PRESS RELEASE

Hikma delivers excellent first half results with 16% revenue growth and 44% increase in adjusted EPS

London, 20 August 2014 – Hikma Pharmaceuticals PLC ("Hikma") (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY), the fast growing multinational pharmaceutical group, today reports its interim results for the six months ended 30 June 2014.

H1 2014 highlights

Group

- Group revenue increased by 16% to $738 million, driven by the very strong performance of our Injectables business in the first half
- Group adjusted operating margin rose to 33.2%, up from 29.6%, reflecting a higher Injectables margin
- Profit attributable to shareholders increased by 132% to $169 million. On an adjusted basis, profit attributable to shareholders rose 44% to $176 million
- Basic EPS increased 130% to 85.4 cents per share
- Net cash flow from operating activities increased by $64 million to $200 million
- Completed the acquisition of assets of Bedford Laboratories ("Bedford") in July 2014 and agreed to acquire substantially all of the assets of the Ben Venue manufacturing site, significantly enhancing the long term strength of our global Injectables business
- Continued to build our global product portfolio through new product introductions across all countries and markets – launched 49 products and received 140 product approvals
- Interim dividend of 7.0 cents per share, in line with the first half of 2013
- Declared a special dividend of 4.0 cents per share, reflecting the exceptionally strong market opportunities captured by our US businesses in the first half of 2014

Branded

- Good performances across most markets, with strong growth in key markets such as Egypt and Saudi Arabia
- Lower than expected sales in Algeria due to restructuring and in Sudan, Iraq and Libya due to escalating political disruptions
- Branded revenue grew by 1% and adjusted operating profit decreased by 9%, with adjusted operating margin of 20.8%, compared with 23.0% in the first half of 2013
- Branded business is now expected to deliver low single digit revenue growth for the full year, resulting in an adjusted operating margin below full year 2013

Injectables

- Global Injectables revenue grew 41%, with an adjusted operating margin of 41.0%
- Excellent performance in the first half, driven by strong underlying growth in the US, enhanced by specific market opportunities
- Continue to expect Injectables revenue growth above 20% for the full year, reflecting the weighting of sales towards the first half, and adjusted operating margin of around 35% for the full year, before the slight dilution from Bedford

Generics

- Continued benefit from specific market opportunities and the re-introduction of products drove Generics revenue of $128 million, a decrease of only 3%
- Generics adjusted operating profit was $79 million compared with $82 million in the first half of 2013, with an adjusted operating margin of 61.7%
- We now expect full year revenue to be around $200 million, with an adjusted operating margin of above 45%

Said Darwazah, Chief Executive Officer of Hikma, said:

"I am very pleased with our first half results, which reflect strong underlying performances in our businesses and our success in capturing a number of specific market opportunities.

In the MENA region, our focus on new, higher value products is delivering good results in key markets. Whilst this is being offset by weakness in other markets this year, our businesses across the region remain well positioned to drive future growth. Our Injectables business delivered an excellent performance, as we captured a number of attractive market opportunities. I am delighted we have acquired the Bedford assets, which will add products, R&D capabilities and capacity to support future growth for the global Injectables business. Our Generics business is performing extremely well and we are working hard to strengthen the product portfolio and pipeline.

Over the past eighteen months the Group has generated significant cash flows and our strong balance sheet is enabling us to make strategic investments across our businesses. Overall, the Group is benefiting from our diversified business model and I am pleased to be reiterating our Group guidance of around 5% revenue growth for the full year."

Group financial highlights

Summary P&L $ million	**H1 2014**	H1 2013	Change
Revenue	**738**	638	+16%
Gross profit	**441**	353	+25%
Gross margin	***59.8%***	*55.3%*	*+4.5pp*
Operating profit	**236**	143	+65%
Adjusted operating profit [1]	**245**	189	+30%
Adjusted operating margin	***33.2%***	*29.6%*	*+3.6pp*
EBITDA[2]	**269**	182	+48%
Profit attributable to shareholders	**169**	73	+132%
Adjusted profit attributable to shareholders[1]	**176**	122	+44%
Basic earnings per share (cents)	**85.4**	37.1	+130%
Adjusted basic earnings per share (cents) [1]	**88.9**	61.9	+44%
Dividend per share (cents)	**7.0**	7.0	--
Special dividend per share (cents)	**4.0**	3.0	+33%
Total dividend per share (cents)	**11.0**	10.0	+10%
Net cash flow from operating activities	**200**	136	+47%

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[1] Before the amortisation of intangible assets (excluding software) and exceptional items, as set out in note 4 to the condensed set of financial statements

[2] Earnings before interest, tax, depreciation and amortisation. EBITDA is stated before impairment charges and share of results from associated companies

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About Hikma
Hikma Pharmaceuticals PLC is a fast growing pharmaceutical group focused on developing, manufacturing and marketing a broad range of both branded and non-branded generic and in-licensed products. Hikma's operations are conducted through three businesses: "Branded", "Injectables" and "Generics" based primarily in the Middle East and North Africa ("MENA") region, where it is a market leader, the United States and Europe. In 2013, Hikma achieved revenues of $1,365 million and profit attributable to shareholders of $212 million.

A presentation for analysts and investors will be held today at 09:30 at FTI Consulting, 200 Aldersgate, Aldersgate Street London EC1A 4HD. To join via conference call please dial: +44 (0) 20 3003 2666 or 0808 109 0700 (UK toll free). Alternatively you can listen live via our website at www.hikma.com. A recording of both the meeting and the call will be available on the Hikma website. The contents of this website do not form part of this interim management report.

Interim management report

The interim management report set out below summarises the performance of Hikma's three main business segments, Branded, Injectables and Generics, for the six months ended 30 June 2014.

Group revenue by business segment (%)

	H1 2014	H1 2013
Branded	**35%**	40%
Injectables	**47%**	39%
Generics	**17%**	21%
Others	**1%**	0%

Group revenue by region (%)

	H1 2014	H1 2013
MENA	**40%**	46%
US	**54%**	47%
Europe and ROW	**6%**	7%

Branded

H1 2014 highlights:

- Branded revenue increased by 1% and adjusted operating margin was 20.8%
- Disruptions in some markets are limiting growth this year but the underlying businesses remain strong
- Continued investment in sales and marketing, R&D and manufacturing capacity across our markets will drive future growth

Branded revenue increased by 1% in the first half of 2014 to $259 million, compared with $257 million in the first half of 2013. The net effect of individual currency movements in the MENA region during the period was minimal and therefore Branded revenue on a constant currency basis was $259 million, in line with reported revenue. Across our businesses, we are focusing on improving the product mix towards strategic, higher value products and enhancing the promotion of new product launches. Strong revenue growth in markets such as Egypt and Saudi Arabia was offset primarily by lower than expected sales in markets such as Algeria and Sudan. We expect to deliver stronger growth in the second half of the year.

Our Egyptian business had an excellent first half, with revenue growth of around 15%. This reflects strong demand for existing products combined with continued momentum in new product launches. Saudi Arabia and Morocco also delivered excellent growth, driven by demand for products launched in 2013 and in the first half of 2014. Morocco is also benefiting from the restructuring of the sales and marketing function, which is more than offsetting the impact of Government mandated price cuts on certain products.

In Algeria, we delivered lower sales in the first half, compared to the first half of 2013. This is a result of actions we took to restructure our distribution arrangements and better manage our credit risk. Whilst this is impacting reported revenue in 2014, we continue to see strong demand for our products in the market, which we expect will drive improved sales in 2015. We have also upgraded our management team in Algeria across key functions in order to strengthen the business going forward. Sudan, Iraq and Libya all achieved lower than expected sales in the first half. In Sudan, due to the limited availability of foreign currency reserves, we restricted shipments of our products during the period. Whilst we have since resumed shipping, sales will be lower than expected for the full year in 2014. Political disruptions in Iraq and Libya further impacted sales.

During the first half of 2014, the Branded business launched a total of 37 products across all markets, including 3 new compounds and 8 new dosage forms and strengths. The Branded business also received 94 regulatory approvals across the region.

Revenue from in-licensed products increased from $95 million to $106 million in the first half. In-licensed products represented 41% of Branded revenue, compared with 37% in the first half of 2013. We signed 4 new licensing agreements for innovative oral products during the first half of 2014, which will support our continued focus on growing our portfolio of higher value products in growing therapeutic areas.

