

London, 9 November 2017 – Hikma Pharmaceuticals PLC (Hikma, Group) (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY) (rated Ba1 Moody's / BB+ S&P, both stable) is today updating the market on its current trading.

Group

Our Injectables and Branded businesses are delivering a good performance this year. Like many of our competitors, we are experiencing challenging conditions in the US generics market and as a result we are revising our full year expectations for our Generics business. For the Group overall, we continue to expect full year revenue to be around \$2.0 billion in constant currency in 2017.

We remain committed to driving value from our marketed products, bringing new products to market, increasing efficiencies and delivering cost savings. Our strong cash flow and balance sheet are providing a solid foundation for the Group and will support continued investment across each of our businesses to ensure we can deliver long-term, sustainable growth.

Injectables

Our global Injectables business is delivering a good performance this year, driven by strong demand for our marketed portfolio and new product launches, which has more than offset the impact of increased competition on a number of our products. For the full year in 2017, we continue to expect global Injectables revenue to be around \$775 million, with a very strong core operating margin of around 39%. Whilst this reflects the resilient performance of our business this year, we expect competition to intensify in 2018 and margins to return to more normalised levels.

Generics

Growth in our Generics business this year continues to be limited by the challenging market conditions that are impacting the US generics industry. As a result of greater than expected price and volume erosion, we now expect Generics revenue to be around \$600 million for the full year and core operating margin to be in the low single-digits. We expect these market conditions to persist in 2018 and are actively pursuing new commercial opportunities and focusing on the execution of our pipeline to help offset continuing price erosion across the industry. We are also identifying further cost savings for this business, which will include the consolidation of our oral manufacturing operations in the US.

Branded

The performance of our Branded business has been steadily improving in the second half and we expect sales to accelerate through the remainder of the year as a result of seasonality and new product launches. We are reiterating our expectation for Branded revenue growth in the mid-single digits in constant currency in 2017.

On a reported basis, we continue to expect revenue and core operating profit to be broadly in line with 2016. As previously guided, this reflects an adverse currency impact, primarily due to the devaluation of the Egyptian pound against the US dollar.¹

Generic Advair update

On 11 May 2017, we announced the receipt of a complete response letter (CRL) from the US Food and Drug Administration (FDA) in relation to our abbreviated new drug application (ANDA) for our generic version of GlaxoSmithKline's Advair Diskus® (fluticasone propionate and salmeterol inhalation powder). Since then we, supported by our partner Vectura, have had constructive discussions with the FDA and we have been able to clarify and address the majority of the questions raised.

However, there remains an outstanding issue regarding our Clinical Endpoint (CEP) study. We firmly disagree with the FDA's position and we are progressing with a dispute resolution process. We now expect this process to be

¹ On 2 November 2017, the Egyptian pound had devalued against the US dollar from its peg of 8.8 EGP:USD prior to 3 November 2016 to 17.6 EGP:USD (www.oanda.com)

completed in the first quarter of 2018, at which point we will update the market and provide further details on timelines.

Hikma and Vectura remain confident in the approvability of our product and are committed to bringing this cost-effective alternative to Advair Diskus® to the market as quickly as possible.

Financing position

The Group continues to generate good cash flow and has a strong balance sheet, which provides strategic and financial flexibility.

We will announce our full year results for the year ended 31 December 2017 on 14 March 2018.

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Enquiries

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About Hikma

Hikma Pharmaceuticals PLC is a multinational 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: 'Injectables,' 'Generics' and 'Branded,' based primarily in the Middle East and North Africa (MENA) region, where it is a market leader, the United States and Europe. In 2016, Hikma achieved revenues of \$1,950 million and profit attributable to shareholders of \$155 million.