PHARMING ANNOUNCES ANNUAL RESULTS 2006

Significant progress in product registrations, focus on research and innovation

Leiden, The Netherlands, February 16, 2007. Biotech company Pharming Group NV ("Pharming" or "the Company") (Euronext: PHARM) announced today its financial results (unaudited) for the year 2006.

Key Developments

Financial

- Cash position of € 31.1 million (including marketable securities) at December 31, 2006 compared to € 20.3 million at December 31, 2005
- Equity increased to € 49.8 million compared to € 28.7 million at the end of 2005
- Total costs and expenses € 18.2 million in 2006 compared to € 18.8 million in 2005
- Total net loss of € 18.6 million in 2006 compared to € 17.9 million in 2005
- Net cash of € 19.9 million used for operating activities in 2006 compared to € 12.9 million in 2005
- New shares issued to institutional investors and exercise of options raising over € 22.7 million.

Products

- Marketing Authorization Application (MAA) for Rhucin® (recombinant human C1 inhibitor or rhC1INH) accepted for review by the European Medicines Agency (EMEA) for the treatment of acute attacks of hereditary angioedema (HAE)
- Discussion with regulatory authorities ongoing for the compassionate use of Rhucin®
- Fast Track designation on Rhucin® for treatment of HAE from US Food and Drug Administration (FDA)
- Investment in build up of inventory in anticipation of market launch of Rhucin®
- Orphan Drug designations for rhC1INH for treatment of Delayed Graft Function (DGF) after solid organ transplantation and Capillary Leakage Syndrome (CLS) granted by FDA
- Filing on human lactoferrin (hLF) for Generally Recognized as Safe (GRAS) notification under review with the FDA
- Recombinant human fibrinogen (rhFIB) being tested in US Army funded project on fibrin bandage
- Research by NovaThera Limited ("NovaThera") on product pipeline ongoing and successful completion of proof of concept studies.

Corporate

- Strategic agreement signed with affiliates of Paul Royalty Fund II, LP ("Paul Royalty Fund"), including a US $ 15.0 million upfront payment and future milestone payments
- Acquisition of DNage BV ("DNage")
- Appointment of Dr. Rein Strijker as Chief Commercial Officer and Dr. Bruno Giannetti as Chief Operations Officer
- Move to new headquarters "Beagle building" in Leiden's Bioscience Park.

"In 2006, Pharming strengthened its cash position, filed its Marketing Authorization Application for Rhucin® in Europe, developed new research initiatives, acquired DNage and moved to the new Beagle research headquarters," said Dr. Francis J. Pinto, CEO of Pharming. "With these and other developments, the Company is well positioned to deliver on its ambition to become a leading player in the biopharmaceutical sector with highly profitable products on the market and a strong pipeline of innovative products based on excellent research."

Financial

Pharming's cash position including marketable securities at December 31, 2006 was € 31.1 million in comparison to € 20.3 million at the end of 2005. In 2006, Pharming raised € 34.4 million for the further development of recombinant human C1 inhibitor through a strategic agreement with Paul Royalty Fund, a share placement with new institutional investors and through the exercise of options. The equity position of the Company increased to € 49.8 million compared to € 28.7 million at the end of 2005. Current liabilities were € 9.0 million compared to € 5.7 million at December 31, 2005, intangible assets were € 19.6 million compared to € 3.9 million at December 31, 2005. Total non-current assets were € 36.5 million from € 9.1 million at December 31, 2005. These changes are largely associated with the acquisition of DNage which has been accounted for by allocating part of the value (related to intellectual property) to the intangible assets and the remainder mainly to goodwill.

The total costs and expenses in 2006 (including € 2.4 million non-cash costs) were € 18.2 million compared to € 18.8 million in 2005 (including € 2.4 million non-cash costs). The net loss in 2006 was € 18.6 million compared to a net loss of € 17.9 million in 2005. Net cash used for operating activities in 2006 was € 19.6 million compared to € 12.9 million in 2005, including an investment of approximately € 2 million in leasehold improvements in the new headquarter facilities in Leiden. The remaining costs in 2006 mostly include charges made for clinical studies with rhC1INH in Europe and North America and the European filing for Rhucin®. Inventories increased to € 9.2 million from € 3.9 million at December 31, 2005 in preparation for launch of Rhucin®.