Branded gross profit of $129 million and gross margin of 49.8% were in line with the first half of 2013, reflecting a sustained improvement in the product mix. Operating profit in the Branded business of $49 million was slightly below the $53 million achieved in the first half of 2013. Adjusted operating margin was 20.8%, compared with 23.0% in the first half of 2013, after excluding the amortisation of intangibles of $5 million. The lower margin reflects a significant increase in investment in sales and marketing, primarily reflecting increased promotional activities in core markets. This strategic investment will support future growth in key therapeutic categories, enhance our relationships with key customers and enable more focused promotion of new products.

We expect the Branded business to deliver stronger growth in the second half of 2014. However, we have lowered our full year revenue expectations for Algeria and Sudan and we also expect the disruptions in Iraq and Libya to further impact sales this year. Overall, we now expect the Branded business to deliver low single digit revenue growth for the full year, resulting in an adjusted operating margin below full year 2013.

Injectables

H1 2014 highlights:

- Global Injectables revenue grew by 41% to $346 million, with adjusted operating margin of 41.0%, up from 28.5%
- Excellent performance in US Injectables, up 62%, reflects our success in capturing specific market opportunities
- Acquisition of Bedford assets will strengthen the portfolio and drive revenue and profitability over the medium and longer term

Injectables revenue by region

	H1 2014	H1 2013
US	**77%**	67%
MENA	**12%**	16%
Europe and ROW	**11%**	17%

Revenue in our global Injectables business increased by 41% to $346 million, compared with $246 million in the first half of 2013.

US Injectables revenue grew by $103 million, or 62%, to $268 million. This excellent performance reflects strong underlying growth and our success in capturing specific market opportunities. Our quality track record and high customer service levels also continue to be key competitive advantages.

In MENA, Injectables revenue of $40 million was in line with the first half of 2013. Growth across the majority of our markets was primarily offset by lower sales in Algeria. We are expecting full year revenue for MENA Injectables to be slightly ahead of 2013. In Europe, revenue decreased by 7% to $38 million, with double-digit growth in own drugs being offset by a reduction in contract manufacturing services as we reallocated capacity to produce for the US market.

Injectables gross profit increased by 73% to $215 million, compared with $124 million in the first half of 2013. Gross margin increased significantly to 62.1%, compared with 50.4% in the first half of 2013. This reflects exceptionally strong sales from certain market opportunities in the US, a focus on higher value products and tight control of overhead costs across our manufacturing facilities.

Operating profit increased by 122% to $140 million. Adjusted operating profit increased by 103% to $142 million. Adjusted operating margin increased from 28.5% to 41.0%. This excellent margin expansion reflects the increase in gross margin.

During the first half of 2014, the Injectables business launched a total of 12 products across all markets, including 7 new compounds and 7 new dosage forms and strengths. The Injectables business also received a total of 46 regulatory approvals across all regions and markets, namely 20 in MENA and 26 in Europe.

On 15 July 2014, we completed the acquisition of assets of Bedford Laboratories ("Bedford"), a member of the Boehringer Ingelheim Group of Companies. The total consideration payable of up to $300 million comprised an upfront cash payment of $225 million and further contingent cash payments of up to $75 million, subject to the achievement of performance-related milestones over a period of five years. The assets acquired will significantly enhance our global Injectables business, adding a large portfolio of 82 products, a strong R&D and business development pipeline and a number of employees across key business functions such as R&D and sales and marketing. In addition, Hikma signed an agreement on 24 July 2014 to acquire substantially all of the assets of the Ben Venue Laboratories ("Ben Venue") manufacturing facility in Bedford, Ohio. The Ben Venue site includes four manufacturing plants and a Quality and Development Centre ("QDC") with excellent capabilities. No incremental consideration is payable in relation to the acquisitions of the Ben Venue site.

The first step towards integrating the acquisition will be to transfer an initial tranche of around 20 of Bedford's products to our existing global manufacturing facilities in the US, Germany and Portugal (all manufacturing at the Ben Venue site was ceased in December 2013). We expect to re-launch these products by 2017, leveraging the QDC and Bedford's strong R&D team to expedite the transfer and reactivation of these products. In the short term, we will transfer certain modern, advanced equipment, including lyophilisers and filling lines, to our other global manufacturing facilities in the US and Europe to enhance our current manufacturing capacity and capabilities. The acquisition of the site is expected to be completed in the second half of 2014, subject to customary approvals in the United States.

We are reiterating our guidance of revenue growth above 20% for the full year and adjusted operating margin around 35%, prior to the impact of the Bedford acquisition. We continue to expect that specific market opportunities, which have been strong contributors in the first half, will not continue through the second half of the year. As previously communicated, we expect slight dilution from the Bedford acquisition in 2014 and 2015, with strong accretion thereafter.

Generics

H1 2014 highlights:

- Generics revenue of $128 million
- Adjusted operating profit of $79 million, with an adjusted operating margin of 61.7%

Generics revenue was $128 million, compared to $132 million in the first half of 2013. The specific market opportunities that drove very strong growth in 2013 continued into the first half and we also benefited from an increase in revenue from re-launched products. Our portfolio of marketed products is growing and we are gradually re-building market share.

Generics gross profit was $95 million, compared with $99 million in the first half of 2013, and gross margin was 74.2%, compared with 75.0% in the first half of 2013. Operating profit was $78 million, compared with $49 million in the first half of 2013, which reflected the adverse impact of non-recurring plant remediation and other costs of $33 million. On an adjusted basis, operating profit of $79 million in the first half of 2014, was broadly in line with $82 million in the first half of 2013. Adjusted operating margin was 61.7%, compared with 62.1% in the first half of 2013.

Due to the strength of revenue in the first half of 2014, we now expect full year revenue for the Generics business to be around $200 million, with an adjusted operating margin of above 45%. The weighting of revenue and profitability to the first half reflects our expectation that specific market opportunities will slowdown in the second half of the year. Going forward, our strategic focus will continue to be on broadening our Generics product portfolio through the re-introduction of products, investing in our R&D pipeline and targeted M&A.

Other businesses

Other businesses, which primarily comprise Arab Medical Containers, a manufacturer of plastic specialised medicinal sterile containers, International Pharmaceuticals Research Centre, which conducts bio-equivalency studies, and the API manufacturing division of Hikma Pharmaceuticals Limited Jordan, contributed revenue of $5 million, compared with $3 million in the first half of 2013.

These other businesses delivered an operating loss of $3 million in the first half of 2014, in line with a loss of $3 million in the first half of 2013.

Group

Group revenue increased by 16% to $738 million, compared with $638 million in the first half of 2013. Group gross profit increased by 25% to $441 million and Group gross margin was 59.8%, compared with 55.3% in the first half of 2013, reflecting the significant increase in the gross margin of the global Injectables businesses.

Group operating expenses decreased by 2% to $205 million, compared with $210 million in the first half of 2013. Excluding the amortisation of intangible assets (excluding software) and exceptional items,[3] adjusted Group operating expenses grew by 20% to $196 million, compared with $164 million. The paragraphs below address the Group's main operating expenses in turn.

Sales and marketing expenses were $91 million, or 12% of revenue, compared with $78 million and 12% of revenue in the first half of 2013. The growth in sales and marketing costs reflects higher investment in our MENA sales teams to drive product promotion in the Branded business, higher employee benefits and other related sales expenses.

General and administrative expenses increased by $10 million, or 15%, to $77 million in the first half of 2014. The increase in expenses primarily reflects higher employee benefits related to the very strong performance of

[3] In H1 2014, amortisation of intangible assets (excluding software) was $7 million compared with $7 million in H1 2013. In H1 2014, exceptional items included within operating expenses were $2 million compared with $39 million in H1 2013

our US businesses this year and the strengthening of our corporate teams across key business functions, as well as higher consultancy costs.

Group R&D expenditure was $19 million in the first half of 2014, compared with $20 million in the first half of 2013, reflecting a continued focus on developing a strong product pipeline across our businesses. We invested a further $14 million in new product acquisitions and partnership agreements, which has been capitalised on the balance sheet. Total R&D and product related investment represented 4% of Group revenue, compared with 3% in the first half of 2013. We expect investment in R&D to increase slightly in the second half of 2014, as we continue to focus on new product development across the Group.

Other net operating expenses reduced by $27 million to $18 million. Excluding exceptional items, these expenses increased by $3 million, primarily reflecting an increase in foreign exchange losses.

Operating profit for the Group increased by 65% to $236 million in the first half of 2014. Group operating margin increased to 32.0%, compared with 22.4% in the first half of 2013. On an adjusted basis, Group operating profit increased by $56 million, or 30%, to $245 million and operating margin increased to 33.2%, up from 29.6% in the first half of 2013.

Research & Development[4]

The Group's product portfolio continues to grow as a result of our in-house product development efforts. During the first half of 2014, we launched 10 new compounds, expanding the Group portfolio to 702 compounds in 1,687 dosage forms and strengths.[5] We manufacture and/or sell 95 of these compounds under license from the originator.

