PHARMING ANNOUNCES ANNUAL RESULTS 2008

Leiden, The Netherlands, February 13, 2009. Biotech company Pharming Group NV ("Pharming" or "the Company") (Euronext: PHARM) announced today its preliminary financial results (unaudited) for the year ended December 31, 2008. The Company made significant progress on its main clinical development project Rhucin® through the completion of two double blind placebo controlled trials and decreased its financial liabilities through the cancellation of some of its outstanding convertible bond financing.

Key Developments

Financial

- Cash position of € 23.5 million (including marketable securities) at December 31, 2008 compared to € 65.3 million at December 31, 2007
- Equity of € 13.5 million compared to € 31.2 million at the end of 2007
- Net cash used for operating activities of € 21.9 million in 2008 compared to € 21.7 million in 2007
- Total costs were € 31.4 million in 2008 compared to € 25.3 million in 2007; the increase of € 6 million is primarily caused by the increase of non-cash impairment items
- Revenues of € 0.7 million in 2008 similar to € 0.7 million in 2007
- Decrease in financial liabilities through repurchase of outstanding convertible bonds by payments to holders of convertible bonds in cash and shares at a significant discount to the nominal bond value
- Total net loss of € 26.0 million in 2008 compared to € 21.4 million in 2007

Products

- Rhucin®: regulatory dossier in final stages including more than 300 treatments, significant evidence of efficacy and safety in repeated use and severe attacks with no immunogenicity effects; pre-filing dialogue with European Medicines Agency (EMEA) started
- RhC1INH: Investigator sponsored IND from US Food and Drug Administration (FDA) for the treatment of antibody-mediated rejection (AMR) opened. Preparations for clinical study in reperfusion injury related rejection (Delayed Graft Function or DGF) in kidney transplantation ongoing
- Prodarsan®: start and completion of phase I study in healthy volunteers and clinical plan for follow-up studies in patients ready
- Participation of Pharming's wholly owned subsidiary DNage in several subsidized research studies in the field of human ageing diseases
- RhFIB (recombinant human fibrinogen): initiation of pre-clinical development activities for treatment of congenital fibrinogen deficiency
- HLF (Pharming's human lactoferrin): license agreement signed with Aslan Group AS for Pharming's human lactoferrin product (hLF); half of € 20 million license fees expected to be received in 2009; execution of the (technology transfer related) milestone triggering activities proceeding as planned

Corporate

- Licensing and distribution agreement signed with EİP Eczacıbaşı İlaç Pazarlama AŞ for the marketing and sales of Rhucin in Turkey
- Acquisition of exclusive sub-license to key patents and technology for recombinant fibrinogen from GTC Biotherapeutics Inc

- License agreement signed with Advanced Cell Technology Inc strengthening Pharming's patent position in the field of transgenic technology
- Dr. Sijmen de Vries appointed as Chief Executive Officer of Pharming succeeding Dr. Francis Pinto, who has taken up a non-executive position for the transition period until the April 2009 AGM
- Prof. Dr. B.P.Th. Veltman retired from Board of Supervisory Directors
- Pharming to be included in Amsterdam Small cap Index on NYSE Euronext as of March 3, 2009

"The Pharming team is confident about the outlook for 2009. Together, we will execute and deliver on our key objectives; the strengthening of the product pipeline and our financial position. Key to our strategy remains the focus on orphan drug development as the first step, followed by the development of our assets for larger indications. Rhucin/rhC1INH is a very good example of this approach," said Dr. Sijmen de Vries, Chief Executive Officer of Pharming. "In addition, we have continued to keep costs in-line with our budget and, given the turmoil in the financial markets, put strict cost controls in place. Although our current liquidity position is relatively strong and we are confident that with our current cash and the anticipated milestone payments from Aslan, we can continue to fund our operations well into 2010, we continue to pre-emptively look at new financing opportunities."

