THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (''FSMA'') if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This document, which comprises: (i) a circular relating to the Acquisition prepared for the purposes of the General Meeting convened pursuant to the Notice of General Meeting set out at the end of this document and (ii) a prospectus relating to the Consideration Shares prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the ''**FCA**'') made under section 73A of FSMA, has been approved by the FCA in accordance with section 87A of FSMA. This document has (i) been filed with the FCA and made available to the public in accordance with Rule 3.2.1 of the Prospectus Rules; and (ii) been prepared to provide details of the Consideration Shares being issued and allotted pursuant to the Acquisition.

Subject to the restrictions set out below, if you sell or transfer or have sold or otherwise transferred all of your Hikma Shares, you should forward this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. The distribution of this document and the accompanying Form of Proxy into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and the accompanying Form of Proxy come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. If you sell or transfer or have sold or otherwise transferred only part of your holding of Hikma Shares, please consult the bank, stockbroker or other agent through which the sale or transfer was effected as to the action you should take.

YOU SHOULD READ THE WHOLE OF THIS DOCUMENT AND ALL DOCUMENTS INCORPORATED INTO IT BY REFERENCE IN THEIR ENTIRETY. IN PARTICULAR, YOU SHOULD TAKE ACCOUNT OF THE SECTION ENTITLED ''RISK FACTORS'' ON PAGES 19-40 (INCLUSIVE) OF THIS DOCUMENT FOR A DISCUSSION OF THE RISKS THAT MIGHT AFFECT THE VALUE OF YOUR SHAREHOLDING IN HIKMA. YOU SHOULD NOT RELY SOLELY ON INFORMATION SUMMARISED IN THE SUMMARY.

Investors should only rely on the information contained in this document and contained in any documents incorporated into this document by reference. No person has been authorised to give any information or make any representations other than those contained in this document and any document incorporated by reference and, if given or made, such information or representation must not be relied upon as having been so authorised by Hikma, the Hikma Board, Citi or Centerview Partners. Hikma will comply with its obligation to publish supplementary circulars and/or prospectuses containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

HIKMA PHARMACEUTICALS PUBLIC LIMITED COMPANY

(*Incorporated as a public limited company in England and Wales with registered number 05557934*)

PROPOSED ACQUISITION OF BOEHRINGER INGELHEIM ROXANE INC. AND ROXANE LABORATORIES INC.
AND
ISSUE AND ADMISSION OF 40,000,000 CONSIDERATION SHARES
Circular to Shareholders and Notice of General Meeting
Prospectus

No Hikma Shares or any other securities in Hikma have been marketed to, nor are available for purchase, in whole or in part, by the public in the United Kingdom or elsewhere in connection with the admission of the Consideration Shares to the Official List and the London Stock Exchange, save for to BI in connection with the Acquisition. This document does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of Hikma or any member of its group in any jurisdiction or an inducement to enter into investment activity.

A notice convening the General Meeting to be held at 9.00a.m. on 19 February 2016 at The Westbury, Bond Street, Mayfair, London W1S 2YF is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is enclosed with this document. Whether or not you intend to attend the General Meeting in person, to be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it so as to be received by Hikma's registrar, Capita Asset Services (the ''**Registrar**''), as soon as possible and, in any event, by no later than 9.00a.m. on 17 February 2016 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). If you hold Hikma Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrar (CREST participant ID RA10), so that it is received by no later than 9.00a.m. on 17 February 2016. The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof, if you wish to do so and are so entitled.

Your attention is drawn to the letter from the Chairman of Hikma which is set out on pages 49-56 (inclusive) of this document and which contains the unanimous recommendation of the Hikma Directors that you vote in favour of the Resolutions to be proposed at the General Meeting.

Application will be made to the FCA for the Consideration Shares to be admitted to the premium listing segment of the Official List and will be made to the London Stock Exchange for the Consideration Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together, ''**Admission**''). It is expected that Admission will become effective, and that dealings in the Consideration Shares will commence, no later than close of business on the first

Business Day after the Closing Date, which, subject to the satisfaction of certain conditions, is expected to occur, subject to the receipt of applicable anti-trust approvals, by the end of February 2016.

None of the securities referred to in this document or this transaction has been approved or disapproved by the Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the fairness or merits of this transaction or adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The securities of Hikma have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or jurisdiction of the United States, and may not be offered, sold, resold or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities law of any state or other jurisdiction of the United States. There will be no public offering of any securities of Hikma in the United States.

The release, publication or distribution of this document, in whole or in part, in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Failure to comply with any such restrictions may constitute a violation of the securities laws of any jurisdiction. This document has been prepared to comply with requirements of English law, the Listing Rules, the Prospectus Rules and the rules of the LSE, and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England.

Centerview Partners is authorised and regulated in the United Kingdom by the FCA. Centerview Partners is acting as joint financial adviser for Hikma and for no one else in connection with the matters set out in this document and the Acquisition. Centerview Partners is not, and will not be, responsible to anyone other than Hikma for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or any transaction, arrangement or other matters referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on it by the FSMA or the regulatory regimes established thereunder, Centerview Partners accepts no responsibility whatsoever and makes no representation or warranty, express or implied, as to the contents of this document, including its accuracy, fairness, sufficiency, completeness or verification or for any other statement made or purported to be made by it, or on their behalf, in connection with Hikma or the Acquisition, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Centerview Partners accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement. Nothing in this document excludes, or attempts to exclude, Centerview Partners' liability for fraud or fraudulent misrepresentation.

Citi, which is authorised and regulated by the FCA and the Prudential Regulation Authority, is acting as joint financial adviser, broker and sole sponsor for Hikma and no one else in connection with the Acquisition and Admission and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Acquisition and Admission and will not be responsible to anyone other than Hikma for providing the protections afforded to its clients nor for the giving of advice in relation to the Acquisition or Admission or any other matter or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Citi by the FSMA or the regulatory regime established thereunder, Citi accepts no responsibility whatsoever for the contents of this document, including its accuracy, completeness or for any other statement made or purported to be made by it, or on its behalf, in connection with Hikma, the Consideration Shares or the Acquisition. Citi, its subsidiaries, branches and affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement. Nothing in this document excludes, or attempts to exclude, Citi's liability for fraud or fraudulent misrepresentation.

This document contains or incorporates by reference "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "aims", "plans", "predicts", "may", "will", "seeks", "could", "would", "shall" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Investors should specifically consider the factors identified in this document, which could cause actual results to differ, before making an investment decision. These forward-looking statements include all matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the Board concerning, among other things, Hikma, Roxane or the Enlarged Group's results of operations, financial condition, prospects, growth, strategies and the industries in which Hikma, Roxane or the Enlarged Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond Hikma's control. Forward-looking statements are not guarantees of future performance and are based on one or more assumptions. Hikma, Roxane or the Enlarged Group's actual results of operations and financial condition and the development of the industries in which Hikma, Roxane or the Enlarged Group operates may differ materially from those suggested by the forward-looking statements contained in this document. In addition, even if Hikma, Roxane or the Enlarged Group's actual results of operations, financial condition and the development of the industries in which Hikma, Roxane or the Enlarged Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Such risks, uncertaintie and other factors are set out more fully in the section of this document headed "Risk Factors". The forward-looking statements contained in this document speak only as of the date of this document. Hikma and the Board expressly disclaim any obligations or undertaking to update or revise publicly any forward-looking statements contained in this document to reflect any change in Hikma's expectations with regard thereto or any change in events, conditions or circumstances on which such statement is based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules, the London Stock Exchange Rules or the Disclosure Rules and Transparency Rules.

THE CONTENTS OF THIS DOCUMENT OR ANY SUBSEQUENT COMMUNICATION FROM HIKMA OR THE FINANCIAL ADVISERS OR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PERSON READING THIS DOCUMENT SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

Capitalised terms have the meanings ascribed to them in the "Definitions" section of this document.

This document is dated 22 January 2016.

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introductions and warnings		
Element	**Disclosure Requirement**	**Disclosure**
A.1	Warning	This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the member states of the EEA, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information to aid investors when considering whether to invest in such securities.
A.2	Resale or final placement of securities through financial intermediaries	Not applicable. Hikma is not engaging any financial intermediaries for the resale of securities after publication of this document.