Across all businesses and markets, a total of 49 products were launched during the first half of 2014. In addition, the Group received 140 approvals.

	Total marketed products		Products launched in H1 2014			Products approved in H1 2014	Products pending approval as at 30 June 2014
	Compounds	Dosage forms and strengths	New compounds	New dosage forms and strengths	Total launches across all countries[6]	Total approvals across all countries[6]	Total pending approvals across all countries[6]
Branded	485[5]	1,246	3	8	37	94	420
Injectables	197	386	7	7	12	46	296
Generics	20	55	-	-	-	-	36
Group	**702**	**1,687**	**10**	**15**	**49**	**140**	**752**

To ensure the continuous development of our product pipeline, we submitted 199 regulatory filings in the first half of 2014 across all regions and markets. As of 30 June 2014, we had a total of 752 pending approvals across all regions and markets and a total of 297 products under development.

[4] Products are defined as pharmaceutical compounds sold by the Group. New compounds are defined as pharmaceutical compounds not yet launched by the Group and existing compounds being introduced into a new segment

[5] Totals include 123 dermatological and cosmetic compounds in 401 dosage forms and strengths that are only sold in Morocco

[6] Totals include all compounds and formulations that are either launched or approved or pending approval across all markets, as relevant

Results from associated companies

During the first half of 2014, we recognised a loss from associated companies of $2 million related to our minority interest in Unimark Remedies Limited ("Unimark").

Net finance expense

Net finance expense during the period was $15 million, compared with $17 million in the first half of 2013, reflecting lower borrowings in the period. Following the acquisition of the Bedford assets, completed on 15 July 2014, borrowings will be higher in the second half and we now expect net finance expense to be around $38 million for the full year.

Profit before tax

Profit before tax for the Group increased by 97% to $219 million, compared with $111 million in the first half of 2013. Adjusted profit before tax increased by 45% to $228 million.

Tax

The Group incurred a tax expense of $48 million, compared with $35 million in the first half of 2013. The effective tax rate was 21.9%, compared with 31.5% in the first half of 2013. The reduction in the effective tax rate reflects increased profitability in lower tax jurisdictions. We now expect the full year effective tax rate to be around 25%.

Profit attributable to equity holders of the parent

The Group's profit attributable to equity holders of the parent increased by 132% to $169 million in the first half of 2014. Adjusted profit attributable to equity holders of the parent increased by 44% to $176 million.

Earnings per share

Basic earnings per share increased by 130% to 85.4 cents, compared with 37.1 cents in the first half of 2013. Diluted earnings per share increased by 129% to 84.5 cents, compared with 36.9 cents in the first half of 2013. Adjusted diluted earnings per share was 88.0 cents, an increase of 43% over the first half of 2013.

Dividend

The Board has declared an interim dividend of 7.0 cents per share (approximately 4.2 pence per share), in line with 7.0 cents per share for the first half of 2013. In addition, the Board has declared a special dividend of 4.0 cents per share (approximately 2.4 pence per share), reflecting the exceptionally strong performances of our US businesses in the first half of 2014. [7] The interim dividend and the special dividend will be paid on 26 October 2014 to eligible shareholders on the register at the close of business on 29 August 2014. The ex-dividend date is 27 August 2014 and the final date for currency elections is 12 September 2014.

Net cash flow, working capital and net debt

The Group generated operating cash flow of $200 million in the first half of 2014, up $64 million from $136 million in the first half of 2013. The significant improvement in operating cash flow was achieved through the strong performance of the US Injectables and Generics businesses. Working capital days decreased by 7 days to 198 days in the first half of 2014, compared with 205 days in the first half of 2013.

Capital expenditure was $31 million, compared with $26 million in the first half of 2013. Around $21 million was spent in MENA to maintain and upgrade our equipment and facilities across a number of markets. The remaining $10 million was spent in the US and Europe, primarily to expand our Injectables manufacturing capacity, including the installation of a pre-filled syringe line.

Group net debt decreased from $267 million at 31 December 2013 to $175 million at 30 June 2014. This reflects the Group's strong cash generation in the first half of 2014.

[7] In the first half of 2013 the Board paid a special dividend of 3.0 cents per share, which reflected the exceptional performance of the Generics business in the first half of 2013

On 15 July 2014, we completed the acquisition of Bedford. The upfront cash consideration of $225 million was financed through a new debt facility. A further $75 million of contingency payments will be paid, subject to performance-related milestones, over the next five years.

Balance sheet

During the period, shareholder equity was negatively impacted by an unrealised foreign exchange loss of $7 million, primarily reflecting adverse movements in the Egyptian Pound, Algerian dinar, Euro and Moroccan dirham against the US dollar and the revaluation of net assets denominated in these currencies.

Summary and outlook

We delivered an excellent performance in the first half of 2014, with a 16% increase in revenue and a 44% increase in adjusted basic earnings per share, once again benefitting from our diversified business model.

We continue to expect the Group to deliver full year revenue growth of around 5% in 2014.

We expect the Branded business to deliver low single digit revenue growth for the full year, with adjusted operating margin below full year 2013. We expect the global Injectables business to deliver above 20% revenue growth in 2014 and adjusted operating margin of around 35%, prior to the impact of the Bedford acquisition. The Bedford acquisition is expected to be slightly dilutive in 2014 and 2015, with strong accretion thereafter. We expect the Generics business to achieve revenue of around $200 million in 2014, with an adjusted operating margin of above 45%.

Unallocated costs are expected to be around $65 million, including around $15 million of transaction and integration costs. Financing expense is expected to be around $38 million and the effective tax rate is expected to be around 25%.

Overall, we are very pleased with the performance of the Group in the first half of 2014 and we are confident in the outlook for the remainder of the year, as well as the Group's medium and long term growth prospects.

Principal risks and uncertainties

The Group's business faces risks and uncertainties which could have a significant effect on its financial condition, results of operation or future performance and could cause actual results to differ materially from expected and historical results.

Going concern statement

As set out in note 2 to the condensed financial statements, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Responsibility statement

The Board confirms that to the best of its knowledge:

a) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' gives a true and fair view of the assets and liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R;

b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months including their impact on the financial statements and description of principal risks and uncertainties for the remaining six months of the year); and

c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein which have had or could have a material financial effect on the financial position of the Group during the period).

By order of the Board

Said Darwazah
Chief Executive Officer

Khalid Nabilsi
Chief Financial Officer

19 August 2014

Cautionary statement

This interim management report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. It should not be relied on by any other party or for any other purpose.

Forward looking statements

This announcement may contain statements which are, or may be deemed to be, "forward looking statements" which are prospective in nature. All statements other than statements of historical fact may be forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward looking words such as "intends", "believes", "anticipates", "expects", "estimates", "forecasts", "targets", "aims", "budget", "scheduled" or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

Where included, such statements have been made by Hikma in good faith based on the information available to it up to the time of the approval of this announcement. By their nature, forward looking statements are based on current expectations, assumptions and projections about future events and therefore involve inherent risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements, and should be treated with caution. These risks, uncertainties or assumptions could adversely affect the outcome and financial effects of the plans and events described in this announcement. Forward looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future and a variety of factors, many of which are beyond Hikma's control, could cause actual results to differ materially from those projected or implied in any forward-looking statements. You should not place undue reliance on forward-looking statements, which speak as only of the date of the approval of this announcement.

