



## Trading Update

**London, 2 November 2015** – Hikma Pharmaceuticals PLC (“Hikma” or “the Group”)(LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY), (rated Ba1 Moody’s / BB+ S&P, both stable), the fast growing multinational pharmaceutical group, is today updating the market on its current trading.

We are performing well across most of our businesses in the year to date, particularly in our Injectables business and in our MENA markets. Trading in our Generics business is currently below our expectations due to slower than expected growth in colchicine sales.

### **Injectables**

Our Injectables business is continuing to perform very well. In the US, we are benefiting from our strong portfolio mix. The transfer of the Bedford products to our global manufacturing facilities is proceeding ahead of plan - we launched thiotepa in September and, more recently, received approval for phentolamine, which will launch in early November. Phentolamine will be the third Bedford product to be launched this year and is the first Bedford approval from our Portuguese facility. Our MENA Injectables business has achieved strong growth in the year to date in constant currency, with particularly strong performances in Algeria and Saudi Arabia, and Europe has also achieved good growth in constant currency.

Following the extremely strong performance in 2014, which included the benefit from a number of high value products, we are positive in our revenue outlook for 2015 and beyond. Due to a favourable product mix and good cost control, we expect to achieve a strong adjusted operating margin in the second half of the year.

### **Branded**

Our Branded business is performing well across most markets. In constant currency, growth in the year to date continues to be driven by a recovery in Algeria, good demand in Saudi Arabia and the other GCC markets, and strong growth in Egypt. In Iraq and Sudan, however, we have continued to be impacted by political disruptions and foreign currency movements, respectively. For the full year, we continue to expect Branded revenue growth in the low-teens and adjusted operating margin to improve by around 200 basis points, in constant currency. On a reported basis, reflecting exchange rate movements since the beginning of the year, we now expect Branded revenue growth in the mid-single digits with a slight improvement in adjusted operating margin.

### **Generics**

We continue to see good demand for the legacy products in our Generics business, whilst the contribution of certain market opportunities has continued to decline, as anticipated, due to greater competition in the market. Since July we have been actively marketing our colchicine 0.6mg capsules under the brand name Mitigare™ alongside an authorised generic of Mitigare™. The need to shift towards a hybrid brand and generic strategy has resulted in a more gradual growth rate. We are therefore lowering our guidance for the Generics business to revenues of around \$150 million, down from our previous range of \$175 to \$200 million, and we expect Generics adjusted operating margin for 2015 will be in the high twenties. The reduction in our expectations for Generics operating profit in 2015 will be partly offset by the stronger performance in other parts of the business. Looking forward, we remain confident that colchicine sales will continue to grow in 2016, given our ability to significantly improve managed care access, pharmacy shelf stock and physician and patient awareness.

### **Acquisition of Roxane Laboratories**

On the 27<sup>th</sup> of October, we successfully signed a \$1.175 billion Revolving Credit Facility (“RCF”) with nine international and regional banks. The RCF will partially finance the acquisition of Roxane Laboratories (“Roxane”), which was agreed with Boehringer Ingelheim on the 28<sup>th</sup> of July 2015. We have made significant progress towards completing the acquisition of Roxane and expect to close the transaction within the coming three months.

Said Darwazah, Chairman and Chief Executive Officer of Hikma said:

“We are delivering strong growth in most of our MENA markets in constant currency and achieving excellent profitability in our Injectables business whilst continuing to drive value from the legacy products in our Generics business. We remain focused on penetrating the colchicine market and we are confident that we can successfully grow our market share in the coming year.

We are making good progress towards closing the Roxane acquisition, which will transform our business in the US, adding complementary and well differentiated products, an attractive pipeline, proven R&D capabilities and greater overall scale. Over the longer-term, we are confident in our ability to continue to drive strong growth across the Hikma Group. By strengthening our operations in the MENA region, expanding our global Injectables business and developing our non-injectable Generics portfolio in the US, we are building an extremely robust set of businesses that are uniquely positioned to capture a range of attractive future growth opportunities.”

-- ENDS --

*A conference call for analysts and investors will be held today at 09:30 am. The conference call dial-in number will be available on our company website, [www.hikma.com](http://www.hikma.com), from 09:00 am. A recording of the call will be also be available on the Hikma website, [www.hikma.com](http://www.hikma.com). The contents of this website do not form part of this trading update.*

### **Enquiries**

#### **Hikma Pharmaceuticals PLC**

Susan Ringdal, VP Corporate Strategy and Investor Relations  
Zeena Murad, Investor Relations Manager

+44 (0)20 7399 2760/ +44 7776 477050  
+44 (0) 20 7399 2768/ +44 7771 665277

#### **FTI Consulting**

Ben Atwell/ Matthew Cole

+44 (0)20 3727 1000

### **About Hikma**

Hikma Pharmaceuticals PLC is a fast growing multinational group focused on developing, manufacturing and marketing a broad range of both branded and non-branded generic and in-licensed products. Hikma operates through three businesses: “Injectables”, “Branded” and “Generics”, based principally in the United States, the Middle East and North Africa (“MENA”) and Europe. In 2014, Hikma achieved revenues of \$1,489 million and profit attributable to shareholders of \$278 million.