Section B – Issuer		
Element	**Disclosure Requirement**	**Disclosure**
B.1	Legal and commercial name	Hikma Pharmaceuticals Public Limited Company.
B.2	Domicile / legal form / legislation under which the issuer operates / country of incorporation	Hikma is incorporated in England and Wales as a public limited company, limited by shares. Its registered office is situated in England and its registered number is 05557934. The principal legislation under which Hikma operates is the Companies Act.
B.3	Current operations / principal activities / principal markets	The Group is a fast-growing pharmaceutical group focused on developing, manufacturing and marketing a broad range of high-quality generic, branded and in-licensed pharmaceutical products. The Group conducts its business primarily in the United States, the MENA region and Europe. The Group conducts its operations through three businesses: Branded, Injectables and Generics. The Branded business develops, manufactures and markets branded generic pharmaceutical products and manufactures and markets branded in-licensed pharmaceutical products. Historically, the Branded business has focused on anti-infective products. In recent years, the business has been increasingly focused on developing a portfolio of higher-value products in chronic therapeutic categories. The Branded business's principal markets are Saudi Arabia, Algeria, Egypt, Morocco and Jordan. The Injectables business develops, manufactures and markets branded generic and generic products and manufactures and markets in-licensed injectable products. The Injectables business's product portfolio covers various therapeutic categories. In recent years, the Injectables business's strategic focus has been on developing a portfolio of higher-value, more differentiated products. The Group sells its injectable products in the United States, the MENA region and Europe. In the Generics business, the Group develops, manufactures and markets oral generic products for sale in the United States. Currently, the business is developing its pipeline of products in oral and other non-injectable forms, such as transdermal patches, creams and ointments, through strengthening its internal R&D, external partnerships and product acquisitions. All of the products of the Generics business are sold exclusively in the United States.
B.4a	Most significant recent trends of Hikma and its industry	***Hikma*** The prospects for Hikma were described in the trading update dated 2 November 2015 as follows: *"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 US$150 million, down from our previous range of US$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.''* There has been no change in the Board's assessment of the matters described above since 2 November 2015. ***Roxane*** In the nine months ended 30 September 2015, revenues increased through growth in currently marketed products and new product launches, which offset a reduction in revenue from products manufactured for BI and its affiliates. Costs of sales and operating expenses remained largely unchanged during the period. These trends are expected to have continued through to the end of 2015. ***Industry*** US generics, both oral and injectables, continue to perform strongly. In the twelve months ended October 2015, the US generics market grew by 6 per cent., reflecting the continued patent cliff, regulatory pressures to control healthcare costs as well as increased access to affordable drugs, ageing populations with more chronic illnesses and an increase in the acceptance of generics by consumers and physicians. The market continues to see consolidation, among both the payers and the manufacturers, as well as stringent US FDA oversight of both approvals and manufacturing capabilities. Outside of the US, the underlying fundamentals of the MENA pharmaceutical market remain attractive as underlying demographic trends continue to create growth opportunities. The generic hospital market where Hikma primarily operates in Europe remains very competitive given the national tendering systems in place.
B.5	Group structure	Hikma is the parent company of the Hikma Group, a fast-growing pharmaceutical group focused on developing, manufacturing and marketing a broad range of high-quality generic, branded and in-licensed pharmaceutical products. Roxane is a well-established US specialty generics business. Neither BIRI nor RLI has any subsidiaries. Following closing of the Acquisition, Hikma will be the parent company of the Enlarged Group.
B.6	Notifiable interests	As at 20 January 2016 (being the latest practicable date prior to the publication of this document), Hikma had been notified in accordance with DTR5 of the Disclosure and Transparency Rules of the following interests in Hikma Shares: **Number of Shares** / **Percentage interest of issued ordinary share capital** Darhold Limited — 57,933,028 — 29.06% The Capital Group Companies, Inc — 15,899,676 — 7.98% Fidelity Management Research LLC — 9,791,950 — 4.91% Save as disclosed in this section, Hikma is not aware of any person who, as at 20 January 2016 (being the latest practicable date prior to the publication of this document), directly or indirectly, has a holding which is notifiable under English law.

	Different voting rights / controlling interests	Not applicable; none of Hikma's major shareholders has different voting rights. Following closing of the Acquisition and Admission, BI (or a nominee of BI that is an affiliate of BI) will in aggregate hold 40 million Hikma Shares, representing approximately 16.71 per cent. of the Enlarged Group (excluding treasury shares). BII will agree in the Shareholders' Agreement not to exercise (and to procure that its affiliates do not exercise) any voting rights attaching to Hikma Shares held by them to the extent they exceed 28,500,000, although it will be permitted to exercise voting rights in respect of Hikma Shares acquired by it after Closing within the terms of the Shareholders' Agreement. In no circumstances will BII and its affiliates be permitted to exercise voting rights in excess of 15.8 per cent. of the exercisable voting rights outstanding in Hikma at the relevant time. Save as disclosed above, Hikma is not aware of any persons who, as at 20 January 2016 (being the latest practicable date prior to the publication of this document), directly or indirectly, jointly or severally, exercise or could exercise control over Hikma nor is it aware of any arrangements the operation of which may at a subsequent date result in a change of control of Hikma. Save as disclosed above, to the extent known to Hikma, there are no persons or groups of persons who could, directly or indirectly, own or control Hikma.
B.7	Historical key financial information for Hikma	***Hikma*** Selected historical financial information which summarises the results of operations and financial condition of Hikma for the three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 and for the six months ended 30 June 2014 and 30 June 2015 is set out in the following tables. Information provided for the three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 is audited and information for the six months ended 30 June 2015 (and comparative information for the six months ended 30 June 2014) is unaudited.

Consolidated income statement

	Year ended 31 December 2012 US$m Audited	Year ended 31 December 2013 US$m Audited	Year ended 31 December 2014 US$m Audited	Six months ended 30 June 2014 US$m Unaudited	Six months ended 30 June 2015 US$m Unaudited
Continuing operations					
Revenue	1,109	1,365	1,489	738	709
Cost of sales	(605)	(601)	(638)	(297)	(309)
Gross profit	504	764	851	441	400
Sales and marketing expenses	(150)	(160)	(171)	(91)	(81)
General and administrative expenses	(123)	(151)	(185)	(77)	(86)
Research and development expenses	(34)	(39)	(55)	(19)	(20)
Other operating expenses (net)	(30)	(62)	(38)	(18)	(19)
Total operating expenses	(337)	(412)	(449)	(205)	(206)
Adjusted operating profit	194	413	427	244	204
Exceptional items					
– Acquisition-related expenses	(3)	—	(11)	(1)	(1)
– Severance costs	(4)	(1)	—	—	(5)
– Plant remediation costs	(7)	(24)	—	—	—
– Impairment losses	—	(10)	—	—	—
– Proceeds from legal claims	—	—	—	—	2
– Other claims provisions	—	(11)	—	—	—
Other adjustments:					
Intangible amortisation	(13)	(15)	(14)	(7)	(6)
Operating profit	167	352	402	236	194
Associated companies					
– share of results	1	(3)	(6)	(2)	(2)
– exceptional impairment of investment	—	(16)	—	—	—
Finance income	1	2	4	1	1
Finance expense	(38)	(37)	(38)	(16)	(23)
Other income expense (net)	1	—	—	—	—
Profit before tax	132	298	362	219	170
Tax	(25)	(82)	(80)	(48)	(35)
Profit for the period/year	107	216	282	171	135
Attributable to:					
Non-controlling interests	7	4	4	2	1
Equity holders of the parent	100	212	278	169	134
	107	216	282	171	135
Earnings per share (cents)					
Basic	51.1	107.6	140.4	85.4	67.3
Diluted	50.6	107.1	139.0	84.5	67.0
Adjusted basic	61.4	139.1	151.0	88.9	71.4
Adjusted diluted	60.8	138.4	149.5	88.0	71.0

