PHARMING

PHARMING ANNOUNCES NINE MONTH FINANCIAL REPORT 2010

Leiden, The Netherlands, October 21, 2010. Biotech company Pharming Group NV ("Pharming" or "the Company") (NYSE Euronext: PHARM) today published its financial report for the nine month period ended September 30, 2010.

FINANCIAL HIGHLIGHTS FIRST NINE MONTHS

- Income from grants and license fees for the nine month period of €0.7 million (9M 2009: €0.5 million)
- Received US$15.0 million (€11.7 million) upfront payment from Santarus for the commercialization of Rhucin® in North America
- Received € 3.0 million upfront payment from SOBI for commercialization of Ruconest in the EU
- Significant decrease in operating cash outflows (€3.4 million in first nine months of this year compared to €18.4 million in the same period 2009)
- Operating loss of €18.3 million (9M 2009: €21.0 million)
- Cash at September 30, 2010 of €17.0 million
- Bondholders converted all of the €7.5 million bonds issued in January 2010

OPERATIONAL HIGHLIGHTS IN THIRD QUARTER

- Agreement entered with Santarus for the commercialization of Rhucin in North America
- Signed manufacturing agreement with Sanofi Chimie for the drug substance of Ruconest™
- Dr Karl Keegan joined the Company as Chief Financial Officer (CFO)
- Intention to submit BLA to the FDA to obtain US marketing approval for Rhucin announced
- Spin off of DNage successfully completed

SUBSEQUENT TO SEPTEMBER 30, 2010

- Shareholders approved appointment Dr Keegan as CFO and member of Pharming's Management Board
- Shareholders also approved increase of the authorized share capital at Company's EGM
- Published peer reviewed randomized clinical trial results with recombinant human C1 esterase inhibitor in Journal of Allergy and Clinical Immunology
- Anticipated exercise of the put option by the 2007 public bondholders to repay the remaining outstanding 2007 convertible bonds per 31 October 2010 was confirmed

Sijmen de Vries, CEO, commented: "The first nine months of 2010 have been an important period for Pharming, during which we have consistently delivered on our stated targets of progressing our lead asset through the requisite developmental and regulatory pathways and maintaining tight control of our cost base. We believe that the progress we have made during the period is an endorsement of management's strategic focus. We look forward to working with our marketing partners towards the first commercial launch of our lead program, an historic point in Pharming's history and an important step towards bringing the Company to financial stability."

FINANCIAL HIGHLIGHTS FIRST NINE MONTHS

Pharming's income from grants and license fees were €0.7 million for the nine month period ended September 30, 2010. In the same period of 2009, Pharming recognized €0.5 million.

Operating loss decreased to €18.3 million from the €21.0 million recorded for the corresponding period in 2009. The decrease is mainly a result of timing of (pre)clinical and regulatory activities, our continued strong focus on cost savings and control, as well as the implementation of a strategic focus of our business resulting in the spin out of DNage. In the nine month period, operating losses attributable to DNage were approximately €2.0 million compared to €2.8 million in the first three quarters of 2009. General and administrative costs remained broadly constant but R&D expenses declined by €4.5 million in the nine month period 2010 compared to the corresponding period in 2009.

In the nine month period to September 30, 2010, Pharming recorded a net loss of €34.6 million compared to a net loss of €23.1 million for the same period in 2009. The vast majority of this loss was attributable to financing measures and their consequences that were triggered by financing activities during 2010. The net loss per share was €0.15 for the first nine months of 2010 compared to €0.22 in the first nine months of 2009. At the end of the period, the number of shares outstanding was 358,800,199 compared to 120,850,520 at the end of the corresponding period in 2009.

The increase in the current number shares by 3,018,702 from 355,781,497 on September 2, 2010 results from 2,171,117 shares in relation to exercise of cashless warrants and 847,585 shares issued to the Board of Management and various employees in settlement of bonuses due.

Pharming ended the nine month period with a cash position of €17.0 million, compared to a €10.6 million cash balance on September 30, 2009 and €2.3 million on December 31, 2009.

Pharming has recorded a significant decrease in operating cash outflows (€3.4 million in first nine months of this year compared to €18.4 million in the same period 2009). This achievement is primarily related to the receipt of upfront cash payments from SOBI and Santarus. The US$15.0 million (€11.7 million) non refundable and non off-settable upfront payment from Santarus is detailed in the consolidated statement of cash flows for the third quarter. The €3.0 million upfront from SOBI was recognized similarly in Q2 2010. In accordance with International Financial Reporting Standards, Pharming will recognize these upfront payments in the consolidated statement of income from Q4 2010 onwards as the amount received spread evenly over a period of approximately 10 years.