Financial

In 2007, the Company raised € 70 million through the issuance of convertible bonds to institutional investors, which was managed by UBS Investment Bank. Approximately € 19.3 million (of which € 10.2 million in Q1 2008) of these proceeds were used to restructure the existing agreement with Paul Royalty Fund while approximately € 3.0 million was used for transaction fees. In the 2007 accounts, approximately € 17.7 million was classified as equity, with the remaining portion recognized as a liability. However, in preparing the 2008 accounts, the Company, in close consultation with its auditors, concluded that as a result of the fact that the conversion rate during the first period of the term of the bonds (ending April 30, 2008) had been variable, the amount that was classified as equity should (during that period) have been classified as a derivative and, therefore, as a financial liability. This reclassification does not impact the liquidity position at December 31, 2007 or the financial position of the Company at year end 2008. However, we have restated the 2007 figures to improve the comparability with 2008. In 2007, Pharming reported a net loss of € 35.6 million, a total equity of € 34.7 million and a net loss per share of € 0.39. After adjustment of the equity element to financial liabilities, the restated net loss for 2007 was € 21.4 million with a total equity of € 31.2 million and a net loss per share of € 0.24.

Pharming's cash position including marketable securities and restricted cash was € 23.5 million at December 31, 2008 in comparison to € 65.3 million at the end of 2007. The latter number, however, included amounts to be repaid to Paul Royalty Fund in the first quarter of 2008 related to the restructuring and termination of the royalty agreement. The amount of cash used for operating activities in 2008 (€ 21.9 million) was in line with that used in 2007 (€ 21.7 million). Other significant cash items included payments of nominal interest on the convertible bonds (€ 4.8 million) and the repurchase of part of the convertible bonds (€ 3.8 million). The latter transaction yielded a profit of approximately € 5.6 million, while the total fair value gain on the derivative part of the bonds in 2008 was € 4.9 million. Both results have been charged to the consolidated income statement.

The total costs in 2008 (including € 7.4 million non-cash costs) were € 31.4 million compared to € 25.3 million in 2007 (including € 3.4 million non-cash costs). The net loss in 2008 was € 26.0 million compared to a net loss of € 21.4 million in 2007, after restatement. This difference is largely caused by non-cash impairment charges. Approximately € 2.0 million was written off the DNage-goodwill which was caused by the increased cost of capital following the worldwide financial crisis. Impairments were also made on certain equipment which is no longer expected to be used during its lifetime, as well as on certain non-core Intellectual Property which is expected to be no longer commercialized in full during the lifetime of the underlying patents. Inventories slightly decreased to € 11.0 million from € 11.7 million at December 31, 2007. The current level of inventory is deemed adequate for further clinical programs and the initial launch of Rhucin.

After the variable part of the conversion feature had been fixed at € 2.64 per share as per April 30, 2008, the derivative has been reclassified to equity. After allocation of the provisional 2008 results, the total equity of the Company is € 13.5 million per December 31, 2008 (€ 31.2 million per December 31, 2007).

Product development

Pharming continues to make progress in its product pipeline, with several products in or moving towards clinical development. In addition to Rhucin, for which clinical development for HAE has been completed, Pharming's human lactoferrin product (hLF) is also close to commercialization, with the first two milestones of € 5 million each expected from Aslan in 2009. Additional products in the clinical stage of development are Prodarsan for Cockayne Syndrome (a premature ageing disease) and rhC1INH for the treatment of antibody-mediated rejection (AMR) in kidney transplantation. For the latter, a Phase I safety study in healthy volunteers was successfully completed in 2008 and an Investigator sponsored US FDA IND opened. Other products in earlier stages of development include rhC1INH for reperfusion injury related indications (Delayed Graft Function in kidney transplantation) and rhFIB for the treatment of congenital fibrinogen deficiency. DNage is also active in the field of identification and development of biomarkers in human ageing.

For the immediate future, the focus of the Company is first and foremost on the completion of its European and US regulatory filings on Rhucin for the treatment of acute HAE attacks. The regulatory dossier for Rhucin is in the final stages of completion. The dossier includes results from over 300 treatments, now also including significant evidence of efficacy and safety in repeated use and in severe laryngeal attacks while no immunogenic responses have been recorded. The Company has started the pre-filing dialogue with EMEA. Pharming plans to submit its Marketing Authorization Application for Rhucin to the EMEA mid 2009. The Biological License Application (BLA) was transferred from the CDER to the CBER division of the FDA. The pre-filing dialogue with CBER is planned for Q1 2009 with the BLA filing currently anticipated in 2009.