Product Development

In the third quarter of 2006, Pharming's Marketing Authorization Application for Rhucin® for the treatment of acute attacks of hereditary angioedema was accepted for review by the EMEA. In accordance with the standard schedule for accepted applications using the centralized procedure, Pharming received an initial response and questions concerning the application for Rhucin® from EMEA at the end of 2006. Pharming expects to respond to the questions in the first half of 2007 after which the standard schedule allows the EMEA ninety days to issue an opinion. Pharming's dossier for compassionate use of Rhucin® for treatment of HAE attacks is also under review by regulatory authorities in specific undisclosed markets where treatment options for HAE patients are limited. Since the procedures for such review are not standardized, the Company cannot predict when this review will be completed.

Pharming received Fast Track designation on rhC1INH for treatment of HAE from the FDA and a grant from the FDA's Office of Orphan Products Development for the clinical development of rhC1INH for treatment of HAE attacks. The Company is in the process of completing a randomized placebo controlled clinical study in the USA and expects to complete that study in the course of 2007.

With the issuance of new patents covering the production of rhC1INH in milk of transgenic mammals and its use in treatment of patients suffering from or susceptible to C1 inhibitor deficiency, Pharming further strengthened its position to commercialize rhC1INH for HAE and other indications. The Company received Orphan Drug Designations for rhC1INH from the FDA for two new indications beyond HAE - the prevention and/or treatment of Delayed Graft Function after solid organ transplantation and the treatment of Capillary Leakage Syndrome. Both conditions are characterized by a high burden and limited treatment options for patients. Early 2007, Pharming also received an Orphan Drug Designation from the EMEA for rhC1INH for treatment of DGF. The Company is now preparing to start clinical studies in the relevant patient groups.

Pharming is developing its lactoferrin product for use as an ingredient in advanced nutritional products. The dossier for GRAS notification, which was filed with the FDA at the end of 2005, is under review. The Company expects a decision from the FDA on this GRAS notification in HY1 2007.

The research on recombinant human fibrinogen in a US Army funded project on fibrin bandages is ongoing, as well as the research on combination products with NovaThera. Proof of concept studies of the latter, designed to develop a new generation of bioactive materials, were successfully completed. These materials are based on a fusion of the two companies' technologies - TheraGlass™ (a non-ceramic glass) and Pharming's recombinant human proteins having potential applications in the field of tissue repair.

Pharming's subsidiary DNage's first product for Cockayne disease, a rare genetic disease in which children suffer from accelerated ageing while developing severe ageing diseases, is in preclinical development. Several other early stage programs have been initiated and partnered with academic institutions and biotech companies. At the end of 2006, Pharming announced the publication of two important scientific articles in the leading journals Nature and Public Library of Sciences. The articles describe the work of scientists of Pharming's subsidiary DNage in the field of ageing, in collaboration with the Erasmus Medical Center and the University of Pittsburgh and exemplify Pharming's focus on research and innovation.

Corporate

In October 2006, Pharming acquired DNage, a privately held Dutch company focussing on discovery and development of products for ageing diseases which are caused by DNA damage. DNage has active programs in the areas of osteoporosis, neurodegeneration (brain diseases), metabolic diseases (type II diabetes) and genetic diseases (premature ageing). Early 2007, SenterNovem granted subsidies totalling just over €1 million to develop products in the field of osteoporosis, which exemplifies Pharming's strategy to expand its research engine and to strengthen its product pipeline. DNage's CEO, Dr. Rein Strijker, joined the Board of Management of Pharming as Chief Commercial Officer. Dr. Bruno Giannetti, former CEO of AM-Pharma, was appointed as member of Pharming's Board of Management in the position of Chief Operations Officer.

In March 2006, Pharming was included in the Amsterdam Midkap Index, which is composed of the top 25 actively traded mid cap companies on Euronext Amsterdam. In 2007, Pharming will be included in the Small Cap index.

Outlook 2007

- Based on the standard schedule, Pharming anticipates EMEA's decision concerning the application of Rhucin® for treatment of acute HAE-attacks in HY2 2007
- A decision from regulatory authorities on compassionate (named patient) use of Rhucin® is expected later this year to provide Rhucin® for HAE patients in markets with limited treatment options. The Company is unable to provide exact guidance as to the timing of such decision
- Pharming expects completing its randomized placebo controlled clinical study with Rhucin® for HAE in the USA in the course of 2007
- The Company will continue its discussions with potential licensing partners, in particular in the USA, with the goal to conclude one or more licensing agreements in 2007
- Pharming expects a decision from the FDA on its GRAS notification for hLF in HY1 2007
- Since the exact timing of decisions made by regulatory bodies and the timing of concluding a licensing agreement cannot be predicted, Pharming does not provide guidance for the expected financial result in 2007. It is, however, expected that the operational costs and expenses in 2007 will be in line with those of 2006.

