



## Interim Management Statement

**London, 6 November 2014** – Hikma Pharmaceuticals PLC (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY), the fast growing multinational pharmaceutical group, is today updating the market on its current trading and financial position. This constitutes its Interim Management Statement relating to the period from 1 July 2014 to date, as required by the UK Listing Authority's Disclosure and Transparency Rules.

We are pleased to raise our guidance for 2014 to Group revenue growth of around 7%.

### Injectables

Our global Injectables business is performing well, as we continue to capture specific market opportunities in the US. Competition is increasing in the US and we expect underlying sales in the second half to be broadly in line with the first half of the year. In MENA, we are seeing a good performance and are on track to deliver slight growth for the full year, while European contract manufacturing sales remain lower this year. Due to the continued strength of specific market opportunities, we are raising our guidance to around 25% revenue growth in 2014, with an adjusted operating margin of above 35%.

Following our acquisition of Bedford Laboratories in July, we also completed the acquisition of the Ben Venue manufacturing site in Bedford, Ohio in September. This will significantly enhance our R&D capabilities and enable us to expand future capacity for injectables manufacturing.

As previously announced, in October 2014 we received a warning letter from the US Food and Drug Administration ("FDA") related to the inspection of our manufacturing facility in Portugal in March 2014. We will work with the FDA to fully resolve all outstanding issues as quickly as possible.

### Branded

Revenue in our Branded business is broadly in line with last year. We are delivering good growth in markets such as Egypt and the Gulf Cooperation Council ("GCC") countries, including Saudi Arabia, driven by our strategic focus on newer, higher value products. However, this is being offset by the ongoing restructuring of our business in Algeria and political disruptions, primarily in Iraq and Libya. Overall, we continue to expect the Branded business to deliver low single digit revenue growth for the full year, with an adjusted operating margin of around 21%.

### Generics

The Generics business continues to perform very strongly this year, reflecting specific market opportunities and the re-introduction of products. We now expect the Generics business to deliver revenue of around \$215 million in 2014, with an adjusted operating margin of around 55%.

On 30 September 2014, we received an approval for a New Drug Application for colchicine 0.6mg capsules by the US FDA, under Section 505(b)(2) of the US Federal Food Drug and Cosmetic Act. On 9 October, the US District Court for the District of Delaware granted Takeda Pharmaceuticals U.S.A., Inc. ("Takeda") a temporary restraining order while the court considered a motion by Takeda for a preliminary injunction. On 5 November, the court denied Takeda's motion but extended the temporary restraining order pending appeal. Our guidance for 2014 does not reflect any contribution from colchicine.

### **Financing position**

Our financing position remains very strong and will enable us to make further strategic acquisitions and investments, as opportunities arise.

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

"I am pleased with how our businesses are performing this year. The continued strength of our Injectables business reflects the benefit of our broad portfolio and our success in capturing market opportunities. The Generics business continues to perform extremely well this year and we are focused on developing our portfolio and pipeline to support future growth. The Branded business is delivering good growth in a number of important markets and we believe the actions we are taking to restructure our business in Algeria and our commitment to operating in markets impacted by political disruptions, will strengthen our business for the future."

Hikma will announce its results for the year ending 31 December 2014 on 11 March 2015.

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### **Enquiries**

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### **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: "Branded", "Injectables" and "Generics", based principally in the Middle East and North Africa ("MENA"), 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.