Pharming's subsidiary DNage focuses on the development of Prodarsan for Cockayne Syndrome, a rare genetic disease in which children suffer from accelerated (or premature) ageing, while developing severe ageing-related diseases. In 2008, DNage completed a Phase I clinical study in healthy volunteers. Prodarsan appears to be safe and well tolerated in these human healthy volunteers. Prodarsan also showed beneficial effects in animal models for premature aging. A full clinical development plan is ready and is being consulted on with the regulatory agencies. Clinical studies in patients are expected to commence in 2009.

DNage is also participating in several projects regarding the identification of novel biomarkers of human ageing. Most of these projects are subsidized or paid for by government grants.

The development of recombinant human fibrinogen for the treatment of orphan indication of congenital fibrinogen deficiency has been reactivated and is now in mid pre-clinical stage. In addition to this market, rhFIB has the potential to address the significantly larger market of acquired fibrinogen deficiency, as result of profuse traumatic and surgical bleeding.

The development of hLF, in terms of technology transfer and build up of production facilities by partner Aslan, is on schedule. In 2008, Pharming and Aslan signed a licensing agreement on Pharming's human lactoferrin product for its development as a nutritional food supplement. With the commercial development of hLF moving ahead, the ongoing procedure to obtain GRAS-status, which is unpredictable, has become less important and is being given a lower priority. Pharming's strategy to seek a more direct route towards commercialization is exemplified by the agreement with Aslan Group AS.

Corporate

In 2008, Pharming and Aslan signed a license agreement for the manufacturing, marketing and distribution of Pharming's human lactoferrin product. Aslan will produce a significantly sized herd of more than 500 transgenic hLF cows by expanding Pharming's existing experimental herds and by building one or more farms and facilities in Turkey for housing them. Milk fractions containing human lactoferrin will be incorporated into nutritional products. The agreement is exclusive for Turkey, the Middle East, UAE, Russia, Ukraine and several other countries in this region and includes a non-exclusive license to other parts of the world. Aslan will pay license fees to Pharming totaling € 20 million over the next three years. Pharming expects half of these fees to become due in 2009 when, as currently expected, the first two milestones are met. During the first 10 years of commercialization, Pharming will also receive royalties based on net sales.

In March 2008, Pharming signed a licensing and distribution agreement with another Turkish company, EİP Eczacıbaşı İlaç Pazarlama AŞ, for the marketing and sales of Rhucin in Turkey. Besides a license fee to Pharming, EIP will also purchase the product from Pharming. EIP is working on the Turkish registration of Rhucin for the treatment of acute HAE attacks.

In June, Pharming acquired an exclusive sub-license to key patents and technology of recombinant fibrinogen from GTC Biotherapeutics Inc. These rights enable Pharming to accelerate pharmaceutical development of recombinant human fibrinogen and stimulate medical device development through its biomaterials program. The Company also concluded a license agreement with Advanced Cell Technology Inc on patents in the field of transgenic technology, to which it already had non-exclusive rights. Protecting its products and technology platforms via patents and licenses is an essential element of Pharming's strategy.

Through the issuance of convertible bonds to institutional investors, the Company solidified its cash position in 2007 by raising € 70 million. Due to the current conditions in the global financial markets, several bondholders have in the last months of 2008 entered into transactions with the Company under which a total amount of Convertible bonds with a nominal value of € 20 million were cancelled in return for cash payments by Pharming of € 3.8 million and conversion of the remaining € 16.3 million in shares at a valuation of € 2.64 per share. For Pharming, this cancellation of € 20 million of the convertible loan represented an opportunity to reduce its debt at a discount and to strengthen its balance sheet. In early 2009, another similar agreement was reached for an additional cancellation of € 5 million of convertible bonds for a cash payment by Pharming of € 1 million and conversion of the remaining € 4 million in shares at a valuation of € 2.64 per share.

