PHARMING REPORTS FINANCIAL RESULTS THIRD QUARTER 2011

Leiden, The Netherlands, November 17, 2011. Biotech company Pharming Group N.V. ("Pharming" or "the Company") (NYSE Euronext: PHARM) today published its financial report for the third quarter ended September 30, 2011.

FINANCIAL HIGHLIGHTS

- Revenues and other income from continuing operations increased to €2.3 million (9M 2010: €0.2 million) due to recognition of license fee income and product sales to Swedish Orphan Biovitrum (SOBI) following launch of Ruconest® in December 2010.
- Operating costs of €15.1 million (9M 2010: €14.5 million). The small increase versus 2010 is mainly caused by the capitalization of (€0.4 million) R&D costs during 2010. Cost containment continues to be effective and G&A costs were held stable.
- The total net loss in the nine months ended September 30, 2011 significantly decreased to €13.3 million (9M 2010: €34.6 million). This was primarily due to differences in the financial expenses (related to financing transactions in the corresponding period last year) and the positive impact of discontinuing the DNage operations (9M 2011 €0.6 million profit compared to a €4.0 million loss in 9M 2010).
- The net cash flows used in operating activities amounted to €13.0 million (9M 2010: €3.4 million) but the corresponding period in 2010 included one-off licensing receipts of €14.7 million. Excluding these upfront licensing fees the net cash outflows would have shown a €5.1 million decrease of which €2.1 million is associated with the DNage operations and €3.0 million with the continuing business.
- In the nine months to September 30, 2011, net cash and cash equivalents, including restricted cash, were €9.8 million (December 31, 2010: €10.5 million). The €0.7 million decrease reflects the net cash outflows from investing activities as net operating cash outflows of €13.0 million (€3.4 million 9M 2010) were offset with net cash inflows from financing activities of €13.0 million. Pharming completed a private placement raising €3.2 million with new US based specialist investors early in Q3, 2011.

OPERATIONAL HIGHLIGHTS

- Agreement was reached with the U.S. Food and Drug Administration (FDA) on the design of a Phase III clinical study for Rhucin® (study 1310) under the Special Protocol Assessment (SPA) process to support the submission of a Biologics License Application (BLA). The study design includes a modification to the way the primary endpoint will be assessed and an increase in the number of study patients from 50 to approximately 75. We continue to expect that the Phase III study will be completed by the third quarter of 2012. If approved, Rhucin® will be the first recombinant C1 inhibitor on the US market, and could offer an attractive therapeutic option for patients with HAE.
- Continued expansion of C1 Inhibitor franchise through an extension of the existing 2010 agreement with SOBI. This includes new territories in the Balkans, North Africa and the Middle East in addition to a significant additional order of €1.5 million over a one year period ending in the second quarter of 2012. Following a mutual agreement with Esteve to return the rights to market Ruconest® in Spain, Portugal, Andorra and Greece, these territories were taken up by SOBI and it now has exclusive distribution rights in all European Union countries, Iceland, Norway and Switzerland.
- Continuing roll-out of Ruconest® in Europe with product now available in Sweden, Norway, Finland, Denmark, UK, Germany, Austria, France, Lithuania, Romania and the Netherlands.

Chief Executive Officer, Sijmen de Vries, commented: "We continue to make progress in rolling out Ruconest across Europe and are pleased to have extended our distribution agreement with SOBI as well as securing minimal order sizes over the coming three quarters. These cash inflows help augment our cash runway as we approach a potentially very significant next step for Pharming: the read out of study 1310. We are delighted

that the US development path has been clarified following the agreement of the SPA with the FDA. This presents us with the opportunity for a potentially transformative shift towards becoming a more commercially driven company."