Except as required by law, Hikma is under no obligation to update or keep current the forward looking statements contained in this announcement or to correct any inaccuracies which may become apparent in such forward looking statements. Except as expressly provided in this announcement, no forward looking or other statements have been reviewed by the auditors of Hikma. All subsequent oral or written forward looking statements attributable to the Hikma or any of its members, directors, officers or employees or any person acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

INDEPENDENT REVIEW REPORT TO HIKMA PHARMACEUTICALS PLC

We have been engaged by Hikma Pharmaceuticals PLC (the 'Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 18. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

19 August 2014

Hikma Pharmaceuticals PLC
Condensed Consolidated Income Statement

	Note	H1 2014 $m (Unaudited)	H1 2013 $m (Unaudited)	FY 2013 $m (Audited)
Continuing operations				
Revenue	3	738	638	1,365
Cost of sales	3	(297)	(285)	(601)
Gross profit	3	**441**	**353**	**764**
Sales and marketing costs		(91)	(78)	(160)
General and administrative expenses		(77)	(67)	(151)
Research and development costs		(19)	(20)	(39)
Other operating expenses (net)		(18)	(45)	(62)
Total operating expenses		**(205)**	**(210)**	**(412)**
Adjusted operating profit		**245**	**189**	**413**
Exceptional items				
- Acquisition related expenses	4	(1)	-	-
- Severance expenses	4	-	(1)	(1)
- Plant remediation costs	4	(1)	(19)	(24)
- Impairment losses	4	-	(9)	(10)
- Other claims provisions	4	-	(10)	(11)
Intangible amortisation*	4	(7)	(7)	(15)
Operating profit	3	**236**	**143**	**352**
Associated companies				
-share of results	8	(2)	-	(3)
-exceptional impairment of investment	8	-	(15)	(16)
Finance income		1	1	2
Finance expense		(16)	(18)	(37)
Profit before tax		**219**	**111**	**298**
Tax	5	(48)	(35)	(82)
Profit for the period/year		**171**	**76**	**216**
Attributable to:				
Non-controlling interests		2	3	4
Equity holders of the parent		**169**	**73**	**212**
		171	**76**	**216**
Earnings per share (cents)				
Basic	7	85.4	37.1	107.6
Diluted	7	84.5	36.9	107.1
Adjusted basic	7	88.9	61.9	139.1
Adjusted diluted	7	88.0	61.6	138.4

On this page and throughout this interim financial information "H1 2014" refers to the six months ended 30 June 2014, "H1 2013" refers to the six months ended 30 June 2013 and "FY 2013" refers to the year ended 31 December 2013.

* Intangible amortisation comprises the amortisation of intangible assets other than software.

Hikma Pharmaceuticals PLC
Condensed Consolidated Statement of Comprehensive Income

	H1 2014 $m (Unaudited)	H1 2013 $m (Unaudited)	FY 2013 $m (Audited)
Profit for the period/year	**171**	**76**	**216**
Items that may be reclassified subsequently to profit or loss:			
-Cumulative effect of change in fair value of financial derivatives	-	3	3
-Exchange difference on translation of foreign operations	(7)	(13)	3
Total comprehensive income for the period/year	**164**	**66**	**222**
Attributable to:			
Non-controlling interests	2	3	5
Equity holders of the parent	**162**	**63**	**217**
	164	**66**	**222**

Hikma Pharmaceuticals PLC
Condensed Consolidated Balance Sheet

	Note	30 June 2014 $m (Unaudited)	30 June 2013 $m (Unaudited)	31 December 2013 $m (Audited)
Non-current assets				
Intangible assets		444	435	447
Property, plant and equipment		447	424	443
Investment in associates and joint ventures	8	20	23	22
Deferred tax assets		92	49	86
Financial and other non-current assets		38	11	34
		1,041	**942**	**1,032**
Current assets				
Inventories	9	309	273	276
Trade and other receivables	10	418	389	439
Collateralised and restricted cash		7	5	7
Cash and cash equivalents		282	120	168
Other current assets		6	3	7
		1,022	**790**	**897**
Total assets		**2,063**	**1,732**	**1,929**
Current liabilities				
Bank overdrafts and loans	13	203	172	159
Obligations under finance leases		1	2	1
Trade and other payables	11	219	196	241
Income tax provision		58	30	65
Other provisions		20	12	20
Other current liabilities	12	109	89	100
		610	**501**	**586**
Net current assets		**412**	**289**	**311**
Non-current liabilities				
Long-term financial debts	13	237	288	263
Obligations under finance leases		23	19	19
Deferred tax liabilities		25	25	26
Derivative financial instruments		1	1	1
		286	**333**	**309**
Total liabilities		**896**	**834**	**895**
Net assets		**1,167**	**898**	**1,034**
Equity				
Share capital		35	35	35
Share premium		281	280	281
Own shares		(3)	-	(3)
Other reserves		836	566	704
Equity attributable to equity holders of the parent		**1,149**	**881**	**1,017**
Non-controlling interests		18	17	17
Total equity		**1,167**	**898**	**1,034**

The financial statements of Hikma Pharmaceuticals PLC, registered number 5557934, were approved by the Board of Directors and signed on its behalf by:

Said Darwazah
Director

Mazen Darwazeh
Director

19 August 2014

Hikma Pharmaceuticals PLC
Condensed Statement of Changes in Equity

	Merger and Revaluation reserves $m	Translation reserves $m	Retained earnings $m	Total reserves $m	Share capital $m	Share premium $m	Own shares $m	Total equity attributable to equity shareholders of the parent $m	Non-controlling interests $m	Total equity $m
Balance at 1 January 2013 (Audited)	**38**	**(48)**	**529**	**519**	**35**	**279**	**-**	**833**	**15**	**848**
Profit for the period	-	-	73	**73**	-	-	-	**73**	3	**76**
Cumulative effect of change in fair value of financial derivatives	-	-	3	**3**	-	-	-	**3**	-	**3**
Currency translation loss	-	(13)	-	**(13)**	-	-	-	**(13)**	-	**(13)**
Total comprehensive income for the period	-	(13)	76	**63**	-	-	-	**63**	3	**66**
Issue of equity shares	-	-	-	**-**	-	1	-	**1**	-	**1**
Cost of equity settled employee share schemes	-	-	3	**3**	-	-	-	**3**	-	**3**
Dividends on ordinary shares (note 6)	-	-	(19)	**(19)**	-	-	-	**(19)**	(1)	**(20)**
Balance at 30 June 2013 (Unaudited)	**38**	**(61)**	**589**	**566**	**35**	**280**	**-**	**881**	**17**	**898**
Balance at 1 January 2013 (Audited)	**38**	**(48)**	**529**	**519**	**35**	**279**	**-**	**833**	**15**	**848**
Profit for the year	-	-	212	**212**	-	-	-	**212**	4	**216**
Cumulative effect of change in financial derivatives	-	-	3	**3**	-	-	-	**3**	-	**3**
Currency translation gain	-	2	-	**2**	-	-	-	**2**	1	**3**
Total comprehensive income for the year	-	2	215	**217**	-	-	-	**217**	5	**222**
Issue of equity shares	-	-	-	**-**	-	2	-	**2**	-	**2**
Own shares acquired	-	-	-	**-**	-	-	(3)	**(3)**	-	**(3)**
Cost of equity settled employee share schemes	-	-	7	**7**	-	-	-	**7**	-	**7**
Dividends on ordinary shares (note 6)	-	-	(39)	**(39)**	-	-	-	**(39)**	(3)	**(42)**
Balance at 31 December 2013 (Audited)	**38**	**(46)**	**712**	**704**	**35**	**281**	**(3)**	**1,017**	**17**	**1,034**
Profit for the period	-	-	169	**169**	-	-	-	**169**	2	**171**
Currency translation loss	-	(7)	-	**(7)**	-	-	-	**(7)**	-	**(7)**
Total comprehensive income for the period	-	(7)	169	**162**	-	-	-	**162**	2	**164**
Cost of equity settled employee share schemes	-	-	4	**4**	-	-	-	**4**	-	**4**
Dividends on ordinary shares (note 6)	-	-	(34)	**(34)**	-	-	-	**(34)**	(1)	**(35)**
Balance at 30 June 2014 (Unaudited)	**38**	**(53)**	**851**	**836**	**35**	**281**	**(3)**	**1,149**	**18**	**1,167**

Hikma Pharmaceuticals PLC
Condensed Consolidated Statement of Cash Flow

	Note	H1 2014 $m (Unaudited)	H1 2013 $m (Unaudited)	FY 2013 $m (Audited)
Net cash from operating activities	14	**200**	**136**	**337**
Investing activities				
Purchases of property, plant and equipment		(43)	(27)	(59)
Proceeds from disposal of property, plant and equipment		-	1	1
Purchase of intangible assets		(13)	(3)	(16)
Acquisition of interest in joint venture		-	-	(3)
Investment in financial and other non-current assets		(4)	-	(22)
Acquisition of subsidiary undertakings, net of cash acquired		-	(18)	(18)
Finance income		1	1	2
Net cash used in investing activities		**(59)**	**(46)**	**(115)**
Financing activities				
Increase in collateralised and restricted cash		-	(4)	(5)
Increase in long-term financial debts		5	7	7
Repayment of long-term financial debts		(31)	(91)	(117)
Increase/(decrease) in short-term borrowings		45	(20)	(34)
Increase/(decrease) in obligations under finance leases		4	(1)	1
Dividends paid		(34)	(19)	(39)
Dividends paid to non-controlling shareholders of subsidiaries		(1)	(2)	(3)
Purchase of own shares		-	-	(4)
Interest paid		(16)	(18)	(37)
Proceeds from issue of new shares		-	2	2
Net cash used in financing activities		**(28)**	**(146)**	**(229)**
Net increase/(decrease) in cash and cash equivalents		**113**	**(56)**	**(7)**
Cash and cash equivalents at beginning of period/year		168	177	177
Foreign exchange translation movements		1	(1)	(2)
Cash and cash equivalents at end of period/year		**282**	**120**	**168**

Hikma Pharmaceuticals PLC
Notes to the condensed set of financial statements

1. General information

The financial information for the year ended 31 December 2013 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2013, which were prepared under International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board, have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under Section 498 (2) or (3) of the Companies Act 2006.