OPERATIONAL HIGHLIGHTS IN THIRD QUARTER

Pharming entered into an agreement with specialty biopharmaceutical company Santarus, Inc for the commercialization of Rhucin in North America (the United States, Canada and Mexico) for the treatment of acute attacks in HAE patients and other future indications.

Pharming signed a manufacturing agreement with Sanofi Chimie, wholly owned subsidiary of sanofi-aventis to increase the production capacity of the drug substance of Ruconest. This will improve Ruconest cost of goods and competitiveness and will put Pharming in the position to satisfy future global demand.

Pharming announced that it intends to submit the Biologic License Application to the FDA to obtain marketing approval for Rhucin for the treatment of acute angioedema attacks in patients with HAE. Following pre-BLA discussions with the FDA, Pharming is preparing the BLA dossier for submission towards the end of this year but no later than January 2011.

The spin off of DNage was completed and all earn-out liabilities due by Pharming to former DNage shareholders were fully settled.

SUBSEQUENT TO SEPTEMBER 30, 2010

Dr Karl Keegan was appointed to the role of CFO and member of Pharming's Board of Management. Also, the increase of the authorized share capital from 400 million to 500 million shares was confirmed. These decisions were taken by the Shareholders at an Extraordinary General Meeting held on 1 October 2010.

The publication of the integrated analysis of Pharming's randomized placebo-controlled clinical trials with recombinant human C1 esterase inhibitor for treatment of acute angioedema attacks in HAE patients in the October issue of the peer-reviewed Journal of Allergy and Clinical Immunology.

The anticipated exercise of the put option by the 2007 public bondholders to repay the remaining outstanding 2007 convertible bonds per October, 31, 2010 was confirmed.

OUTLOOK Q4 2010 AND BEYOND

Ruconest in Europe

Following the positive opinion on the Marketing Authorization Application for Ruconest earlier this year, Pharming is anticipating the Market Authorization by the European Commission within the next few weeks. As stated previously, the main focus in Q4 2010 will continue to be on the market launch of Ruconest, which is on track. This pivotal event in Pharming's evolution will be marked by an associated milestone payment from SOBI upon European Market Authorization.

DNage

We have performed an impairment review on the intangible assets and goodwill capitalized with respect to DNage, which as previously announced is seeking additional funding through a combination of investors and government support.

Given that these financing activities are ongoing and given the uncertainty on the valuation ascribed to DNage by third party investors in any such financing, we have impaired the carrying value of goodwill associated with DNage in the balance sheet. This leads us to include a non cash impairment charge in the Q3 2010 financial statements.

Finances

As announced to the market, the Company has received confirmation of the put option from the bond holders. Thus, repayment of the remaining outstanding 2007 convertible bonds in cash and accrued interest (€11.3 million on aggregate) will occur by October 31, 2010. Pharming anticipates further cost savings from finalizing regulatory EU and US submission activities, co-funding development of rhC1INH for additional indications and further streamlining of the organization.

LIST OF USED ABBREVIATIONS AND TERMS

BLA	Biological License Application
DNage	DNage BV (Pharming has 51% stake)
EGM	Extraordinary General Meeting of Shareholders held on 1 October 2010
FDA	US Food and Drug Administration
HAE	Hereditary Angioedema
rhC1INH	Pharming's recombinant human C1 esterase inhibitor
Rhucin®	Registered name in non-European countries for recombinant human C1 esterase inhibitor or rhC1INH for treatment of acute attacks of HAE
Ruconest™	Trademark for European marketing of recombinant human C1 inhibitor for treatment of acute attacks of HAE
Sanofi Chimie	Wholly owned subsidiary of sanofi-aventis (NYSE Euronext: SAN, NYSE: SNY)
Santarus	Specialty biopharmaceutical company Santarus, Inc (NASDAQ: SNTS)
SOBI	Specialty pharmaceutical company Swedish Orphan Biovitrum (STO: BVT)

About Pharming Group NV

Pharming Group NV is developing innovative products for the treatment of genetic disorders, specialty products for surgical indications, and nutritional products. On June 24, the European Medicines Agency adopted a positive opinion for Ruconest™ (Rhucin® in non-EU territories) for the treatment of angioedema attacks. Market Authorization in the European Economic Area is therefore expected imminently with an anticipated market launch in the fourth quarter 2010. The product is also under development for follow-on indications, i.e. antibody-mediated rejection (AMR) and delayed graft function (DGF) following kidney transplantation. 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. Additional information is available on the Pharming website, 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.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At September 30, 2010