Consolidated balance sheet

	At 31 December 2012 US$m (Audited)	At 31 December 2013 US$m (Audited)	At 31 December 2014 US$m (Audited)	At 30 June 2014 US$m (Unaudited)	At 30 June 2015 US$m (Unaudited)
Non-current assets					
Intangible assets	433	447	602	444	585
Property, plant and equipment	420	443	514	447	504
Investment in associates and joint ventures	38	22	16	20	14
Deferred tax assets	46	86	67	92	64
Financial and other non-current assets	11	34	39	38	43
	948	1,032	1,238	1,041	1,210
Current assets					
Inventories	272	276	273	309	280
Income tax asset	1	4	10	3	16
Trade and other receivables	328	439	439	418	484
Collateralised and restricted cash	2	7	8	7	5
Cash and cash equivalents	177	168	280	282	490
Other current assets	2	3	3	3	22
	782	897	1,013	1,022	1,297
Total assets	1,730	1,929	2,251	2,063	2,507
Current liabilities					
Bank overdrafts and loans	193	159	393	203	165
Obligations under finance leases	3	1	1	1	1
Trade and other payables	195	241	248	219	234
Income tax provision	23	65	65	58	64
Other provisions	11	20	25	20	25
Other current liabilities	42	100	109	109	107
	467	586	841	610	596
Net current assets	315	311	172	412	701
Non-current liabilities					
Long-term financial debts	372	263	145	237	589
Obligations under finance leases	16	19	23	23	23
Deferred tax liabilities	23	26	25	25	23
Derivative financial instruments	4	1	—	1	1
Other non-current liabilities	—	—	1	—	1
	415	309	194	286	637
Total liabilities	882	895	1,035	896	1,233
Net assets	848	1,034	1,216	1,167	1,274
Equity					
Share capital	35	35	35	35	35
Share premium	279	281	281	281	281
Own shares	—	(3)	(1)	(3)	(1)
Other reserves	519	704	882	836	941
Equity attributable to equity holders of the parent	833	1,017	1,197	1,149	1,256
Non-controlling interests	15	17	19	18	18
Total equity	848	1,034	1,216	1,167	1,274

Consolidated cash flow statement

	Year ended 31 December 2012 US$m (Audited)	Year ended 31 December 2013 US$m (Audited)	Year ended 31 December 2014 US$m (Audited)	Six months ended 30 June 2014 US$m (Unaudited)	Six months ended 30 June 2015 US$m (Unaudited)
Net cash from operating activities	184	337	425	200	125
Investing activities					
Purchasers of property, plant and equipment	(51)	(59)	(91)	(43)	(37)
Proceeds from disposal of property, plant and equipment	1	1	1	—	2
Purchase of intangible assets	(38)	(16)	(27)	(13)	(16)
Proceeds from disposal of intangible assets	—	—	1	—	—
Acquisition of interest in joint ventures	—	(3)	—	—	—
Investment in financial and other non-current assets	—	(22)	(5)	(4)	—
Acquisition of business undertakings net of cash acquired	(12)	(18)	(225)	—	—
Payments of costs directly attributable to acquisitions	(2)	—	—	—	—
Finance income	1	2	4	1	1
Net cash used in investing activities	(101)	(115)	(342)	(59)	(70)
Financing activities					
Decrease in collateralised and restricted cash	1	(5)	(1)	—	3
Increase in long-term financial debts	152	7	5	5	505
Repayment of long-term financial debts	(124)	(117)	(121)	(31)	(65)
Increase/(decrease) in short-term borrowings	52	(34)	241	45	(222)
Increase in obligations under finance leases	(2)	1	—	4	—
Dividends paid	(27)	(39)	(55)	(34)	(42)
Dividends paid to non-controlling shareholders of subsidiaries	(1)	(3)	(1)	(1)	(2)
Purchase of own shares	—	(4)	—	—	—
Interest paid	(36)	(37)	(38)	(16)	(18)
Proceeds from issue of new shares	1	2	—	—	—
Acquisition of non-controlling interest in subsidiary	(12)	—	—	—	—
Net cash generated by/(used in) financing activities	4	(229)	30	(28)	159
Net increase/(decrease) in cash and cash equivalents	87	(7)	113	113	214
Cash and cash equivalents at beginning of year/period	95	177	168	168	280
Foreign exchange translation movements	(5)	(2)	(1)	1	(4)
Cash and cash equivalents at end of year/period	177	168	280	282	490

On 17 January 2012, Hikma increased its stake in Promopharm from 63.9 per cent. to 94.1 per cent.. Hikma acquired the additional 302,196 shares (representing 30.2 per cent. of Promopharm) for an aggregate consideration of US$41.6 million (MAD 349.0 million).

On 22 January 2013, Hikma completed the acquisition of the Egyptian Company for Pharmaceuticals and Chemical Industries to strengthen the Group's position in the Egyptian market. Hikma paid an aggregate cash consideration of US$21 million.

On 18 September 2013, Hikma entered the Ethiopian market through a 50:50 joint venture with MIDROC Pharmaceuticals Limited.

On 15 July 2014, Hikma completed the acquisition of substantially all of the assets of Bedford for a total consideration of up to US$300 million.

On 17 September 2014, Hikma completed the acquisition of substantially all of the assets of the generic injectables manufacturing site of Ben Venue, part of the Boehringer Ingelheim group, including four manufacturing plants and a state-of-the-art QDC.

On 1 April 2015, Hikma issued a US$500 million 4.25 per cent. Eurobond due April 2020. The proceeds were used to refinance existing debt and for general corporate purposes.

On 8 September 2015, Hikma announced that it had agreed to acquire 98.09 per cent. of EIMC United Pharmaceuticals, increasing its presence in the Egyptian market.

On 27 October 2015, Hikma entered into a RCF with a number of banks for a total amount of US$1,175 million. The facility will be used for general corporate purposes and to finance the working capital requirements of the Group (including following closing of the Acquisition, the Enlarged Group).

On 25 November 2015, Hikma agreed to the sale of most of the Ben Venue site, a generic injectables manufacturing facility in Bedford, Ohio, USA, to Xellia Pharmaceuticals. Hikma will retain the QDC to support its existing R&D capabilities and drive the development of its future pipeline.

In its trading update dated 2 November 2015, Hikma announced that trading in its Generics business was currently below its expectations due to slower than expected growth in colchicine sales.

Save as set out above, there has been no significant change to Hikma's financial position and operating results during or subsequent to the period covered by the historical key financial information on Hikma set out in this section.

Historical key financial information for Roxane

Roxane

Selected historical financial information which summarises the results of operations and financial condition of Roxane for the three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 is set out in the following tables. Information provided for the three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 is audited.

Consolidated Income Statement

	Year ended 31 December 2012 US$000 (Audited)	**Year ended 31 December 2013 US$000 (Audited)**	**Year ended 31 December 2014 US$000 (Audited)**
Continuing operations			
Revenue	575,571	550,090	675,665
Cost of sales	(356,263)	(390,430)	(473,967)
Gross profit	219,308	159,660	201,698
Sales and marketing	(19,392)	(20,350)	(22,163)
General and administrative expenses	(22,500)	(17,493)	(28,729)
Research and development expenses	(90,766)	(108,977)	(117,288)
Other operating expenses – net	(3,411)	(20,696)	(12,115)
Total operating expenses	136,069	167,516	180,295
Adjusted operating profit/ (loss)	**63,989**	**(7,865)**	**15,403**
Exceptional items:			
– Litigation settlement	19,250	—	—
– Impairment of property, plant and equipment	—	—	—
– Sale of intellectual property	—	—	6,000
Total exceptional items	19,250	—	6,000
Operating profit (loss)	83,239	(7,856)	21,403
Interest expense to parent	(3,107)	(3,904)	(4,361)
Profit/(loss) before tax from continuing operations	80,132	(11,760)	17,042
Tax (expense)/benefit	(26,659)	7,861	(5,228)
Profit/(loss) from continuing operations	53,473	(3,899)	11,814
Profit/(loss) from discontinued operations, net of tax	3,535	(2,520)	(55)
Profit/loss and total comprehensive income/ (loss) for the year	57,008	(6,419)	11,759

Consolidated Balance Sheet

	Year ended 31 December 2012 US$000 Audited	Year ended 31 December 2013 US$000 Audited	Year ended 31 December 2014 US$000 Audited
Non-current assets			
Property, plant and equipment	268,075	288,989	333,144
Intangible assets	10,000	10,075	14,075
Deferred tax assets	38,062	31,787	41,352
Disposal group assets	4,999	3,426	5,941
	321,136	334,277	394,512
Current assets			
Inventories	228,153	292,546	267,459
Trade and other receivables	103,581	88,543	127,927
Disposal group assets	43,338	14,667	12,324
	375,072	396,756	407,710
Total assets	696,208	730,033	802,222
Current liabilities			
Short-term loan payable to Parent	—	202,367	202,062
Payable to affiliates	291,726	157,859	222,592
Trade and other payables	98,244	75,720	71,772
Other current liabilities	6,753	1,635	1,379
	396,723	437,581	497,805
Net current liabilities	(21,651)	(41,825)	(90,095)
Non-current liabilities			
Other non-current liabilities	8,322	7,708	7,914
	8,322	7,708	7,914
Total liabilities	405,045	445,289	505,719
Net assets	291,163	284,744	296,503
Equity			
Total Investment Capital	291,163	284,744	296,503