2. Accounting policies

The unaudited condensed set of financial statements for the six months ended 30 June 2014 have been prepared using the same accounting policies and on a basis consistent with the audited financial statements of Hikma Pharmaceuticals PLC (the 'Group') for the year ended 31 December 2013 which are prepared in accordance with IFRSs as adopted by the European Union.

Basis of preparation

The currency used in the preparation of the accompanying condensed set of financial statements is the US Dollar ($) as the majority of the Group's business in is conducted US Dollars.

The Group's condensed set of financial statements included in this half- yearly financial report have been prepared in accordance with International Accounting Standards 34 'Interim Financial Reporting' as adopted by the European Union. They were approved by the Board on 19 August 2014.

Taxes on income for interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Going concern

The Group has $473.2 million of undrawn facilities as at 30 June 2014. Of the undrawn facilities, $325.1 million were committed. These facilities are well diversified across the subsidiaries of the Group with a number of financial institutions.

We continue to expect the short-term facilities to be renewed upon maturity. In addition the Group maintained cash and cash equivalents of $282 million as at 30 June 2014. The Group's forecasts, taking into account reasonable possible changes in trading performance, facility renewal sensitivities and maturities of long-term debt, show that the Group should be able to operate within the levels of its facilities.

On 15 July 2014 Hikma announced that it had completed its acquisition of assets of the US generic injectables business, Bedford Laboratories ("Bedford") from Ben Venue Laboratories, Inc. ("Ben Venue"), a member of the Boehringer Ingelheim Group of Companies. The total consideration for the acquisition is up to $300 million comprised of an upfront cash payment of $225 million which was paid on 15 July 2014 and contingent cash payments of up to $75 million, subject to the achievement of performance-related milestones over a period of five years from closing the transaction. Moreover, on 24 July 2014 Hikma announced that it had agreed with Ben Venue to acquire substantially all of the assets of their generic injectables manufacturing site in Bedford, Ohio. The acquisition is pursuant to the exclusivity arrangement entered into with Ben Venue on 28 May 2014. No incremental consideration will be payable in relation to Hikma's acquiring the Ben Venue manufacturing site.

This upfront consideration of $225 million was financed by a bridge loan facility undertaken in July 2014.

Although the current economic conditions may affect short-term demand for our products, and place pressure on customers and suppliers who may face liquidity issues, the Group's geographic spread, product diversity, large customer and supplier base substantially mitigate these risks.

In addition, the Group operates in the relatively defensive generic pharmaceuticals industry which we expect to be less affected compared to other industries that are subject to greater cyclical changes.

After making enquiries, the Directors believe that the Group is adequately placed to manage its business and financing risks successfully despite the current uncertain economic outlook.

Accordingly, they continue to adopt the going concern basis in preparing the half-yearly set of condensed financial statement.

Changes in accounting policies

The same accounting policies, presentation and method of computation are followed in the condensed set of financial statements as has been applied in the Group's latest annual audited financial statements.

Adoption of new and revised standards

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IAS 27 (revised 2011)	Separate Financial Statements
IAS 28 (revised 2011)	Investment in Associates and Joint Ventures
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment entities
Amendments to IAS 36	Recoverable amount disclosures for Non-Financial assets
Amendments to IAS 39	Novation of Derivatives and continuation of hedge accounting

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRIC 21	Levies
Amendments to IAS 19	Defined benefit plan: Employee contribution
Annual improvements to IFRSs	2010-12 Cycle (Dec 2013)
Annual improvements to IFRSs	2011-12 Cycle (Dec 2013)
IFRS 9	Financial instruments
IFRS 14	Regulatory deferral accounts
Amendments to IFRS 11	Accounting for acquisitions of interest in joint operations
Amendments to IAS 16 and IAS 38	Clarification of acceptable Methods of depreciation and amortisation
IAS24	Related Party Disclosures

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

In addition to the above, IFRS 15: *Revenue from contracts with customers* has also been issued but is not yet effective. IFRS 15 addresses recognition of revenue from customer contracts and impacts the amounts and timing of the recognition of such revenue. The Group is yet to assess the impact of IFRS 15 on the consolidated financial statements.

3. Business and geographical segments

For management purposes, the Group is currently organised into three operating divisions – Branded, Injectables and Generics. These divisions represent the Group's reportable segments under IFRS 8 and are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

Six months ended 30 June 2014 (unaudited)	**Branded $m**	**Injectables $m**	**Generics $m**	**Others $m**	**Group $m**
Revenue	259	346	128	5	738
Cost of sales	(130)	(131)	(33)	(3)	(297)
Gross profit	129	215	95	2	441
Adjusted segment result	**54**	**142**	**79**	**(3)**	**272**
Exceptional items :					
- Plant remediation costs	-	-	(1)	-	(1)
Intangible amortisation*	(5)	(2)	-	-	(7)
Segment result	49	140	78	(3)	264

Adjusted Unallocated corporate expenses	**(27)**
Exceptional items :	
- Acquisition related expenses	(1)
Unallocated corporate expenses	(28)
Adjusted operating profit	**245**
Operating profit	236
Associated companies	
- Share of results	(2)
Finance income	1
Finance expense	(16)
Profit before tax	219
Tax	(48)
Profit for the period	171
Attributable to:	
Non-controlling interest	2
Equity holders of the parent	169
	171

Segment result is defined as operating profit for each segment.

*Intangible amortisation comprises the amortisation of intangible assets other than software.

"Others" mainly comprise Arab Medical Containers Ltd, International Pharmaceutical Research Center Ltd and the chemicals division of Hikma Pharmaceuticals Ltd (Jordan).

Unallocated corporate expenses are primarily made up of employee costs, office cost, professional fees, donations and travel expenses.

30 June 2014 (Unaudited)

	Branded $m	Injectables $m	Generics $m	Corporate and Others $m	Group $m
Additions to property, plant and equipment (cost)	19	10	2	-	31
Additions to intangible assets (cost)	3	6	1	-	10
Total property, plant and equipment and intangible assets (net book value)	519	314	52	6	891
Depreciation	12	7	4	1	24
Amortisation (including software)	5	4	-	-	9
Interest in associated companies	-	-	-	20	20
Balance sheet					
Total assets	1,266	583	136	78	2,063
Total liabilities	567	202	47	80	896

Six months ended
30 June 2013 (unaudited)

	Branded $m	Injectables $m	Generics $m	Others $m	Group $m
Revenue	257	246	132	3	638
Cost of sales	(127)	(122)	(33)	(3)	(285)
Gross profit	130	124	99	-	353
Adjusted segment result	**59**	**70**	**82**	**(3)**	**208**
Exceptional items :					
- Severance expenses	(1)	-	-	-	(1)
- Plant remediation costs	-	-	(19)	-	(19)
- Impairment losses	-	(5)	(4)	-	(9)
- Other claims provision	-	-	(10)	-	(10)
Intangible amortisation*	(5)	(2)	-	-	(7)
Segment result	53	63	49	(3)	162
Unallocated corporate expenses					(19)
Adjusted Operating Profit					**189**
Operating profit					143
Impairment of investment in associates					(15)
Finance income					1
Finance expense					(18)
Profit before tax					111
Tax					(35)
Profit for the period					76
Attributable to:					
Non-controlling interest					3
Equity holders of the parent					73
					76

Segment result is defined as operating profit for each segment.

*Intangible amortisation comprises the amortisation of intangible assets other than software.

"Others" mainly comprise Arab Medical Containers Ltd, International Pharmaceutical Research Center Ltd and the chemicals division of Hikma Pharmaceuticals Ltd (Jordan).

Unallocated corporate expenses are primarily made up of employee costs, office costs, professional fees, and travel expenses.