(amounts in €'000) (unaudited)

	September 30, 2010	December 31, 2009
Goodwill	1,479	4,312
Intangible assets	17,895	17,585
Property, plant and equipment	5,413	5,240
Restricted cash	176	176
Non-current assets	24,963	27,313
Inventories	11,188	11,255
Other current assets	1,403	1,392
Cash and cash equivalents	16,801	15,923
Current assets	29,392	28,570
Total assets	**54,355**	**55,883**
Share capital	14,352	77,251
Share premium	212,450	187,708
Other reserves	(214,494)	(251,646)
Shareholders' equity	12,308	13,313
Non-controlling interest	5,628	-
Equity	17,936	13,313
Deferred license fee income	13,284	-
Deferred tax liability	4,276	4,276
Earn-out obligations	-	1,788
Other	181	236
Non-current liabilities	17,741	6,300
Bank overdrafts	-	13,761
Convertible bonds	11,115	9,461
Derivative financial liability	573	-
Trade and other payables	5,579	8,840
Deferred license fee income	1,411	-
Earn-out obligations	-	4,208
Current liabilities	18,678	36,270
Total equity and liabilities	**54,355**	**55,883**

CONSOLIDATED STATEMENT OF INCOME

For the nine months ended September 30, 2010

(amounts in €'000, except per share data) (unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2010	**2009**	**2010**	**2009**
Grants and other income	**265**	**183**	**670**	**531**
Research and development	3,769	5,720	13,825	18,300
General and administrative	744	934	2,557	2,692
Impairment charges	2,104	-	2,104	-
Share-based compensation	187	210	450	542
Costs	**6,804**	**6,864**	**18,936**	**21,534**
Loss from operating activities	**(6,539)**	**(6,681)**	**(18,266)**	**(21,003)**
Financial income	-	534	-	4,010
Financial expenses	(79)	(1,864)	(16,341)	(5,780)
Financial income and expenses	**(79)**	**(1,330)**	**(16,341)**	**(1,770)**
Income taxes	-	-	-	(336)
Net loss	**(6,618)**	**(8,011)**	**(34,607)**	**(23,109)**
Attributable to:				
Equity holders of the parent	(6,477)	(8,011)	(34,466)	(23,109)
Minority interest	(141)	-	(141)	-
Share information:				
Basic and diluted net loss per share (€)	(0.02)	(0.07)	(0.15)	(0.22)
Weighted average shares outstanding	335,718,662	114,124,606	230,548,548	104,852,076

CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2010

(amounts in €'000) (unaudited)

	September 30, 2010	September 30, 2009
Payments of third party fees and expenses, including Value Added Tax	(14,686)	(15,275)
Net compensation paid to board members and employees	(2,896)	(2,919)
Payments of pension premiums, payroll taxes and social securities, net of grants settled	(2,281)	(2,404)
Other payments	(335)	(666)
License fees received	14,977	50
Receipt of Value Added Tax	1,206	1,626
Interest received from cash and marketable securities	6	564
Receipt of grants	345	231
Other receipts	298	397
Net cash flows used in operating activities	**(3,366)**	**(18,396)**
Purchase of property, plant and equipment	(680)	(313)
Net cash flows used in investing activities	**(680)**	**(313)**
Net proceeds of increase of share capital	13,410	7,230
Proceeds convertible bonds issued	7,500	-
Payments of transaction fees and expenses	(1,081)	-
Payments of convertible bonds at nominal value	-	(1,010)
Interest payments convertible bonds	(375)	(1,553)
Payments of other financial liabilities	(36)	(69)
Net cash flows from financing activities	**19,418**	**4,598**
Net increase/(decrease) cash and cash equivalents	**15,372**	**(14,111)**
Net cash and cash equivalents at January 1	2,338	19,786
Exchange rate effect	(733)	224
Net increase/(decrease) cash and cash equivalents	15,372	(14,111)
Net cash and cash equivalents at September 30	**16,977**	**5,899**
Liquidity information		
Restricted cash	176	176
Cash and cash equivalents	16,801	15,712
Bank overdrafts	-	(9,989)
Net cash and cash equivalents at September 30	**16,977**	**5,899**
Marketable securities at September 30	-	4,661
Total liquidities at September 30	**16,977**	**10,560**