OUTLOOK

- Following the validation of our proprietary transgenic platform through the EU approval of Ruconest, we have received multiple requests regarding the potential licensing of the platform, and/ or co- development collaborations to produce complex proteins. These discussions are at an early stage and focus on significant indications which already have protein therapeutics on the market. The attraction of our platform appears to be the quality of the proteins, its scalability, low upfront capital investments in manufacturing and its flexibility associated with manufacturing costs. The platform is appropriate for the production of a wide range of proteins but our initial discussions are focused on plasma proteins and metabolic factors. These therapeutic targets are associated with orphan diseases with high unmet need and are also commercially very attractive. Whilst an exciting new development, at this time, we do not envisage moving forward with new projects without partners and we are evaluating key opportunities throughout Asia and South America.
- We remain focused on supporting our partner SOBI in facilitating the rollout of Ruconest across the licensed EU territories and look forward to continued progress over the coming quarters. Discussions are on-going with several parties regarding the potential commercialization of Ruconest in South America, South- East Asia, Japan and Australia/New Zealand and we hope to be able to provide updates on these over the coming quarters.
- Study 1310 remains on track and is the pivotal study which supports our US development plan. We anticipate read-out by Q3, 2012 and if successful, anticipate submitting a BLA shortly thereafter. These events are associated with significant milestones of US$10.0 million for the positive study read-out and US$5.0 million for acceptance of the BLA for review by the FDA.

FINANCIAL RESULTS

Financial results for the first nine months of this year showed significant increase in revenues compared with the equivalent period last year.

In the nine months to September 30, 2011 the Company generated revenue and other income from continuing operations of €2.3 million (9M 2010: €0.2 million). This increase reflects the recognition of license fee income and product sales following launch of Ruconest® in December 2010. Costs associated with the revenues and other income amounted to €1.4 million.

Total operating costs from continuing operations rose slightly to €15.1 million (9M 2010: €14.5 million). Whilst G&A costs were held stable, the comparator period benefited from capitalisation of R&D costs (€0.4 million).

Financial income and expenses from continuing operations resulted in a €0.2 million profit (9M 2010: €16.3 million loss). Except for the derivative financial liability (this refers to the outstanding warrants associated with the issue of bonds in early 2010), which yielded a €0.4 million profit in the first nine months of 2011, the anti-dilution provisions, convertible bonds and earn-out obligations were all settled in 2010 so that no further expenses in relation to these items were incurred in 2011.

Following liquidation of DNage in early 2011, the Company deconsolidated the DNage entity from its statement of financial position, resulting in a one-time profit from discontinued operations of €0.6 million (9M 2010: €4.0 million losses).

Overall, the total net loss including the contribution of minority shareholders decreased to €13.3 million (9M 2010: €34.6 million). The net loss per share for the first nine months of the year decreased to €0.03 (9M 2010: €0.15).

FINANCIAL POSITION

In the nine months to September 30, 2011, net cash and cash equivalents, including restricted cash, ended at €9.8 million (December 31, 2010: €10.5 million). The €0.7 million decrease reflects the net cash outflows from investing activities as net operating cash outflows of €13.0 million were offset with net cash inflows from financing activities of €13.0 million. The financing cash flows include receipt of €9.0 million following our year end 2010 financial transaction with Socius and €1.0 million following the exercise of warrants by Socius, both in the first quarter, and the €3.2 million gross proceeds from a private placement completed in July.

About RHUCIN (RUCONEST® in European countries) and Hereditary Angioedema

RHUCIN (INN conestat alfa) is a recombinant version of the human protein C1 inhibitor (C1INH). RHUCIN is produced through Pharming's proprietary technology in milk of transgenic rabbits and in Europe is approved under the name RUCONEST for treatment of acute angioedema attacks in patients with HAE. RHUCIN has been granted orphan drug designation in the U.S. for the treatment of acute attacks of HAE, a genetic disorder in which the patient is deficient in or lacks a functional plasma protein C1 inhibitor, resulting in unpredictable and debilitating episodes of intense swelling of the extremities, face, trunk, genitals, abdomen and upper airway. The frequency and severity of HAE attacks vary and are most serious when they involve laryngeal edema, which can close the upper airway and cause death by asphyxiation. According to the U.S. Hereditary Angioedema Association, epidemiological estimates for HAE range from one in 10,000 to one in 50,000 individuals.

About Pharming Group N.V.