Consolidated cash flow

	Year ended 31 December 2012 US$000 Audited	Year ended 31 December 2013 US$000 Audited	Year ended 31 December 2014 US$000 Audited
Operating Activities			
Profit/(loss) before tax from continuing operations	80,132	(11,760)	17,042
Profit/(loss) before tax from discontinued operations	5,668	(4,033)	(88)
Profit/(loss) before tax	85,800	(15,793)	16,954
Adjustments for:			
Depreciation, amortisation, and impairment of property, plant and equipment	47,457	32,246	31,417
Loss of disposal of property, plant and equipment	634	4,904	1,638
Gain from litigation settlement	(19,250)	—	—
Movement on provisions	5,252	(21,297)	449
Interest to parent	3,107	3,904	4,361
Other items, net	39	(469)	(1,247)
Cash flow before working capital	123,039	3,495	53,572
Change in trade and other receivables and other assets	(7,649)	15,038	(45,384)
Changes in inventories	(93,090)	(35,722)	27,430
Changes in trade and other payables and other liabilities	15,420	(6,406)	(12,636)
Cash generated/(used) in operating activities	37,720	(23,595)	22,982
Income taxes (paid)/recovered	(45,676)	15,649	(14,760)
Net Cash Generated from/(Used in) Operating Activities	(7,956)	(7,946)	8,222
Investing activities			
Purchases of property, plant and equipment	(34,310)	(56,345)	(72,654)
Purchases of licenses	—	(75)	(4,001)
Proceeds from sale of intellectual property	—	—	6,000
Net Cash Used by Investing Activities	(34,310)	(56,420)	(70,655)
Financing activities			
Payable to affiliates	42,266	64,366	62,433
Net Cash Provided by Financing Activities	42,266	64,366	62,433
Net Increase (Decrease) in Cash and Cash Equivalents	—	—	—
Cash and Cash Equivalents at beginning of year	—	—	—
Cash and Cash Equivalents at end of year	—	—	—

Roxane develops, manufactures, markets and sells generic pharmaceutical products in the United States. Key products included in the selected historical financial information for Roxane set out in this section include Fluticasone, Buprenorphine, Methotrexate, Prednisone and Calcium Acetate. Growth during the period covered by the selected historical financial information was primarily driven by new product launches, which more than offset an increase in competition on other marketed products. Roxane's key customers are wholesalers, retail chain pharmacies and group purchasing organizations.

Roxane's own products

Approximately 84 per cent. of Roxane's revenue and 79 per cent. of Roxane's cost of sales during the period covered by the selected historical financial information relate to Roxane's own products, from which inter-company transactions and balances have been eliminated. Approximately 16 per cent. of revenue and 21 per cent. of its cost of sales during the period covered by the selected historical financial information relate to products manufactured for the Boehringer Ingelheim Companies. As part of the transaction, Hikma and the Boehringer Ingelheim Companies have entered into a long-term supply agreement for certain products that will continue to be manufactured at Roxane's facilities. The Boehringer Ingelheim Companies plan to gradually transfer most of the manufacturing of these products back to the Boehringer Ingelheim Companies over the next six years.

Revenues

Roxane's revenue in 2013 was US$550 million, down from US$576 million in 2012. The decrease was primarily due to price declines on certain products in Roxane's marketed portfolio and, in particular, to declines in the price of Roxane's largest product, Fluticasone, as competitors entered the market. These decreases were partially offset by volume growth across the portfolio.

Roxane's revenue in 2014 was US$676 million, an increase of US$126 million, primarily due to new product launches. Revenues from products manufactured for the Boehringer Ingelheim Companies also increased during the year.

Gross profit

Roxane's gross profit in 2013 was US$160 million, down from US$219 million in 2012. The decrease reflects price declines on certain marketed products and slight increases in raw material and overhead costs resulting from higher volumes. As a result, Roxane's gross margin decreased to 29 per cent., down from 38 per cent. in 2012.

Roxane's gross profit in 2014 was US$202 million, an increase of US$42 million. A strong contribution from new product launches more than offset an increase in raw material costs and overheads related to volume growth. As a result, Roxane's gross margin increased to 30 per cent. in 2014.

Operating expenses

Roxane's operating expenses in 2013 were US$168 million, up US$31 million from 2012, primarily due to higher research and development costs and other operating expenses partially offset by lower general and administrative expenses, as described below. Roxane's operating expenses in 2014 were US$180 million, up US$13 million from 2013, primarily due to higher research and development and sales, general and administrative costs, which were only partially offset by a decline in other operating expenses, as described below.

Sales and marketing and general and administrative expenses

Roxane's sales and marketing and general and administrative expenses were US$38 million in 2013, down from US$42 million in 2012. The decrease is due to lower litigation costs and a reversal of the allowance for uncollectable accounts. In 2014, Roxane's sales and marketing and general and administrative expenses increased by US$13 million to US$51 million, primarily due to increases in litigation costs related to defending ANDA filings with Paragraph IV certifications, executive benefits related to Roxane's sponsored pension and healthcare plans, product liability insurance related to new product launches, and a general increase in product volumes within the Roxane product portfolio.

Research and development expenses

Roxane's research and development expenses were US$109 million in 2013, up from US$91 million in 2012. This increase is primarily due to an increase in pivotal studies. In 2014, Roxane's research and development expenses increased by US$8 million to US$117 million, primarily due to increased costs associated with the development of certain key products, slightly offset by a reduction in the number of incremental pivotal studies. In partnership with an external contract research and manufacturing company, over the past several years Roxane has been working on the development of certain key products and has incurred high levels of research and development costs.

Other operating income/expenses (net)

Roxane's other operating income/expenses (net) were US$21 million in 2013, up from US$3 million in 2012. The increase is primarily due to a settlement reached in favor of Roxane in 2012 in the amount of US$19.3 million, related to a prior suit regarding a Paragraph IV ANDA filing. In 2014, other operating expenses (net) decreased by US$9 million to US$12 million, primarily due to a gain from the sale of an ANDA.

Operating profit

Roxane had an operating loss of US$8 million in 2013, compared to an operating profit of US$83 million in 2012. The decline of US$91 million was due to lower gross profit of US$160 million as described above and an increase in operating expenses of US$31 million. On an adjusted basis, excluding exceptional income from a favourable litigation settlement and impairment charges, adjusted operating income decreased by US$83 million. In 2014, Roxane's operating profit was US$21 million, up US$29 million from 2013. The increase was due to an increase in gross profit of US$42 million as described above, offset by a US$13 million increase in operating expenses. Excluding US$6 million of exceptional income resulting from a sale of intellectual property, adjusted operating income increased by US$23 million.

Discontinued operations

As a result of the Acquisition, certain products that were historically manufactured, packaged, and distributed by Roxane were specifically excluded from the sale, as were certain warehousing and distribution facilities which will be retained by BI. The assets relating to the products and services not being sold to Hikma have been presented as a disposal group. The revenues and expenses related to the products and services not being sold to Hikma have been classified as discontinued operations for all years presented.

Trade and other receivables

Roxane's trade and other receivables were US$89 million at 31 December 2013, down US$15.0 million from 31 December 2012 primarily due to lower revenues. Trade and other receivables increased by US$39.4 million from 31 December 2013 to 31 December 2014 primarily due to the significant increase in revenues and the effects of customer consolidation, which resulted in an increase in wholesale acquisition prices with longer payment terms.

Inventories

Roxane's inventories were US$293 million at 31 December 2013, up US$64 million from 31 December 2012, reflecting the growth of the Roxane business, a strategic decision to hold higher safety-stock of inventory to address market opportunities, and inventory related to 2014 product launches. Inventories decreased by US$25 million from 31 December 2013 to 31 December 2014 following new product launches and a depletion of safety-stock raw materials inventory.

Trade and other payables

Roxane's trade and other payables were US$76 million at 31 December 2013, a decrease of US$23 million from 31 December 2012, primarily due to timing of payments. Trade and other payables decreased by US$4 million from 31 December 2013 to 31 December 2014 primarily due to timing of payments.

Capital expenditure

Roxane's capital expenditure reached US$56 million in 2013, an increase of US$22 million over 2012 primarily due to increases in maintenance capital expenditures related to corporate compliance programs, the expansion of drug stability storage areas and the upgrading of packaging lines to implement product safety serialization capabilities. Capital expenditures related to the development of the certain key products referred to above also increased during the year.

In 2014, Roxane's capital expenditure reached US$73 million, an increase of US$16 million, primarily due to the installation of new packaging lines and other manufacturing equipment, as well as engineering and construction costs related to future product launches.

The selected historical financial information for Roxane set out in this section may not be indicative of what Roxane's results would have been had Roxane operated as a separate standalone entity and may not be indicative of what Roxane's results of operations, financial position and cash flows may be in the future.