30 June 2013 (Unaudited)

	Branded $m	Injectables $m	Generics $m	Corporate and Others $m	Group $m
Additions to property, plant and equipment (cost)	12	12	2	-	26
Acquisition of subsidaries' property, plant and equipment (net book value)	6	-	-	-	6
Additions to intangible assets (cost)	1	4	-	-	5
Intangible assets arising on acquisition	19	-	-	-	19
Total property, plant and equipment and intangible assets (net book value)	510	293	50	6	859
Depreciation	10	7	4	1	22
Amortisation and impairment (including software)	5	7	4	-	16
Interest in associated companies	-	-	-	23	23
Balance sheet					
Total assets	1,050	492	142	48	1,732
Total liabilities	553	175	51	55	834

Year ended
31 December 2013 (Audited)

	Branded $m	Injectables $m	Generics $m	Others $m	Group $m
Revenue	554	536	268	7	1,365
Cost of sales	(278)	(254)	(62)	(7)	(601)
Gross profit	276	282	206	-	764
Adjusted segment result	**135**	**166**	**166**	**(9)**	**458**
Exceptional items :					
- Severance expenses	(1)	-	-	-	(1)
- Plant remediation costs	-	-	(24)	-	(24)
- Impairment losses	-	(6)	(4)	-	(10)
- Other claims provisions	-	-	(11)	-	(11)
Intangible amortisation*	(10)	(5)	-	-	(15)
Segment result	124	155	127	(9)	397
Unallocated corporate expenses					(45)
Adjusted operating profit					**413**
Operating profit					352
Associated companies					
- Share of results					(3)
- Exceptional impairment of investment					(16)
Finance income					2
Finance expense					(37)
Profit before tax					298
Tax					(82)
Profit for the year					216
Attributable to:					
Non-controlling interest					4
Equity holders of the parent					212
					216

Segment result is defined as operating profit for each segment.

*Intangible amortisation comprises the amortisation of intangible assets other than software.

"Others" mainly comprise Arab Medical Containers Ltd, International Pharmaceutical Research Center Ltd and the chemicals division of Hikma Pharmaceuticals Ltd (Jordan).

Unallocated corporate expenses are primarily made up of employee costs, office costs, professional fees, donations, and travel expenses.

31 December 2013 (Audited)

	Branded $m	Injectables $m	Generics $m	Corporate and Others $m	Group $m
Additions to property, plant and equipment (cost)	25	31	10	-	66
Acquisition of subsidaries' property, plant and equipment (net book value)	6	-	-	-	6
Additions to intangible assets	3	13	2	-	18
Intangible assets arising on acquisition	20	-	-	-	20
Total property, plant and equipment and intangible assets (net book value)	519	314	51	6	890
Depreciation and impairment	22	17	8	2	49
Amortisation and impairment (including software)	10	12	4	-	26
investment in associates and joint ventures	-	-	-	22	22
Balance sheet					
Total assets	1,138	592	141	58	1,929
Total liabilities	551	259	25	60	895

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	H1 2014 $m	H1 2013 $m	FY 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Middle East and North Africa	296	293	638
United States	396	297	631
Europe and Rest of the World	45	45	89
United Kingdom	1	3	7
	738	638	1,365

The top selling markets were as below:

	H1 2014 $m	H1 2013 $m	FY 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
United States	396	297	631
Saudi Arabia	68	61	132
Algeria	40	51	125
	504	409	888

Included in revenues arising from the Generics and Injectables segments are revenues of approximately $121 million (30 June 2013: $82 million and 31 December 2013: $172 million) which arose from the Group's largest customer which is located in the United States.

4. Exceptional items and intangible amortisation

Exceptional items are disclosed separately in the consolidated income statement to assist in the understanding of the Group's underlying performance.

	H1 2014 $m	H1 2013 $m	FY 2013 $m
Acquisition related expenses	(1)	-	-
Other Costs:			
Severance expenses	-	(1)	(1)
Plant remediation costs	(1)	(19)	(24)
Impairment losses	-	(9)	(10)
Other claims provisions	-	(10)	(11)
Exceptional items included in operating profit	**(2)**	**(39)**	**(46)**
Impairment of investment in associates	-	(15)	(16)
Exceptional items included in profit	**(2)**	**(54)**	**(62)**
Intangible amortisation*	(7)	(7)	(15)
Exceptional items and intangible amortisation	**(9)**	**(61)**	**(77)**
Tax effect	2	12	15
Impact on profit for the period/ year	**(7)**	**(49)**	**(62)**

*Intangible amortisation comprises the amortisation of intangible assets other than software.

Acquisition related expenses are costs incurred from acquiring Bedford Laboratories (See note 18).

Plant remediation costs represent the remainder of costs incurred for compliance work at our Eatontown facility in response to observations made by the US FDA. Remediation costs are included in other operating expenses.

In previous periods exceptional items relate to the following:

Other costs

Severance expenses in 2013 related to restructuring of management teams in MENA.

Impairment losses are related to the write off of intangible product rights (30 June 2013: $7 million and 31 December 2013: $8 million), in addition to the write off of certain property, plant and equipment (30 June 2013: $2 million and 31 December 2013: $2 million). Impairment of intangible assets is included in research and development. Impairment of fixed assets is included in other operating expenses.

Other claims provisions relate to the Group's best estimate of the ultimate settlement amount of claims outstanding in the current period and is included in other operating expenses.

Impairment of investment in associates

During 2011, Hikma acquired a minority interest in Unimark Remedies Limited ("Unimark") in India for a cash consideration of $34 million. Unimark manufactures active pharmaceutical ingredients ("API") and API intermediates. Unimark has been impacted by a decline in prices in its API manufacturing business. In May 2014 they completed the restructuring of their corporate debt.
During 2013 we recognised an impairment charge of $16 million (30 June 2013: $15 million) in respect of Unimark.

5. Tax

	H1 2014 $m	H1 2013 $m	FY 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Current tax:			
Foreign tax	54	40	123
Prior year adjustments	-	(1)	-
Deferred tax	(6)	(4)	(41)
	48	35	82

Tax for the six month period is charged at 21.9% (H1 2013: 31.5%; FY 2013: 27.7%).

The application of tax law and practice is subject to some uncertainty and amounts are provided in respect of this. Issues are raised during the course of regular tax audits and, although the outcome of open items cannot be predicted, no material adverse impact on results is expected from such issues.

6. Dividends

	H1 2014 $m	H1 2013 $m	FY 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2013 of 13.0 cents (2012: 7.5 cents) per share	26	19	19
Interim dividend for the year ended 31 December 2013 of 7.0 cents per share	-	-	14
Special final dividend for the year ended 31 December 2013 of 4.0 cents (2012: nil) per share	8	-	-
Special interim dividend for the year ended 31 December 2013 of 3.0 cents (2012: nil) per share	-	-	6
	34	19	39

The proposed interim dividend for the period ended 30 June 2014 is 7.0 cents (30 June 2013: 7.0 cents and 31 December 2013: 13.0 cents) per share plus a special dividend of 4.0 cents per share (30 June 2013: 3.0 cents and 31 December 2013: 4.0 cents).

Based on the number of shares in issues at 30 June 2014 (198,561,000), the unrecognised liability is $21,842,000.

7. Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares. The number of ordinary shares used for the basic and diluted calculations are shown in the table below. Adjusted basic earnings per share and adjusted diluted earnings per share are intended to highlight the adjusted results of the Group before exceptional items and intangible amortisation*. A reconciliation of the basic and adjusted earnings used is also set out below:

	H1 2014 $m	H1 2013 $m	FY 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the parent	169	73	212
Exceptional items	2	54	62
Intangible amortisation*	7	7	15
Tax effect of adjustments	(2)	(12)	(15)
Adjusted earnings for the purposes of adjusted basic and diluted earnings per share being adjusted net profit attributable to equity holders of the parent	176	122	274
	Number	Number	Number
Number of shares:	m	m	m
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	198	197	197
Effect of dilutive potential Ordinary Shares :			
Share-based awards	2	1	1
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	200	198	198
	H1 2014 Earnings per share Cents	H1 2013 Earnings per share Cents	FY 2013 Earnings per share Cents
Basic	85.4	37.1	107.6
Diluted	84.5	36.9	107.1
Adjusted basic	88.9	61.9	139.1
Adjusted diluted	88.0	61.6	138.4

*Intangible amortisation comprises the amortisation of intangible assets other than software.

8. Investments in associates and joint ventures

A loss of $2 million, representing the Group's share of the result of Unimark Remedies Limited and Hubei Haosun Pharmaceutical Co., Ltd, is included in the condensed consolidated income statement.

