PHARMING

PHARMING ANNOUNCES FIRST QUARTER FINANCIAL REPORT 2011

Leiden, The Netherlands, May 12, 2011. Biotech company Pharming Group NV ("Pharming" or "the Company") (NYSE Euronext: PHARM) today published its financial report for the three month period ended March 31, 2011.

FINANCIAL HIGHLIGHTS FIRST THREE MONTHS

- Revenues of €0.6 million for the three month period (Ruconest™ first sales recorded in December 2010)
- Significant reduction in operating cash outflows to €4.5 million (Q1 2010: €6.3 million)
- Decrease in operating loss from continuing operations to €4.3 million (Q1 2010: €5.0 million)
- Significant decrease in net loss to €3.6 million (Q1 2010: €7.7 million)
- Cash at March 31, 2011 of €15.6 million compared to €10.5 million at year end 2010

OPERATIONAL HIGHLIGHTS IN FIRST QUARTER

- Rollout of Ruconest in Europe progressing
- Clarity from the FDA on requirements for the US development of Rhucin®
    - Protocol for Phase III study 1310 amended in accordance with FDA requests and submitted
- Continuing focus on limiting cash burn
    - Lease financing of production equipment completed, internal cost saving exercise ongoing
- Business development process initiated to leverage Pharming's technology platform

Sijmen de Vries, CEO, commented: "The first three months of 2011 have been an intense period for Pharming, as we focused on addressing the FDA's refusal to file letter for Rhucin. Pharming is now implementing the agreed changes in the Protocol for Study 1310. We are also continuing to seek and evaluate new sources of value creation and financing for the Company, including additional partnerships for our C1 inhibitor franchise and potential deals which utilise our validated proprietary, low cost production platform. We look forward to updating on further progress throughout the year."

FINANCIAL HIGHLIGHTS

Pharming's revenues from license fees and product sales were €0.6 million in the three months to March 31, 2011, compared to nil in the same period of 2010, resulting in the operating loss from continuing operations decreasing to €4.3 million (Q1 2010: €5.0 million). General and administrative costs and research and development expenses remained broadly constant during the three month period, compared to the corresponding period in 2010.

In the three months to March 31, 2011, the shareholders of DNage, in which Pharming had 51% ownership, decided to voluntary liquidate DNage and accordingly the DNage entity has been deconsolidated. This has resulted in a one-time net profit of €0.6 million compared to losses from the DNage operations of €1.0 million incurred during the corresponding period in 2010. Both results have been presented as discontinued operations in the statement of income.

In the three months to March 31, 2011, Pharming recorded a net loss of €3.6 million (Q1 2010: €7.7 million). The net loss per share was €0.01 (Q1 2010: €0.05). At the end of the period, the number of shares outstanding was 461,116,470 compared to 154,501,037 at the end of the corresponding period in 2010 and 436,261,010 shares at December 31, 2010.

In Q1 2011 the Company received an aggregate amount of €10.0 million from Socius in relation to a year end 2010 receivable of €9.0 million plus €1.0 million following the exercise of all 24,339,623 warrants. Mainly due to these receipts and net operating cash outflows of €4.5 million, the total cash position increased from €10.5 million at December 31, 2010 to €15.6 million at the end of Q1 2011 (Q1 2011: €3.3 million).

OPERATIONAL HIGHLIGHTS

The rollout of Ruconest in Europe continues and both we and our partner, SOBI, remain confident that the launch is on track. Progress on reimbursement has been made across Europe both at national and regional levels.

We have received clarity from the FDA on the US development requirements for Rhucin. The issues raised by the FDA have been discussed and we have submitted the amended protocol for Study 1310 to the FDA.

We continue to focus on limiting our cash burn and to date a number of cost saving initiatives have been implemented. In Q3 2010 Pharming signed a manufacturing agreement with Sanofi Chimie to increase the production capacity of the drug substance of Ruconest. This will improve the cost of goods and competitiveness of Ruconest. We recently completed the lease financing of production equipment for this process.
In order to leverage our proprietary technology platform, a business development process on potential new platform collaborations has been initiated.

