payments and royalties linked to successful development of products.

In 2005, Pharming was included in the Next 150 Index on the Euronext stock exchange. The Next 150 Index consists of the 150 largest stocks following the Euronext 100 index and includes stocks from the Amsterdam, Brussels, Lisbon and Paris exchanges of Euronext. In addition, Pharming was selected for the Amsterdam Midkap Index (AMX). The AMX Index is composed of the top 25 actively traded mid cap companies on Euronext Amsterdam. The inclusion of Pharming in the AMX will take effect on March 2, 2006.

Future Outlook

Pharming aims to be a global leader in protein therapeutics in the fields of immunology and tissue repair. The Company is building its business further through a strong commercial focus on innovative critical care therapies and medical device products.

The coming year will provide a number of catalysts for Pharming, particularly with the Company's lead products rhC1INH and hLF. The completion of commercialization plans, regulatory filings in Europe and the US, and the expansion of rhC1INH into new indications will be key priorities for the Company.

In addition, Pharming will pursue growth of its business through licensing opportunities on its product pipeline and technology as well as through strategic transactions. These developments will take the Company closer towards its goal to build a profitable biotechnology business.

Background on Pharming Group N.V.

Pharming Group N.V. is developing innovative protein products for unmet needs. The Company's products include potential treatments for genetic disorders, specialty products for surgical indications, intermediates for various applications and food products. Pharming has two products in late stage development - recombinant human C1 inhibitor for hereditary angioedema (Phase III) and recombinant human lactoferrin for use in functional foods. The advanced technologies of the Company include innovative platforms for the production of protein therapeutics, as well as technology and processes for the purification and formulation of these products. Additional information is available on the Pharming website, http://www.pharming.com.

This press release contains forward looking statements that involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from the results, performance or achievements expressed or implied by these forward looking statements. The press release also appears in Dutch. In the event of any inconsistency, the English version will prevail over the Dutch version.

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CONSOLIDATED BALANCE SHEET

At December 31, 2005 (after proposed appropriation of net loss)

(unaudited)	2005	2004
	€ x 1,000	
Intangible assets	3,914	4,296
Property, plant and equipment	4,960	4,167
Financial assets	195	149
Restricted cash	-	75
Non-current assets	**9,069**	**8,687**
Inventories	3,855	2,476
Other current assets	1,135	855
Restricted cash	237	-
Marketable securities	5,839	4,092
Cash and cash equivalents	14,452	21,706
Current assets	**25,518**	**29,129**
Total assets	**34,587**	**37,816**
Shareholders'equity	28,739	36,013
Minority interest	-	176
Group equity	**28,739**	**36,189**
Non-current liabilities	**140**	**160**
Trade and other payables	5,659	1,430
Current portion of loans and borrowings	49	37
Current liabilities	**5,708**	**1,467**
Total group equity and liabilities	**34,587**	**37,816**

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CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2005

(unaudited)	2005	2004
		€ x 1,000
Revenues	**405**	**653**
Research and development	8,921	5,471
Operations	5,213	4,960
Selling, general and administrative	2,309	1,480
Depreciation and amortization charges	1,042	817
Foreign currency losses	60	98
Share-based compensation	1,361	2,462
Costs and expenses	**18.906**	**15,288**
Loss from operating activities	**(18,501)**	**(14,635)**
Share in loss non-consolidated companies	-	(106)
Interest income, net	679	533
Loss on disposal of marketable securities	(37)	-
Net loss	**(17,859)**	**(14,208)**
Share information		
Basic and diluted net loss per share (€)	(0.23)	(0.24)
Weighted average shares outstanding in the period	79,196,440	58,321,147

Number of shares outstanding at December 31, 2005 were 80,351,410

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CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2005

(unaudited)	**2005**	**2004**
		€ x 1,000
Net loss	**(17,859)**	**(14,208)**
Adjustments to reconcile net loss to net cash flows used in operating activities		
Non-cash movement of non-current assets		
Depreciation and amortization charges	1,042	817
Result of non-consolidated companies	-	106
Change in operating assets and liabilities		
Increase other current assets	(280)	(269)
(Increase)/decrease inventories	(1,379)	581
Increase trade and other payables	4,229	171
Other items		
Share-based compensation	1,361	2,462
Issuance of shares in exchange of services	150	112
Fair value adjustment marketable securities	(484)	129
Foreign currency effects	8	(54)
Net cash flows used in operating activities	**(13,212)**	**(10,153)**
Purchase of property, plant and equipment	(859)	(547)
Purchase of intangible assets	-	(710)
Change in restricted cash	(162)	(75)
Net cash flows used in investing activities	**(1,021)**	**(1,332)**
Net proceeds of increase of share capital	8,763	34,493
Repayment of loans and borrowings	(37)	(38)
Net cash flows from financing activities	**8,726**	**34,455**
Net increase/(decrease) cash and marketable securities	**(5,507)**	**22,970**
Cash and marketable securities at January 1	25,798	2,699
Net increase/(decrease) cash and marketable securities	(5,507)	22,970
Cash through acquisition ProBio	-	129
Cash and marketable securities at December 31	**20,291**	**25,798**