Discussions with the remaining bondholders for early part-redemption and conversion are ongoing regarding some of the now remaining € 45 million convertible debt.

In November, Dr Sijmen de Vries succeeded Dr Francis J. Pinto as Chief Executive Officer of Pharming. To ensure a smooth transition, Dr Pinto was appointed as Non-Executive Chairman of the Management Board. He will retire at the Annual General Meeting of Shareholders (AGM), which will be held on 16 April 2009 at Pharming's headquarters in Leiden, the Netherlands. In December, Prof. Veltman retired as Supervisory Director. Pharming expects to nominate a new Supervisory Director for approval by the shareholders at the AGM 2009. Detailed information on the AGM 2009 will be made available in a later stage.

Outlook 2009

- First two milestone payments of € 10 million in total anticipated from Aslan for development of Pharming's human lactoferrin
- Additional regional and/or national partnerships for human lactoferrin and one or more licensing agreements for Rhucin in 2009
- Further improvement of the financial position by (combinations of) project-specific financing, licensing deals, loans and limited equity transactions
- Agreed submission process with the FDA for a US-BLA of Rhucin for the treatment of acute attacks of HAE in H1 and MAA-filing with EMEA mid 2009
- Filings for compassionate use of Rhucin for acute attacks of HAE in EU countries and additional filings outside the EU and USA (Switzerland, Turkey, Canada, etc) expected
- Start of clinical Phase II study with rhC1INH for AMR of kidney transplants and for DGF (reperfusion injury related rejection of kidney transplants)
- Continuation of pre-clinical development of rhC1INH for several other reperfusion injury related indications and start of feasibility studies for ophthalmological indication (age-related macular degeneration or AMD)
- Clinical studies with Prodarsan in patients of Cockayne Syndrome expected to commence in 2009
- Continuation of pre-clinical development of rhFIB for treatment of congenital fibrinogen deficiency.

Given uncertainties in the current environment, Pharming is not providing full guidance for the expected financial results in 2009. With the current cash and the continued execution of the hLF agreement with Aslan, the Company is however confident that it will be able to continue its operational and aggressive development plans well into 2010.

Conference Call Information

Today, Chief Executive Officer Sijmen de Vries will present the 2008 results and the outlook for 2009 in a conference call for analysts and press at 9:00 am and 10:30 am CET respectively. An audio cast of the conference calls will be available on Pharming's website after the calls, www.pharming.com.

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® for Hereditary Angioedema and human lactoferrin for use in food products. 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 technology in the field of DNA repair (via DNage). Additional information is available on the Pharming website, www.pharming.com.

List of used abbreviations

AGM	Annual General Meeting of Shareholders
AMR	antibody-mediated rejection
Aslan	Aslan Group AS from Istanbul, Turkey
BLA	Biological License Application
CBER	Center for Biologics Evaluation and Research of the US FDA
CDER	Center for Drug Evaluation and Research of the US FDA
DGF	Delayed Graft Function
DNage	Pharming's wholly owned subsidiary DNage
EMEA	European Medicines Agency
FDA	US Food and Drug Administration
HAE	Hereditary Angioedema
hLF	Pharming's human lactoferrin
IND	Investigational New Drug
GRAS	Generally Recognized As Safe
MAA	Market Authorization Application
rhC1INH	recombinant human C1 inhibitor
rhFIB	recombinant human fibrinogen

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.