Save as set out above, there has been no significant change to Roxane's financial position and operating results during or subsequent to the period covered by the historical key financial information for Roxane set out in this section.

B.8 Selected key pro-forma financial information

Selected pro-forma financial information, which illustrates the effect of the Acquisition on the Hikma Group's income statement as if it had occurred on 1 January 2014 and its net assets as if it had occurred on 30 June 2015, is set out below. The unaudited pro-forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the Hikma Group's or the Enlarged Group's actual financial position or results.

(A) Unaudited pro-forma income statement for the year ended 31 December 2014

	Hikma Group (US$m)	Roxane (US$m)	Roxane adjustments (US$m)	Financing (US$m)	Acquisition adjustments (US$m)	Pro-forma total (US$m)
Revenue	1,489	676	—	—	—	2,165
Cost of sales	(638)	(474)	—	—	—	(1,112)
Gross profit	**851**	**202**	**—**	**—**	**—**	**1,053**
Sales and marketing expenses	(171)	(22)	—	—	—	(193)
General and administrative expenses	(185)	(29)	—	—	(36)	(250)
R&D expenses	(55)	(117)	—	—	—	(172)
Other operating expenses (net)	(38)	(12)	—	—	—	(50)
Total operating expenses	(449)	(180)	—	—	(36)	(664)
Adjusted operating profit	427	16	—	—	—	443
Exceptional items						
Acquisition-related costs	(11)	—	—	—	(36)	(47)
Sale of intellectual property	—	6	—	—	—	6
Intangible amortisation	(14)	—	—	—	—	(14)
Operating profit	**402**	**22**	**—**	**—**	**(36)**	**388**
Share of results of associated companies	(6)	—	—	—	—	6
Finance income	4	—	—	(1)	—	3
Finance expense	(38)	(4)	4	(23)	—	(61)
Profit before tax from continuing operations	362	18	4	(24)	(36)	324
Tax	(80)	(5)	(1)	5	—	(81)
Profit for the year	282	13	3	(19)	(36)	243

		(B) Unaudited pro-forma statement of net assets of the Enlarged Group as at 30 June 2015

	Hikma Group At 30 June 2015 (US$m)	Roxane At 31 December 2014 (US$m)	Financing (US$m)	Acquisition adjustments (US$m)	Pro-forma total (US$m)
Non-current assets					
Intangible assets	585	14	—	1,646	2,245
Property, plant and equipment	504	333	—	—	837
Investment in associates and joint ventures	14	—	—	—	14
Deferred tax assets	64	41	—	—	105
Financial and other non-current assets	43	—	—	—	43
	1,210	388	—	1,646	3,244
Current assets					
Inventories	280	267	—	—	547
Income tax asset	16	—	—	—	16
Trade and other receivables	484	128	—	—	612
Collateralised and restricted cash	5	—	—	—	5
Cash and cash equivalents	490	—	(6)	(338)	146
Other current assets	22	—	—	—	22
	1,297	395	(6)	(338)	1,348
Total assets	**2,507**	**783**	**(6)**	**1,308**	**4,592**
Current liabilities					
Bank overdrafts and loans	165	—	—	—	165
Obligations under finance leases	1	—	—	—	1
Trade and other payables	234	72	—	—	306
Income tax provision	64	—	—	—	64
Other provisions	25	—	—	—	25
Other current liabilities	107	1	—	—	108
	596	**73**	**—**	**—**	**669**
Net current assets	**701**	**322**	**(6)**	**(338)**	**679**
Non-current liabilities					
Long-term financial debts	589	—	876	—	1,465
Obligations under finance leases	23	—	—	—	23
Deferred tax liabilities	23	—	—	—	23
Derivative financial instruments	1	—	—	—	1
Other non-current liabilities	1	8	—	—	9
	637	**8**	**876**	**—**	**1,521**
Total liabilities	**1,233**	**81**	**876**	**—**	**2,190**
Net assets	**1,274**	**702**	**(882)**	**1,308**	**2,402**

B.9	Profit forecast and estimate	Not applicable; neither Hikma nor Roxane has made a profit forecast or estimate.
B.10	Qualifications in the audit reports	Not applicable; the audit reports on the historical financial information contained in, or incorporated by reference into, this document are not qualified.
B.11	Working capital explanation	Not applicable; Hikma is of the opinion that, taking into account existing available facilities, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document. Hikma is of the opinion that, taking into account existing available facilities, the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

Section C – Securities		
Element	**Disclosure Requirement**	**Disclosure**
C.1	Type and the class of the securities	Hikma will issue 40,000,000 Consideration Shares of 10 pence each in the capital of Hikma. The ISIN the Consideration Shares will trade under is GB00B0LCW083.
C.2	Currency of the securities issue	The Consideration Shares will be priced in Pounds Sterling, and will be quoted and traded in Pounds Sterling.
C.3	Shares issued / value per share	The issued and fully paid share capital of Hikma as at close of business on 20 January 2016 (being the latest practicable date prior to the publication of this document) consists of 199,385,501 Ordinary Shares of 10 pence each.

C.4	Description of the rights attaching to the securities	The Consideration Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Hikma Shares in issue at the time the Consideration Shares are issued pursuant to the Acquisition, including in relation to any dividends or other distributions with a record date falling after the date of Closing. Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Hikma Shares (for example, in the case of joint holders of a share, the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share), Hikma Shareholders shall have the right to receive notice of, and to attend and vote at, general meetings of Hikma. Subject to the provisions of the Companies Act, Hikma may from time to time declare dividends and make other distributions on the Hikma Shares. Hikma Shareholders are entitled to participate in the assets of Hikma attributable to their shares in a winding-up of Hikma or other return of capital, but they have no rights of redemption.
C.5	Restrictions on free transferability of the securities	Not applicable; there are no restrictions on the free transferability of Hikma Shares.
C.6	Admission / regulated markets where the securities are traded	Application will be made to the UK Listing Authority and to the London Stock Exchange for the Consideration Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective, and that dealings in the Consideration Shares will commence, no later than close of business on the first Business Day after the Closing Date, which is expected to occur, subject to the receipt of applicable anti-trust approvals, by the end of February 2016.
C.7	Dividend policy	Following Closing, the Board will target a dividend of between 20 per cent. and 30 per cent. of the annual reported Group profits for the financial year after tax, assuming that there are sufficient distributable reserves available at the time, and taking into consideration the potential for adjustments related to the amortisation of intangibles and non-recurring acquisition-related items.

Section D – Risks		
Element	**Disclosure Requirement**	**Disclosure**
D.1	Key information on the key risks that are specific to Hikma or its industry	• The Hikma Group and, if the Acquisition is completed, the Enlarged Group (for the purposes of this element D.1, the "Groups") are subject to extensive, complex, costly and evolving regulations governing the approval, manufacturing, labelling, marketing and sale of pharmaceutical products in the countries where they manufacture and sell their products. Failure to comply with the applicable regulations can result in fines, unanticipated compliance expenditures, recall or seizure of products, total or partial suspension of production or distribution, suspension of the review of the Groups' product applications, enforcement actions, injunctions and criminal prosecution, as well as reputational harm, reduced sales and market share and substantial remediation costs. • The Groups' future results of operations depend, to a significant extent, on their ability to develop, manufacture and successfully commercialise new products in a timely manner. All of the Groups' products must meet and continue to comply with regulatory and safety standards in each of the markets in which they are to be commercialised. There is no assurance that necessary regulatory approvals will be obtained in a timely manner, if at all. The Groups' products currently under development, if and when fully developed and tested, may not perform as expected or may face greater than expected competition. In addition, the Groups' new products may be unable to achieve their planned value. Successful development and manufacture of new products also depends on the Groups being able to secure, on a timely basis and on commercially reasonable terms, the required raw materials. In addition, there is no assurance that the Groups' new products will be accepted by the medical community in the Groups' target markets. If the Acquisition is completed, the Enlarged Group's opening balance sheet will reflect a significant amount of intangible assets relating to Roxane's product pipeline. In the event that these products do not receive the necessary government approvals, or otherwise are not commercialised successfully, it may result in an exceptional non-cash impairment charge being recognised through the Enlarged Group's income statement. If the Acquisition is completed, the Enlarged Group's long-term growth will be significantly dependent upon its ability to file products in the Roxane development pipeline with the US FDA in a timely manner and effectively. The Enlarged Group may not be able to develop and introduce successful Roxane products in the future within the time constraints necessary to be successful. • In various countries where the Groups operate, government health authorities provide healthcare at low direct cost to consumers and regulate pharmaceutical prices or patient reimbursement levels to control costs for the government-sponsored healthcare system. The continuing increase in healthcare expenditure has therefore been the subject of considerable government attention in almost every country in which the Groups operate, particularly as public resources have been stretched by the recent global economic crisis. In recent years, the global healthcare regulatory framework has been subject to continuous reforms. The primary focus of these reforms was introducing cost-containment measures and optimising governmental healthcare spending. Measures implemented in line with these reforms are fragmented and vary by country. In the United States, there has been an increasing focus on drug costs, with heightened scrutiny of price increases that have been implemented for certain products. It is expected that continued pressure will be put on pharmaceutical companies regarding pricing and price increases and to introduce new products at affordable price points in order to help mitigate overall