About Pharming Group NV

Pharming Group NV is developing innovative products for the treatment of genetic disorders, ageing diseases, specialty products for surgical indications, intermediates for various applications and nutritional products. Pharming has two products in late stage development - Rhucin® (recombinant human C1 inhibitor) for hereditary angioedema (MAA under review by EMEA) and human lactoferrin for use in food products (GRAS notification under review by US FDA). The advanced technologies of the Company include innovative platforms for the production of protein therapeutics and technology and processes for the purification and formulation of these products, as well as technologies in the field of tissue repair (via its collaboration with NovaThera) and DNA repair (via its acquisition of DNage). Additional information is available on the Pharming website, http://www.pharming.com and on http://www.dnage.nl.

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, 2006 (amounts in €'000) (unaudited)

	December 31, 2006	December 31, 2005
Goodwill	9,190	-
Intangible assets	19,608	3,914
Property, plant and equipment	7,325	4,960
Financial assets	200	195
Restricted cash	176	-
Non-current assets	**36,499**	**9,069**
Inventories	9,169	3,855
Other current assets	2,159	1,135
Restricted cash	-	237
Marketable securities	4,995	5,839
Cash and cash equivalents	26,082	14,452
Current assets	**42,405**	**25,518**
Total assets	**78,904**	**34,587**
Shareholders' equity	**49,762**	**28,739**
Paul Royalty Fund	10,108	-
Earn-out obligations	5,791	-
Deferred tax liability	3,940	-
Other	255	140
Non-current liabilities	**20,094**	**140**
Trade and other payables	7,469	5,659
Current portion of Paul Royalty Fund	1,518	-
Current portion of other non-current liabilities	61	49
Current liabilities	**9,048**	**5,708**
Total shareholders' equity and liabilities	**78,904**	**34,587**

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2006 (amounts in €'000, except per share data) (unaudited)

	2006	2005
Revenues	**147**	**405**
Research and development	8,410	8,921
Operations	4,762	5,213
Selling, general and administrative	2,663	2,309
Depreciation and amortization charges	1,383	1,042
Impairment charges	357	-
Share-based compensation	635	1,361
Costs and expenses	**18,210**	**18,846**
Loss from operating activities	**(18,063)**	**(18,441)**
Interest on liability to Paul Royalty Fund	(2,205)	-
Interest on earn-out obligations	(216)	-
Other interest income, net	1,295	679
Foreign currency effect on liability to Paul Royalty Fund	976	-
Other foreign currency results	(364)	(60)
Loss on disposal of marketable securities	-	(37)
Other results	**(514)**	**582**
Net loss	**(18,577)**	**(17,859)**
Share information		
Basic and diluted net loss per share (€)	(0.22)	(0.23)
Weighted average shares outstanding in the period	86,155,453	79,196,440

Number of shares outstanding at December 31, 2006 was 88,753,511.

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2006 (amounts in €'000) (unaudited)

	2006	2005
Net loss	**(18,577)**	**(17,859)**
Adjustments to reconcile net loss to cash flows used in operating activities:		
Change in operating assets and liabilities		
Increase other current assets	(990)	(280)
Increase inventories	(5,314)	(1,379)
Increase trade and other payables	1,393	4,229
Non-cash items		
Depreciation and amortization charges	1,383	1,042
Impairment charges	357	-
Share-based compensation	635	1,361
Interest on liability to Paul Royalty Fund	2,205	-
Foreign currency effect on liability to Paul Royalty Fund	(976)	-
Interest on earn-out obligations	216	-
Other	48	(36)
Net cash flows used in operating activities	**(19,620)**	**(12,922)**
Purchase of property, plant and equipment	(3,151)	(859)
Purchase of marketable securities	-	(6,000)
Sale of marketable securities	-	3,963
Acquisition of subsidiary, net of cash acquired	(46)	-
Change in restricted cash	61	(162)
Net cash flows used in investing activities	**(3,136)**	**(3,058)**
Net proceeds of increase of share capital	22,746	8,763
Upfront payment Paul Royalty Fund, net of transaction fees paid	11,686	-
Repayments of loans and borrowings	(46)	(37)
Net cash flows from financing activities	**34,386**	**8,726**
Net increase/(decreases) cash and cash equivalents	**11,630**	**(7,254)**
Cash and cash equivalents at January 1	14,452	21,706
Net increase/(decrease) cash and cash equivalents	11,630	(7,254)
Cash and cash equivalents at December 31	**26,082**	**14,452**
Liquidity information		
Cash and cash equivalents at December 31	26,082	14,452
Marketable securities at December 31	4,995	5,839
Total liquidities at December 31 (excluding restricted cash)	**31,077**	**20,291**