	For the period ended 30 June 2014			For the period ended 30 June 2013			For the year ended 31 December 2013		
	Joint Ventures $m	Associates $m	Total $m	Joint Ventures $m	Associates $m	Total $m	Joint Ventures $m	Associates $m	Total $m
Balance at 1 January	**3**	**19**	**22**	-	**38**	**38**	-	38	38
Additions	-	-	**-**	-	-	**-**	3	-	3
Share of loss	-	(2)	**(2)**	-	-	**-**	-	(3)	(3)
Impairment of investment (see note 4)	-	-	**-**	-	(15)	**(15)**	-	(16)	(16)
Balance at end of period/year	**3**	**17**	**20**	**-**	**23**	**23**	**3**	**19**	**22**

9. Inventories

	30 June 2014 $m	30 June 2013 $m	31 December 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Finished goods	87	80	77
Work-in-progress	38	36	30
Raw and packing materials	169	139	149
Goods in transit	15	18	20
	309	273	276

Goods in transit include inventory held at third parties whilst in transit between Group companies.

10. Trade and other receivables

	30 June 2014 $m	30 June 2013 $m	31 December 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Trade receivables	358	338	385
Prepayments	47	39	40
VAT and sales tax recoverable	9	9	11
Interest receivable	-	1	-
Employee advances	4	2	3
	418	389	439

11. Trade and other payables

	30 June 2014 $m	30 June 2013 $m	31 December 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Trade payables	122	101	120
Accrued expenses	82	79	105
Other payables	15	16	16
	219	196	241

Other payable includes employee provident fund liability of $4 million (30 June 2013: $5 million and 31 December 2013:$5 million), which represents mainly outstanding contributions to the Hikma Pharmaceuticals Ltd (Jordan) retirement benefit plan, on which the fund receives 5% interest.

Dividends payable to the previous shareholders of Arab Pharmaceutical Manufacturing Company of $3 million (30 June 2013: $2 million and 31 December 2013: $2 million) are also included in other payables.

12. Other current liabilities

	30 June 2014 $m	30 June 2013 $m	31 December 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Deferred revenue*	56	41	47
Return and free goods provision	28	27	29
Other provisions	25	21	24
	109	89	100

* The Group's revenue recognition policy is to defer revenue until a reliable measurement can be made.

13. Current and non-current financial debts

Short-term financial debts

	30 June 2014 $m	30 June 2013 $m	31 December 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Bank overdrafts	25	8	6
Import and export financing	114	94	89
Short-term loans	3	3	4
Current portion of long-term loans	61	67	60
	203	172	159

Long-term financial debts

	30 June 2014 $m	30 June 2013 $m	31 December 2013 $m
	(Unaudited)	(Unaudited)	(Audited)
Long-term loans	298	355	323
Less: current portion of loans	(61)	(67)	(60)
Long-term financial loans	237	288	263
Breakdown by maturity:			
Within one year	61	67	60
In the second year	63	61	61
In the third year	61	60	60
In the fourth year	41	58	51
In the fifth year	62	39	76
Thereafter	10	70	15
	298	355	323

14. Net cash from operating activities

	H1 2014 $m (Unaudited)	H1 2013 $m (Unaudited)	FY 2013 $m (Audited)
Profit before tax	219	111	298
Adjustments for:			
Depreciation, amortisation and impairment of:			
Property, plant and equipment	24	22	49
Intangible assets	9	16	26
Investment in associate	-	15	16
Movement on provisions	-	1	9
Cost of equity-settled employee share schemes	4	4	7
Losses on disposal of Property, plant and equipment	1	-	-
Finance income	(1)	(1)	(2)
Interest and bank charges	16	18	37
Results from associates	2	-	3
Cash flow before working capital	**274**	**186**	**443**
Change in trade and other receivables	19	(63)	(110)
Change in inventories	(35)	(2)	(2)
Change in trade and other payables	(6)	5	35
Change in other current liabilities	8	42	56
Change in other non- current liabilities	-	-	(1)
Cash generated by operations	**260**	**168**	**421**
Income tax paid	(60)	(32)	(84)
Net cash generated from operating activities	**200**	**136**	**337**

15. Related party balances

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associate and other related parties are disclosed below.

Trading transactions:

During the period, Group companies entered into the following transactions with related parties:

Darhold Limited*:* is a related party of the Group because it is one of the major shareholders of Hikma Pharmaceuticals PLC with an ownership percentage of 28.8% at 30 June 2014 (30 June 2013: 28.9% and 31 December 2013: 28.9%).

Other than dividends (as paid to all shareholders), there were no transactions between the Group and Darhold Limited during the period.

Capital Bank - Jordan: is a related party of the Group because two Hikma Pharmacutical PLC board members are also board members of Capital Bank - Jordan. Total cash balances at Capital Bank – Jordan were $22.3 million (30 June 2013: $2 million and 31 December 2013: $17.2 million). Facilities granted by Capital Bank to the Group amounted to $4.6 million at 30 June 2014 (30 June 2013: $3.4 million and 31 December 2013: $4.7 million). Interest income and expense are at market rates.

Jordan International Insurance Company*:* is a related party of the Group because one board member of the Company is also a board member of Hikma Pharmaceuticals PLC. Total insurance premiums paid by the Group to Jordan International Insurance Company during the period were $0.1 million (30 June 2013: $0.3 million and 31 December 2013: $0.2 million). The Group's insurance expense for Jordan International Insurance Company contracts in the period was $0.2 million (30 June 2013: $0.2 million and 31 December 2013: $0.2 million). The amounts due to Jordan International Insurance Company at 30 June 2014 were $0.1 million (30 June 2013: $nil and 31 December 2013: $0.1 million).

Labatec Pharma SA*:* is a related party of the Group because it is owned by Mr. Samih Darwazah. During the period the Group total sales to Labatec Pharma amounted to $0.2 million (30 June 2013: $0.2 million and 31 December 2013: $0.4 million). At 30 June 2014, the amount owed from Labatec Pharma to the Group was $0.1 million (30 June 2013: Owed from $0.4 million and 31 December 2013: $nil).

Jordan Resources & Investments Company: is a related party of the Group because three board members of the group are shareholders in the firm. During the period fees of $nil were paid for training services provided (30 June 2013: $0.1 million and 31 December 2013: $0.2 million).

Arab Bank: is a related party of the group because one senior management member in Hikma Pharmaceutical PLC is also a board member of Arab Bank PLC. Total cash balances at Arab Bank were $76.0 million (30 June 2013: $34.7 and 31 December 2013: $51.5 million). Facilities granted by Arab Bank to the Group amounted to $161.0 million (30 June 2013: $179.2 million and 31 December 2013: $169.4 million). Interest expense/income is at market rates.

HikmaCure: The Group held 50:50 joint venture ("JV") agreement with MIDROC Pharmaceuticals Limited. The JV is called HikmaCure. Hikma and MIDROC invested in HikmaCure in equal proportions and have committed to provide up to $22 million each in cash of which $3 million has been paid in previous periods.

Unimark: The Group held a non-controlling interest of 23.1% in the Indian company Unimark Remedies Limited ("Unimark") at 30 June 2014 (30 June 2013: 23.1% and 31 Decemeber 2013: 23.1%). During the period the Group paid an amount of $0.1 million in relation to a products development agreement (30 June 2013: $nil and 31 December 2013: $3 million).

Haosun: The Group held a non-controlling interest of 30.1% in Hubei Haosun Pharmaceutical Co., Ltd ("Haosun") at 30 June 2014 (30 June 2013: 30.1% and 31 December 2013: 30.1%). During the period total purchases from Haosun were $nil (30 June 2013: $nil and 31 December 2013: $0.2 million).

16. Contingent Liabilities

The integrated nature of the Group's worldwide operations, involving significant investment in research and strategic manufacturing at a limited number of locations, with consequential cross-border supply routes into numerous end-markets, gives rise to complexity and delay in negotiations with revenue authorities as to the profits on which individual Group companies are liable to tax. Disagreements with, and between, revenue authorities as to intra-Group transactions, in particular the price at which goods and services should be transferred between Group companies in different tax jurisdictions, has the potential to produce conflicting claims from revenue authorities as to the profits to be taxed in individual territories.

The promotion, marketing and sale of pharmaceutical products and medical devices is highly regulated and the operations of market participants, such as Hikma, are closely supervised by regulatory authorities and law enforcement agencies, including the FDA and the US Department of Justice. As a result the Group is subject to certain ongoing investigations by governmental agencies as well as other various legal proceedings considered typical to its business relating to employment, product liability and commercial disputes.