		increases in the total cost of healthcare expenditure. Also in the United States, due to the budget sequestration programme, the Medicare budget and several related healthcare programmes have been substantially cut. To contain the increasing cost of pharmaceutical products, several measures were implemented pursuant to the Affordable Care Act. The result of the increase in Medicaid rebates is that manufacturers will now have to sell their products at lower prices to Federal Medicaid recipients as administered by state Medicaid programs; however, as a consequence, an increase in volumes is expected. In Europe, certain countries have introduced austerity measures to lower healthcare spending, including mandatory discounts, clawbacks and price referencing rules. Certain countries also slashed their healthcare expenditure budgets or fixed them at a particular amount. Further, mandatory price cuts were introduced in respect of both generic and patented drugs, and tax exemptions on critical drugs (e.g., orphan drugs) were reduced. Global austerity and the cost-containment described above may affect the Groups in a number of ways. • The Hikma Directors believe the combination of the businesses of the Hikma Group and Roxane will bring significant growth opportunities by maximising the potential of Roxane's marketed product portfolio and the commercialisation of Roxane's extensive and differentiated product pipeline, as well as operational cost savings for the Enlarged Group. The Enlarged Group, however, may not realise the expected benefits and synergies from the Acquisition or may encounter difficulties or higher costs in achieving those expected benefits and synergies. Realisation of the expected benefits of the Acquisition will depend largely on the success of Hikma and Roxane management in implementing their combined strategy. • Hikma's current expectations as to the potential financial effects of the Acquisition are based on information provided to Hikma by BI and, in particular, on Hikma's assessment of Roxane's expected growth profile in the short to medium-term, including Hikma's assessment of the timing and financial effects of launches of certain pipeline products by Roxane over the next 12 to 24 months and Hikma's ability to achieve certain synergies as a result of the Acquisition. The statements made as to the potential financial effects of the Acquisition are forward-looking statements and are therefore made subject to a number of reservations. • There is no assurance that, if an intellectual property infringement claim were asserted against the Groups, they would not be found to infringe on the proprietary rights of others. The Groups may also be subject to significant damages or an injunction preventing them from manufacturing, selling or using some of their products in the event of a successful claim of patent or other intellectual property infringement. Furthermore, a significant third-party claim could result in management's attention being distracted from current operations. There has been substantial litigation in the pharmaceutical industry with respect to the manufacture, use and sale of generic pharmaceutical products. • The Hikma Group has in the past grown through a combination of organic development and acquisitions, and intends to continue this combination in the future. The pursuit of an acquisition strategy entails certain risks, including the risk of the Groups' failure to identify suitable acquisition targets, realise the expected benefits of the acquisitions and incurrence of unexpected risks and obligations. The success of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's acquisition strategy is dependent, among other things, on the successful integration of the technologies, products and businesses it acquires, and their subsequent expansion. • If the Acquisition is completed, the Enlarged Group will be more highly leveraged due to the new bank facilities taken out by Hikma to partly finance the Acquisition. • The Groups' ability to generate revenue depends on the sales of a limited number of products. As a result, the Groups' revenue and competitive position are vulnerable to loss of market share by their top-selling products. In addition, pricing dynamics in respect of the top-selling products are largely beyond the Groups' control and are difficult to predict. Prices for these products may, therefore, be subject to significant fluctuations, which could in turn result in significantly reduced profitability and uncertainty about the level of rebates to suppliers. In addition, sales in certain markets in which the Groups operate (especially the United States) can be volatile depending on market opportunities and availability of competing supplies of pharmaceutical products. • The Hikma Group is exposed to a variety of risks associated with doing business in the MENA region, which include the continuing lack of stability in the MENA region, the potential escalation of local armed conflicts and the interruption or curtailment of trade between countries in the MENA region, the United States and/or the states of the EU and the Hikma Group's or the Enlarged Group's trading partners. • Some of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's sales, expenses, assets and liabilities are (and will be) in currencies other than the US dollar (the Hikma Group's or the Enlarged Group's reporting currency) and as such the Hikma Group's or the Enlarged Group's results are (and will be) subject to exchange rate risks. • The Groups' ability to develop and produce approved pharmaceutical products depends on their ability to procure active ingredients, other ingredients and special packaging materials from sources approved by regulatory authorities, including the US FDA. While the Groups use a variety of raw materials to manufacture their products, APIs remain the most important component. Certain APIs have a limited number of suppliers. Notwithstanding the efforts of the Hikma Group and, if the Acquisition is completed, the Enlarged Group, there is no assurance that they will be able to maintain adequate levels of API supplies in the future. In addition, if the Groups import APIs or other raw materials, those imports are subject, in some

		instances, to customs and other government clearance and duties and regulation by their countries of origin. Any shipment of APIs or other raw materials from overseas may be affected by factors beyond the Groups' control and that are hard to predict, such as political instability and currency fluctuations. Also, the prices of APIs may fluctuate sharply over time. ● The Groups strive to deliver high-quality pharmaceutical products to their customers. The manufacture of the Groups' products is exacting and complex due in part to strict regulatory requirements governing their manufacture. The Groups rely on complex machinery and information technology systems to support their manufacturing processes, as well as internal and external communications with respect to supplies, quality control and distribution. Problems may arise during manufacturing for a variety of reasons. The facilities used to manufacture the Groups' products are subject to periodic inspections by regulatory authorities to assess compliance with current good manufacturing practices. While the Groups will manufacture most of their products, others are and will be manufactured by the Groups' contract manufacturing partners. ● The Groups must obtain an approval from the regulatory agencies in each country in which they operate prior to marketing or manufacturing new pharmaceutical products. The process for obtaining governmental approval to manufacture and market pharmaceutical products is rigorous, time-consuming and costly. Moreover, if the Groups obtain regulatory agency approval for a drug, they may be limited with respect to the indicated uses for which the drug may be marketed, which could in turn restrict the Groups' potential market for the drug. ● The pharmaceutical industry is highly competitive and is driven by a variety of factors, including price, safety, efficacy, marketing, packaging and brand loyalty. The Groups' products face intense competition from their competitors' products. The price of pharmaceutical products typically declines as competition increases. The Groups competitive position depends, in part, on their continuing ability to prolong the lifecycle of their existing drug product lines, as well as their ability to develop new products. ● The Groups' products are distributed principally through contracted third parties or distributors and, in the United States, wholesalers. These contracted third parties in turn sell the Groups' products to pharmacies, mail-order customers, mass-merchandisers, hospitals and governmental agencies. Any loss of a large wholesaler customer in the United States or of a significant distribution customer or sales representative in Europe or in the MENA region could have a material adverse effect on the Groups' business, financial condition and results of operations. ● Changes in the tax laws of any of the countries in which the Hikma Group does and, if the Acquisition is completed, the Enlarged Group will do significant business, as well as changes in the Hikma Group's or the Enlarged Group's effective tax rate for a fiscal year caused by other factors, including changes in the interpretation of tax law by local tax officials, could adversely affect the Hikma Group's or the Enlarged Group's net income. The pricing of cross-border transactions is often the subject of negotiation with tax authorities, and any adjustments imposed may lead to greater, including double, taxation of profits. ● Hikma anticipates an effective tax rate based on a global operating model for the Roxane business following Closing. If Hikma is unable to implement the proposed global operating structure, or is delayed in so doing, the Enlarged Group may be unable to achieve the anticipated tax rate. ● The consideration to be paid by Hikma pursuant to the Acquisition Agreement was calculated based on the information provided to Hikma by Roxane and determined during the negotiations between the Parties prior to entering into the Acquisition Agreement. Prior to Closing, Hikma has limited rights to terminate the Acquisition Agreement and no right to do so after Closing. In the event that there is a factor of which Hikma is unaware, or an adverse event, affecting the value of Roxane, or the value of Roxane's business declines prior to Closing, the value of Roxane's business purchased by Hikma may be less than the consideration agreed to be paid by Hikma and, as a result, the net assets of the Enlarged Group could be reduced. In such circumstances Hikma may therefore pay an amount in excess of market value for Roxane, which could have a material adverse effect on the business, financial condition and results of operations of the Enlarged Group.
D.3	Key information on the key risks that are specific to the securities	● The value of the Consideration Shares may go down as well as up and any fluctuations may be material and may not reflect the underlying asset value. For example, the Hikma Group's results of operations and prospects from time to time may be below the expectations of market analysts and investors, which could result in a decline in the market price of the Hikma Shares. ● The issue of Consideration Shares will, and any future issue of Hikma Shares will further, dilute the holdings of current Shareholders and could adversely affect the market price of Hikma Shares. ● The ability of the Hikma Group or, if the Acquisition is completed, the Enlarged Group to pay dividends is not guaranteed, and any acquisition by Hikma of Hikma Shares under the Shareholders' Agreement may adversely affect Hikma's financial and distributable reserves positions and/or involve a fresh issue of Hikma Shares.

