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## **PHARMING RAISES 70 MILLION EURO THROUGH THE ISSUE OF CONVERTIBLE BONDS AGREEMENT WITH PAUL CAPITALHEALTHCARE TO BE RESTRUCTURED**

*Leiden, The Netherlands, October 19, 2007.* Biotech company Pharming Group N.V. ("Pharming" or "the Company") (NYSE Euronext: PHARM) announced today that it has raised € 70 million through the issue of convertible bonds. The issue was managed by UBS Investment Bank, the investment banking and securities business of UBS, one of the world's leading financial firms.

Pharming has raised € 70 million senior unsecured convertible bonds due 2012 (the "Bonds"). The Bonds will have a coupon of 6.875 per cent per annum. The conversion price will be €4.40. Application will be made for the admission of the Bonds to the official list of the Luxembourg Stock Exchange. Further details of the offering will be described in a listing document which will be published after admission of the listing. The Bonds have been offered to institutional investors only and UBS Investment Bank has been acting as sole bookrunner of the issue.

Pharming also announced today that it is finalizing discussions for restructuring its financing agreement with Paul Capital Healthcare (formerly "Paul Royalty Fund"), that the Company entered into in February 2006. Under the proposed terms of the agreement Pharming would repay Paul Capital Healthcare approximately €9 million (USD 13 million) before year end 2007, with an additional approximately €11 million (USD 15 million) to be paid in the first quarter of 2008. These payments would conclude the financing arrangement with Paul Capital Healthcare and no further milestone payments or royalties on any of Pharming's future product sales or other revenues would be payable.

Paul Capital Healthcare continues to maintain its equity investment in the Company and Dr. Ken MacLeod, principal at Paul Capital Healthcare, will remain a member of the Board of Supervisory Directors of Pharming

The proceeds of the convertible offering will partly be used for the restructuring of the agreement with Paul Capital Healthcare with the remainder available for general corporate purposes including investments in research and development and in clinical programs.

Dr. Francis Pinto, Chief Executive Officer of Pharming, commented: "We are very pleased that we have been able to strengthen our balance sheet in such a significant way. This makes the Company ready for the next phase of growth as we prepare for the anticipated approval (by the EMEA and FDA) of our lead product Rhucin® and an acceleration of our other programs. The collaboration with UBS has been very successful and we look forward to continue working with them to pursue other strategic opportunities, including licensing agreements in relation to our product candidates."

With respect to the proposed restructuring agreement with Paul Capital Healthcare, Dr. Pinto commented, "Our financing agreement with Paul Capital provided us the necessary capital to help bring Rhucin® into the last phase of its development. We are pleased that they will remain a shareholder and that we will continue to benefit from the advice and expertise of Dr. Macleod in his capacity of member of the Board of Supervisory Directors."

## About Pharming Group N.V.

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 FDA). The advanced technologies of the Company include innovative platforms for the production of protein therapeutics, 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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