About Pharming Group NV

Pharming Group NV 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. 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 March 31, 2011
(amounts in €'000) (unaudited)

	March 31, 2011	December 31, 2010
Intangible assets	1,119	1,163
Property, plant and equipment	6,622	6,702
Restricted cash	1,164	176
Non-current assets	8,905	8,041
Inventories	8,894	9,013
Trade and other receivables	584	9,932
Restricted cash	247	-
Cash and cash equivalents	14,237	10,302
Current assets	23,962	29,247
Total assets	**32,867**	**37,288**
Share capital	18,445	17,450
Share premium	223,488	219,220
Other reserves	(233,659)	(225,806)
Shareholders' equity	8,274	10,864
Non-controlling interest	-	(764)
Total equity	8,274	10,100
Deferred license fees income	16,858	17,342
Other liabilities	143	162
Non-current liabilities	17,001	17,504
Derivative financial liability	396	573
Trade and other payables	5,260	7,175
Deferred license fees income	1,936	1,936
Current liabilities	7,592	9,684
Total equity and liabilities	**32,867**	**37,288**

CONSOLIDATED STATEMENT OF INCOME
For the quarter ended March 31, 2011
(amounts in €'000, except per share data) (unaudited)

	March 31, 2011	March 31, 2010
Continuing operations:		
License fees	484	-
Product sales	152	-
Revenues	**636**	**-**
Costs of product sales	(119)	-
Gross profit	**517**	**-**
Income from grants	42	81
Other income	**42**	**81**
Research and development	(3,920)	(4,076)
General and administrative	(892)	(880)
Share-based compensation	(42)	(103)
Costs	**(4,854)**	**(5,059)**
Loss from operating activities	**(4,295)**	**(4,978)**
Financial income	177	376
Financial expenses	(123)	(2,120)
Financial income and expenses	**54**	**(1,744)**
Net loss from continuing operations	**(4,241)**	**(6,722)**
Net profit/(loss) from discontinued operations	643	(979)
Net loss	**(3,598)**	**(7,701)**
Attributable to:		
Net loss from continuing operations	(4,241)	(6,722)
Net profit/(loss) from discontinued operations	739	(979)
Owners of the parent	**(3,502)**	**(7,701)**
Net loss from continuing operations	-	-
Net profit/(loss) from discontinued operations	(96)	-
Non-controlling interest	**(96)**	**-**
Share information:		
Basic and diluted net loss per share (€)	(0.01)	(0.05)
Weighted average shares outstanding	443,919,310	154,501,037
Number of shares outstanding at the end of the period	461,116,470	154,501,037

CONSOLIDATED STATEMENT OF CASH FLOWS
For the quarter ended March 31, 2011
(amounts in €'000) (unaudited)

	March 31, 2011	March 31, 2010
Payments of third party fees and expenses, including Value Added Tax	(3,551)	(5,580)
Net compensation paid to board members and employees	(967)	(898)
Payments of pension premiums, payroll taxes and social securities, net of grants settled	(854)	(714)
Other payments	-	(136)
Receipts from license partners	201	285
Receipt of Value Added Tax	222	388
Interest received	-	59
Receipt of grants	384	249
Other receipts	115	83
Net cash flows used in operating activities	**(4,450)**	**(6,264)**
Purchase of property, plant and equipment	(135)	(25)
Deconsolidation of DNage	(40)	-
Net cash flows used in investing activities	**(175)**	**(25)**
Net proceeds of equity issued	10,008	-
Proceeds convertible bonds issued	-	7,500
Payments of transaction fees and expenses	(66)	-
Payments of other financial liabilities	(12)	(12)
Net cash flows from financing activities	**9,930**	**7,488**
Net increase of net cash and cash equivalents	**5,305**	**1,199**
Net cash and cash equivalents at January 1	10,478	2,338
Exchange rate effects	(135)	(262)
Net increase of net cash and cash equivalents	5,305	1,199
Net cash and cash equivalents at March 31	**15,648**	**3,275**
Liquidity information		
Restricted cash (non-current)	1,164	176
Restricted cash (current)	247	-
Cash and cash equivalents	14,237	21,310
Bank overdrafts	-	(18,211)
Net cash and cash equivalents at March 31	**15,648**	**3,275**
Supplemental disclosure cash flows from/(used in) discontinued operations		
Net cash flows used in operating activities	-	(675)
Net cash flows used in investing activities	(40)	-
Net cash flows from financing activities	-	-