17. Foreign exchange rates

	Period end rates			Average rates		
	30 June 2014	30 June 2013	31 December 2013	H1 2014	H1 2013	FY 2013
USD/EUR	0.7325	0.7685	0.7263	0.7293	0.7614	0.7529
USD/Sudanese Pound	5.9666	5.5785	5.9755	5.9666	5.6544	5.6988
USD/Algerian Dinar	79.2555	80.0232	78.1082	78.5767	78.4885	79.3595
USD/Saudi Riyal	3.7495	3.7495	3.7495	3.7495	3.7495	3.7495
USD/British Pound	0.5866	0.6572	0.6064	0.5991	0.6473	0.6390
USD/Jordanian Dinar	0.7090	0.7090	0.7090	0.7090	0.7090	0.7090
USD/Egyptian Pound	7.1633	7.0294	6.9586	7.0274	6.8311	6.8861
USD/Japanese Yen	101.5480	99.1710	105.2188	102.5001	95.5219	97.4659
USD/Moroccan Dirham	8.1805	8.5614	8.1069	8.4116	8.8315	8.3517
USD/Tunisian Dinar	1.6866	1.6548	1.6467	1.6126	1.5949	1.6253

18. Subsequent events

On 15 July 2014 Hikma announced that it had completed its acquisition of assets of the US generic injectables business, Bedford Laboratories ("Bedford") from Ben Venue Laboratories, Inc. ("Ben Venue"), a member of the Boehringer Ingelheim Group of Companies. The total consideration for the acquisition is up to $300 million comprised of an upfront cash payment of $225 million which was paid on 15 July 2014 and contingent cash payments of up to $75 million, subject to the achievement of performance-related milestones over a period of five years from closing the transaction. Moreover, on 24 July 2014 Hikma announced that it had agreed with Ben Venue to acquire substantially all of the assets of their generic injectables manufacturing site in Bedford, Ohio. The acquisition is pursuant to the exclusivity arrangement entered into with Ben Venue on 28 May 2014. No incremental consideration will be payable in relation to Hikma's acquiring the Ben Venue manufacturing site.

Operational risks

Risk	Potential impact	Mitigation
Compliance with regulatory requirements		
> Failure to comply with applicable regulatory requirements and manufacturing standards (often referred to as 'Current Good Manufacturing Practices' or cGMP)	> Delays in supply or an inability to market or develop the Group's products > Delayed or denied approvals for the introduction of new products > Product complaints or recalls > Bans on product sales or importation > Disruptions to operations > Plant closure > Potential for litigation	> Commitment to maintain the highest levels of quality across all manufacturing facilities > Strong global compliance function that oversees compliance across the Group > Remuneration and reward structure that helps retain experienced personnel > Continuous staff training and know-how exchange > On-going development of standard operating procedures
Regulation changes		
> Unanticipated legislative and regulatory actions, developments and changes affecting the Group's operations and products	> Restrictions on the sale of one or more of our products > Restrictions on our ability to sell our products at a profit > Unexpected additional costs required to produce, market or sell our products > Increased compliance costs	> Strong oversight of local regulatory environments to help anticipate potential changes > Local operations in all of our key markets > Representation and/or affiliation with local industry bodies > Diverse geographical and therapeutic business model
Commercialisation of new products		
> Delays in the receipt of marketing approvals, the authorisation of price and re-imbursement > Lack of approval and acceptance of new products by physicians, patients and other key decision-makers > Inability to confirm safety, efficacy, convenience and/or cost-effectiveness of our products as compared to competitive products > Inability to participate in tender sales	> Slowdown in revenue growth from new products > Inability to deliver a positive return on investments in R&D, manufacturing and sales and marketing	> Experienced regulatory teams able to accelerate submission processes across all of our markets > Highly qualified sales and marketing teams across all markets > A diversified product pipeline with 752 products pending approval, covering a broad range of therapeutic areas > A systematic commitment to quality that helps to secure approval and acceptance of new products and mitigate potential safety issues
Product safety		
> Unforeseen product safety issues for marketed products, particularly in respect of in-licensed products	> Interruptions to revenue flow > Costs of recall, potential for litigation > Reputational damage	> Diversification of product portfolio across key markets and therapies > Working with stakeholders to understand issues as they

		arise > Strong quality, compliance and pharmacovigilance teams capable of addressing issues and providing solutions
Product development		
> Failure to secure new products or compounds for development	> Inability to grow sales and increase profitability for the Group > Lower return on investment in research and development	> Experienced and successful in-house R&D team, with specifically targeted product development pathways > Continually developing and multi-faceted approach to new product development > Strong business development team > Track record of building in-licensed brands > Position as licensee of choice for our key MENA geography
Co-operation with third parties		
> Inability to renew or extend in-licensing or other co-operation agreements with third parties > Fraudulent activities by third parties (vendors, partners, etc.)	> Loss of products from our portfolio > Revenue interruptions > Failure to recoup sales and marketing and business development costs > Negative actions by various regulatory bodies (e.g. US SEC, UK Serious Fraud Office, etc.)	> Investment in long-term relationships with existing in-licensing partners > Experienced legal team capable of negotiating robust agreements with our partners > Continuous development of new partners for licensing and co-operation > Diverse revenue model with in-house R&D capabilities > Due diligence by the Group Compliance function on potential vendors, partners and other third parties
Integration of acquisitions		
> Difficulties in integrating any technologies, products or businesses acquired	> Inability to obtain the advantages that the acquisitions were intended to create > Adverse impact on our business, financial condition and results of operations > Significant transaction and integration costs could adversely impact our financial results > Post acquisition discovery of fraudulent activity by the business acquired	> Extensive due diligence, including that performed by the Group Compliance function, undertaken as part of any acquisition process > Track record of acquisitions and subsequent business integration > Human resources personnel focussed on managing employee integration following acquisitions > Close monitoring of acquisition and integration costs

Increased competition		
> New market entrants in key geographies > On-going pricing pressure in increasingly commoditised markets	> Loss of market share > Decreasing revenues on established portfolio	> On-going portfolio diversification, differentiation and renewal through internal R&D, in-licensing and product acquisition > Continuing focus on expansion of geographies and therapeutic areas
Disruptions in the manufacturing supply chain		
> Inability to procure active ingredients from approved sources > Inability to procure active ingredients on commercially viable terms > Inability to procure the quantities of active ingredients needed to meet market requirements	> Inability to develop and/or commercialise new products > Inability to market existing products as planned > Lost revenue streams on short notice > Reduced service levels and damage to customer relationships > Inability to supply finished product to our customers in a timely fashion	> Alternate approved suppliers of active ingredients > Long-term relationships with reliable raw material suppliers > Corporate auditing team continuously monitors regulatory compliance of API suppliers > Focus on improving service levels and optimising our supply chain
Economic and political and unforeseen events		
> The failure of control, a change in the economic conditions (including the Middle East, North Africa and the Eurozone), political environment or sustained civil unrest in any particular market or country > Unforeseen events such as fire or flooding could cause disruptions to manufacturing or supply	> Disruptions to manufacturing and marketing plans > Lost revenue streams > Inability to market or supply products	> Geographic diversification, with 26 manufacturing facilities and sales in more than 50 countries > Product diversification, with 702 products and 1,687 dosage strengths and forms > Strong track record in crisis management
Litigation		
> Commercial, product liability and other claims brought against a company within the Group or the Group as a whole	> Financial impact on Group results from adverse resolution of proceedings > Reputational damage	> In-house legal counsel with relevant jurisdictional experience > Use of top-tier external legal firms in all jurisdictions > Management team with extensive experience of the generics industry

Financial risks

Risk	Impact	Mitigation
Foreign exchange risk		
> Exposure to foreign exchange movements, primarily in the Algerian, Egyptian, European, Moroccan, Sudanese and Tunisian currencies	> Fluctuations in the Group's net asset values and financial results upon translation into US dollars	> Entering into currency derivative contracts where possible > Foreign currency borrowing > Matching foreign currency revenues to in-jurisdiction costs
Interest rate risk		
> Volatility in interest rates	> Fluctuating impact on profits before taxation	> Optimisation of fixed and variable rate debt as a proportion of our total debt > Use of interest rate swap agreements
Credit Risk		
> Inability to recover trade receivables > Concentration of significant trade balances with key customers in the MENA region and the US	> Reduced working capital funds > Risk of bad debt or default	> Clear credit terms for settlement of sales invoices > Group Credit policy limiting credit exposures > Use of various financial instruments such as letters of credit, factoring and credit insurance arrangements
Liquidity Risk		
> Insufficient free cash flow and borrowings headroom	> Reduced liquidity and working capital funds > Inability to meet short-term working capital needs and, therefore, to execute our long term strategic plans	> Continual evaluation of headroom and borrowing > Committed debt facilities > Diversity of institution, subsidiary and geography of borrowings
Tax		
> Changes to tax laws and regulations in any of the markets in which we operate	> Negative impact on the Group's effective tax rate > Costly compliance requirements	> Close observation of any intended or proposed changes to tax rules, both in the UK and in other key countries where the Group operates > Specialised department that structures compliant, tax effective solutions > Regular use of top professional advisory firms