Pharming Group N.V. is developing innovative products for the treatment of unmet medical needs. RUCONEST® (RHUCIN® in non-European territories) is a recombinant human C1 inhibitor approved for the treatment of angioedema attacks in patients with HAE in all 27 EU countries plus Norway, Iceland and Liechtenstein, and is distributed in the EU by Swedish Orphan Biovitrum. Rhucin® is partnered with Santarus Inc (NASDAQ: SNTS) in North America where the drug is undergoing Phase III clinical development. 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.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At September 30, 2011
(amounts in €'000) (unaudited)

	September 30, 2011	December 31, 2010
Intangible assets	1,031	1,163
Property, plant and equipment	9,142	6,702
Restricted cash	1,041	176
Non-current assets	11,214	8,041
Inventories	6,880	9,013
Trade and other receivables	919	9,932
Restricted cash	247	-
Cash and cash equivalents	8,485	10,302
Current assets	16,531	29,247
Total assets	**27,745**	**37,288**
Share capital	19,605	17,450
Share premium	225,310	219,220
Other reserves	(242,710)	(225,806)
Shareholders' equity	2,205	10,864
Non-controlling interest	-	(764)
Total equity	2,205	10,100
Deferred license fees income	15,915	17,342
Other liabilities	2,500	162
Non-current liabilities	18,415	17,504
Deferred license fees income	1,936	1,936
Derivative financial liability	151	573
Trade and other payables	3,864	7,101
Current portion of other liabilities	1,174	74
Current liabilities	7,125	9,684
Total equity and liabilities	**27,745**	**37,288**

CONSOLIDATED STATEMENT OF INCOME
For the nine months ended September 30, 2011
(amounts in €'000, except per share data) (unaudited)

	September 30, 2011	September 30, 2010
Continuing operations:		
Revenues	2,148	47
Cost of revenues	(1,447)	-
Gross profit	**701**	**47**
Income from grants	144	145
Other income	**144**	**145**
Research and development	(11,907)	(11,487)
General and administrative	(2,516)	(2,557)
Share-based compensation	(638)	(450)
Costs	**(15,061)**	**(14,494)**
Loss from operating activities	**(14,216)**	**(14,302)**
Financial income	422	-
Financial expenses	(188)	(16,341)
Financial income and expenses	**234**	**(16,341)**
Net loss from continuing operations	**(13,982)**	**(30,643)**
Net profit/(loss) from discontinued operations	643	(3,964)
Net loss	**(13,339)**	**(34,607)**
Attributable to:		
Net loss from continuing operations	(13,982)	(30,643)
Net profit/(loss) from discontinued operations	739	(3,823)
Owners of the parent	**(13,243)**	**(34,466)**
Net loss from continuing operations	-	-
Net profit/(loss) from discontinued operations	(96)	(141)
Non-controlling interest	**(96)**	**(141)**
Share information:		
Basic and diluted net loss per share (€)	(0.03)	(0.15)
Weighted average shares outstanding	463,154,003	230,548,548

CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine months ended September 30, 2011
(amounts in €'000, except per share data) (unaudited)

	September 30, 2011	September 30, 2010
Receipts from license partners	436	14,977
Receipts of Value Added Tax	858	1,206
Interest received	1	6
Receipts of grants	384	345
Other receipts	195	298
Payments of third party fees and expenses, including Value Added Tax	(9,452)	(14,686)
Net compensation paid to board members and employees	(2,964)	(2,896)
Payments of pension premiums, payroll taxes and social securities, net of grants settled	(2,418)	(2,281)
Other payments	-	(335)
Net cash flows used in operating activities	**(12,960)**	**(3,366)**
Purchase of property, plant and equipment	(610)	(680)
Deconsolidation of DNage	(40)	**-**
Net cash flows used in investing activities	**(650)**	**(680)**
Net proceeds of equity issued	13,198	13,410
Gross proceeds convertible bonds issued	-	7,500
Receipt from financial lease transaction	618	-
Payments of transaction fees and expenses	(255)	(1,081)
Payments of nominal interest convertible bonds	-	(375)
Payments of financial leases	(587)	(36)
Net cash flows from financing activities	**12,974**	**19,418**
Net increase/(decrease) cash and cash equivalents	**(636)**	**15,372**
Exchange rate effects on cash and cash equivalents	(69)	(733)
Net cash and cash equivalents at January 1	10,478	2,338
Net cash and cash equivalents at September 30	**9,773**	**16,977**
Liquidity information		
Restricted cash (non-current)	1,041	176
Restricted cash (current)	247	-
Cash and cash equivalents	8,485	16,801
Net cash and cash equivalents at September 30	**9,773**	**16,977**