Section E – Offer		
Element	**Disclosure Requirement**	**Disclosure**
E.1	Total net proceeds and costs of the issue	The total costs, charges and expenses (including fees and commissions) (exclusive of recoverable VAT) payable by Hikma in connection with the Acquisition are estimated to amount to approximately US$36 million. As set out below, Hikma is not receiving any proceeds for the issue of the Consideration Shares.
E.2a	Reasons for the offer / use of the proceeds	Not applicable; neither this document nor the Acquisition constitutes an offer or invitation to any person to subscribe for or purchase any shares in Hikma or Roxane. Hikma and Roxane will not receive any proceeds as a result of the proposed Acquisition or issue of Consideration Shares.
E.3	Terms and conditions of the offer	Not applicable; neither this document nor the Acquisition constitutes an offer or invitation to any person to subscribe for or purchase any shares in Hikma or Roxane. Hikma and Roxane will not receive any proceeds as a result of the proposed Acquisition or issue of Consideration Shares. On 28 July 2015, Hikma announced the proposed acquisition, subject to certain consents and approvals, of 100 per cent. of Roxane from BI. Under the terms of the Acquisition, on Closing Hikma will pay gross consideration of US$1.18 billion in cash and will issue 40,000,000 Consideration Shares to BI (or a nominee of BI that is an affiliate of BI). Hikma has also agreed to make contingent cash payments of up to US$125 million, subject to the achievement of certain US FDA approval milestones, depending on specific products, type of approval and dosage approved and further exclusivity and ten-year quarterly sales-based contingent payments once the products are commercialised. The Acquisition is conditional upon, among other things, approval by the Shareholders of the Acquisition and the expiration or termination of any required HSR Act antitrust waiting period.
E.4	Interests that are material to the issue / conflicting interests	Not applicable; there are no interests known to Hikma material to the issue of the Consideration Shares or which are conflicting interests.
E.5	Name of the person / entity offering to sell the security	Hikma Pharmaceuticals Public Limited Company.
	Lock-up agreements	Subject to customary exceptions, BII will not be permitted to (and will procure that its affiliates do not) dispose of any Hikma Shares at any time from Closing until 1 January 2017. BII and its affiliates will be permitted to dispose of 24,000,000 Hikma Shares (as may be automatically adjusted on a proportionate basis under the Shareholders' Agreement to take into account any sub-division or stock split, consolidation or reverse stock split, or bonus issue in respect of Hikma Shares, or other transaction having a similar effect with respect to the Hikma Shares to one of those events) between 1 January 2017 and 1 January 2018, with the remainder being locked-up until after 1 January 2018.
E.6	Dilution	If closing of the Acquisition occurs, it will result in the issue of 40,000,000 Consideration Shares, which would result in Shareholders suffering an immediate dilution as a result of the Acquisition, following which they will hold approximately 83.29 per cent. of the issued share capital of Hikma.
E.7	Estimated expenses charged to the investor	Not applicable; no expenses will be directly charged to the investor by Hikma.

RISK FACTORS

*Any investment in Hikma and the Hikma Shares is subject to a number of risks. Prior to investing in such securities, prospective investors should consider carefully the factors and risks associated with any investment in the Hikma Shares, the business of the Hikma Group and, if the Acquisition is completed, the Enlarged Group (for the purposes of these Risk Factors, the "**Groups**") and the industry in which they operate, together with all other information contained in this document including, in particular, the risk factors described below. Prospective investors should note that the risks summarised in the section of this document headed "Summary" are the risks that the Hikma Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in such securities. As the risks which the Groups face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.*

The following is not an exhaustive list or explanation of all risks that investors may face when making an investment in the securities and should be used as guidance only. Additional risks and uncertainties relating to the Groups that are not presently known to the Hikma Directors or the Proposed Director, or which they currently deem immaterial, may individually or cumulatively also have a material adverse effect on the Groups' business, prospects, results of operations and financial position. If any such risk should occur, the price of such securities may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the securities is suitable for them in the light of the information in this document and their personal circumstances.

The information given is as of the date of this document and, except as required by the FCA, the London Stock Exchange, the Listing Rules, the Prospectus Rules or any other applicable law, will not be updated. Any forward-looking statements are made subject to the reservations specified under paragraph 1 of the "Important Information" on page 42 of this document.

1. RISKS RELATING TO THE GROUPS

Failure by the Groups or any of their third-party suppliers to comply with governmental regulations could harm the business of the Groups.

The Groups are subject to extensive, complex, costly and evolving regulations governing the approval, manufacturing, labelling, marketing and sale of pharmaceutical products in the countries where they manufacture and sell their products. The Groups conduct their business in the United States, the EU and across MENA, each of which regulates differently the development, registration, manufacturing, quality controls, distribution, processing, formulation, packaging, labelling, storage, marketing, record-keeping, post-launch monitoring, advertising, promotion, sale and distribution of the products of the Groups. While the regulations in the United States and the EU are to a certain extent streamlined, the regulations across the MENA region are fragmented and vary by country.

*The regulatory bodies in the jurisdictions where the Groups operate rigorously monitor and enforce compliance by pharmaceutical companies with the relevant regulations. The Groups' operations are subject to periodic inspections by the United States Food and Drug Administration (the "**US FDA**") and the relevant regulatory authorities in Europe and the MENA region. Plant inspections are conducted to determine whether the methods used by the Groups in, and facilities and controls used by the Groups for, the manufacture, processing, packing and holding of pharmaceutical products conform to, and are operated and administered in conformity with, the relevant current good manufacturing practices ("**cGMP**") and other applicable regulations. Following these inspections, the relevant regulator may issue notices listing conditions that the inspectors believe may violate cGMP or other applicable regulations, and warning letters that could cause the Groups to modify certain activities identified during the inspection. Failure to comply with the applicable regulations can result in fines, unanticipated compliance expenditures, recall or seizure of products, total or partial suspension of production or distribution, suspension of the review of the Groups' product applications, enforcement actions, injunctions and criminal prosecution, as well as reputational harm, reduced sales and market share. If any of these risks materialise, the Groups' revenue could be materially and adversely affected. In addition, the Groups' could incur substantial remediation costs.*

For example, in February 2012, the Hikma Group received a warning letter from the US FDA in respect of its Eatontown facility in New Jersey, United States. The Hikma Group voluntarily halted commercial production at the facility whilst it undertook remediation work. The facility was brought back into full US FDA compliance in April 2014. The shutdown of the Eatontown facility had an adverse impact on the revenue of the Generics business. In addition, the Hikma Group incurred substantial remediation costs (primarily inventory write-downs).

The US FDA issued a warning letter in relation to the Hikma Group's manufacturing facility in Portugal in October 2014. The US FDA raised certain issues relating to investigations and environmental compliance monitoring at the facility. The Hikma Group was able to address the issues raised by the US FDA without suspending its operations and did not therefore experience any material impact to the manufacturing or distribution of products at the Portuguese facility as a result of the warning letter. On 17 November 2015, the Hikma Group received a letter from the US FDA lifting the warning letter and confirming that the corrective actions that were taken in response to the warning letter were fully reviewed and accepted by the US FDA. With the lifting of the warning letter, the Group will be able to receive new approvals from the Hikma pipeline.

In light of this trend of greater regulatory scrutiny, the Hikma Group implements a variety of measures to protect itself against any regulatory breaches. These include, among others, continuous improvements in quality, sharing expertise between operating divisions and monitoring industry trends. In addition, to pre-empt possible enforcement measures by the regulators, the Hikma Group strictly follows compliance protocol and engages specialised consultants to audit its facilities, as will the Enlarged Group, if the Acquisition is completed. Also, to the extent any of the operations of the Groups are disrupted due to a regulatory investigation, the Groups can seek to transfer products from the affected facilities to other facilities across its network, thus avoiding disruption in the manufacturing process.