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CONSOLIDATED BALANCE SHEET

At December 31, 2008 (amounts in €'000) (unaudited)

	December 31, 2008	December 31, 2007*
Goodwill	7,065	9,190
Intangible assets	18,051	18,981
Property, plant and equipment	5,896	7,098
Financial assets	-	200
Restricted cash	176	176
Non-current assets	**31,188**	**35,645**
Inventories	10,971	11,720
Other current assets	1,646	1,893
Marketable securities	3,748	3,956
Restricted cash	-	10,180
Cash and cash equivalents	19,610	50,954
Current assets	**35,975**	**78,703**
Total assets	**67,163**	**114,348**
Share capital	48,715	45,618
Share premium	183,980	182,243
Other reserves	7,798	4,417
Accumulated deficit	(227,027)	(201,033)
Total equity	**13,466**	**31,245**
Convertible bonds	35,122	53,214
Deferred tax liability	3,073	3,613
Earn-out obligations	2,644	2,315
Other	307	412
Non-current liabilities	**41,146**	**59,554**
Paul Royalty Fund	-	10,180
Trade and other payables	7,366	7,830
Earn-out obligations	4,508	4,634
Nominal interest convertible bonds	571	801
Current portion of other non-current liabilities	106	104
Current liabilities	**12,551**	**23,549**
Total equity and liabilities	**67,163**	**114,348**

* Figures 2007 have been restated

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2008 (amounts in €'000, except per share data) (unaudited)

	2008	2007*
Revenues	664	690
Research and development	20,857	19,088
General and administrative	3,108	2,824
Depreciation and amortization charges	1,421	1,408
Impairment charges	5,069	302
Share-based compensation	959	1,689
Costs	**31,414**	**25,311**
Loss from operating activities	**(30,750)**	**(24,621)**
Effective interest convertible bonds	(8,161)	(1,308)
Fair value gain derivative portion convertible bonds	4,947	14,305
Settlement convertible bonds	5,604	-
Settlement Paul Royalty Fund	-	(9,125)
Interest on liability Paul Royalty Fund	-	(2,151)
Interest on earn-out obligations	(391)	(1,158)
Other interest income, net	2,022	1,328
Finance revenue and costs	**4,021**	**1,891**
Foreign currency effect on liability Paul Royalty Fund	-	1,069
Other foreign currency results	196	20
Other income and expenses	**196**	**1,089**
Loss before tax	**(26,533)**	**(21,641)**
Income tax benefit	539	276
Net loss after tax	**(25,994)**	**(21,365)**
Attributable to Equity holders of the parent	**(25,994)**	**(21,365)**
Share information:		
Basic and diluted net loss per share (€)	(0.28)	(0.24)
Weighted average shares outstanding	91,657,617	90,912,531
Number of shares outstanding at year-end	97,429,854	91,235,178

* Figures 2007 have been restated

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2008 (amounts in €'000) (unaudited)

	2008	2007
Payments of third party fees and expenses, including Value Added Tax	(19,454)	(20,776)
Net compensation paid to board members and employees	(4,122)	(3,092)
Payments of pension premiums, payroll taxes and social securities, net of grants settled	(2,813)	(2,582)
Other payments	(420)	(50)
Receipt of Value Added Tax	1,372	2,383
Interest received from cash and marketable securities	2,282	1,301
Receipt of grants	595	656
Other receipts	654	427
Net cash flows used in operating activities	**(21,906)**	**(21,733)**
Purchase of property, plant and equipment	(289)	(671)
Purchase of intangible assets	(525)	-
Net cash flows used in investing activities	**(814)**	**(671)**
Net proceeds of increase of share capital	1	1,156
Proceeds convertible bonds, net of transaction fees paid	-	67,012
Repayments to Paul Royalty Fund	(10,075)	(10,469)
Repayments convertible bonds at nominal value	(3,800)	-
Payments of nominal interest convertible bonds	(4,844)	-
Repayment of other financial liabilities	(92)	(61)
Net cash flows from/(used) in financing activities	**(18,810)**	**57,638**
Net increase/(decrease) cash and cash equivalents	**(41,530)**	**35,234**
Cash and cash equivalents at January 1 (including restricted cash)	61,310	26,258
Exchange rate effect	6	(182)
Net increase/(decrease) cash and cash equivalents	(41,530)	35,234
Cash and cash equivalents at December 31 (including restricted cash)	**19,786**	**61,310**
Liquidity information		
Cash and cash equivalents at December 31 (including restricted cash)	19,786	61,310
Marketable securities at December 31	3,748	3,956
Total liquidities at December 31	**23,534**	**65,266**