*While the Hikma Group believes that it is taking adequate measures to mitigate the regulatory risk, there is no assurance that, should regulatory scrutiny further increase, they will continue to be effective. In addition, continuing compliance with increased regulatory scrutiny is likely to increase the Groups' costs. The Groups also have affiliations, licence agreements and other arrangements with third parties that depend on regulatory approvals of their processes and products. These third parties are subject to regulatory compliance similar to the Hikma Group's. If any of those third parties does not comply with its regulatory requirements, the Groups could be adversely affected if their non-compliance resulted in an interruption in the Groups' supply of raw materials or ingredients, or in the case of any of the Groups' licensors, it hindered the Groups' ability to produce their in-licensed products. Further, the Groups' active pharmaceutical ingredients ("**APIs**") suppliers are subject to strict regulatory compliance and are subject to regular inspections by the US FDA and other regulatory authorities. Any failure by the Groups or any of their third-party suppliers or licensors to comply with governmental regulations, or any regulatory action taken against Groups, could have a material adverse effect on their business, financial condition and results of operations.*

If the Acquisition is completed, the Enlarged Group will own Roxane's manufacturing site in Columbus, Ohio, which is subject to governmental regulations and investigations in the same manner as described for the Hikma Group's existing facilities above. The risk of failure to comply with governmental regulations or any regulatory action taken against the Enlarged Group is therefore the same for this site. However, the site has a strong track record in regulatory inspections. The facility is US FDA / EMA inspected and cGMP-compliant as well as being DEA-approved for controlled substance drugs.

If the Groups are unable to develop, manufacture or commercialise successfully new products in a timely manner, this could adversely affect their business, results of operations and financial condition.

The Groups' future results of operations depend, to a significant extent, on their ability to develop, manufacture and successfully commercialise new products in a timely manner. The development, manufacture and commercialisation process is both time-consuming and costly, and involves a high degree of business risk. The Groups must develop, test and manufacture their products as well as successfully register their products in each relevant jurisdiction. All of the Groups' products must meet and continue to comply with regulatory and safety standards in each of the markets in which they are to be commercialised. There is no assurance that necessary regulatory approvals will be obtained in a timely manner, if at all. Delays in any part of the process or the Groups' inability to

obtain regulatory approval in respect of their products could adversely affect the Groups' operating results by restricting or delaying the introduction of new products. If health or safety concerns arise with respect to a product, Groups may be forced to withdraw it from the market and could face legal action if any harm came from the use of such products. In addition, any action by the US FDA or other regulatory authorities resulting in a temporary suspension of all or part of the Groups' manufacturing facilities could prevent the Groups from developing new products.

The Groups' products currently under development, if and when fully developed and tested, may not perform as expected or may face greater than expected competition. In addition, the Groups' new products may be unable to achieve their planned value. Successful development and manufacture of new products also depends on the Groups being able to secure, on a timely basis and on commercially reasonable terms, the required raw materials. In addition, there is no assurance that the Groups' new products will be accepted by the medical community in the Groups' target markets. Should any of the above risks materialise, it could have a material adverse effect on the Groups' business, financial condition and results of operations.

If the Acquisition is completed, the Enlarged Group's opening balance sheet will reflect a significant amount of intangible assets relating to Roxane's product pipeline. In the event that these products do not receive the necessary government approvals, or otherwise are not commercialised successfully, it may result in an exceptional non-cash impairment charge being recognised through the Enlarged Group's income statement.

As at 1 September 2015, Roxane has a pipeline of 90 projects in various stages of development, of which 28 products are currently filed with the US FDA. The pipeline includes 58 Paragraph IV candidates and 13 first-to-file products. If the Acquisition is completed, the Enlarged Group's long-term growth will be significantly dependent upon its ability to file products in the Roxane development pipeline with the US FDA in a timely manner and effectively. The Enlarged Group may not be able to develop and introduce successful Roxane products in the future within the time constraints necessary to be successful. An inability to continue to file products with the US FDA in a timely manner and effectively could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

The Groups will be exposed to existing and future healthcare cost-containment reform measures.

In various countries where the Groups operate, government health authorities provide healthcare at low direct cost to consumers and regulate pharmaceutical prices or patient reimbursement levels to control costs for the government-sponsored healthcare system. The continuing increase in healthcare expenditure has therefore been the subject of considerable government attention in almost every country in which the Groups operate, particularly as public resources have been stretched by the recent global economic crisis. Further, in recent years, the increasing average age of the population and the associated increasing demand for pharmaceuticals has led to rising healthcare costs. In addition, consumers around the world have responded to challenging economic conditions by decreasing the amount they spend on pharmaceutical products, by delaying treatment or skipping doses.

Increasing expenditure on healthcare has been the subject of considerable public attention in the United States and globally. In recent years, the global healthcare regulatory framework has been subject to continuous reforms. The primary focus of these reforms was introducing cost-containment measures and optimising governmental healthcare spending. Measures implemented in line with these reforms are fragmented and vary by country. Drug prices in the MENA region, for example, are regulated by governments and can, from time to time, be subject to government-mandated price cuts.

In the United States, there has been an increasing focus on drug costs, with heightened scrutiny of price increases that have been implemented for certain products. It is expected that continued pressure will be put on pharmaceutical companies regarding pricing and price increases and to introduce new products at affordable price points in order to help mitigate overall increases in the total cost of health care expenditure.

Also in the United States, due to the budget sequestration programme, the Medicare budget and several related healthcare programmes have been substantially cut. To contain the increasing cost of pharmaceutical products, several measures were implemented pursuant to the Affordable Care Act. These measures included, among other matters, an increase in the rebates manufacturers must pay under the Medicaid Drug Rebate Program from 15.1 per cent. of a product's average

manufacturer's price to a maximum of 23.1 per cent. for all branded drug and biological therapies, with few exceptions, and an increase from 11 per cent. to 13 per cent. for generic drugs. The result of the increase in Medicaid rebates is that manufacturers will now have to sell their products at lower prices to Federal Medicaid recipients as administered by state Medicaid programs; however, as a consequence, an increase in volumes is expected. In Europe, certain countries have introduced austerity measures to lower healthcare spending, including mandatory discounts, clawbacks and price referencing rules. The UK and Germany introduced new systems to determine the cost effectiveness of drugs, which will decide the reimbursement level for a drug. Certain countries also slashed their healthcare expenditure budgets or fixed them at a particular amount. Further, mandatory price cuts were introduced in respect of both generic and patented drugs, and tax exemptions on critical drugs (e.g., orphan drugs) were reduced.

Global austerity and the cost-containment measures described above may affect the Groups in a number of ways. Cost-control initiatives could decrease the price that the Groups receive for any product they develop in the future. As a result, the Groups may be disincentivised from developing and marketing new products. Existing regulations that affect the price of pharmaceutical and other medical products may also change before the Groups' products are approved for marketing. In addition, third-party payers are increasingly challenging the price and cost effectiveness of medical products and services, and litigation has been filed against a number of pharmaceutical companies in relation to these issues. The Groups' products may not be considered cost effective or adequate third-party reimbursement may not be available to enable the Groups to maintain price levels sufficient to realise an adequate return on their investment. Also, the cost of complying with new government regulations can be substantial. The governments of the countries where the Groups operate may, in the future, implement further regulations that impose additional pressure on the price of pharmaceutical products. Any of the factors described above could have a material adverse effect on the Groups' business, financial condition and results of operations.

Third parties may claim that the Groups infringe their proprietary rights and may prevent the Groups from manufacturing and selling their products.

While the Hikma Group believes that its product offerings do not infringe in any material respect upon proprietary rights of other parties and/or that meritorious defences would exist with respect to any assertions to the contrary, there is no assurance that, if an intellectual property infringement claim were asserted against the Groups, they would not be found to infringe on the proprietary rights of others. The Groups may also be subject to significant damages or an injunction preventing them from manufacturing, selling or using some of their products in the event of a successful claim of patent or other intellectual property infringement. Furthermore, a significant third-party claim could result in management's attention being distracted from current operations.

There has been substantial litigation in the pharmaceutical industry with respect to the manufacture, use and sale of generic pharmaceutical products. These lawsuits relate to the validity and infringement of patents or proprietary rights of third parties. Originator and generic pharmaceutical companies are increasingly patenting not only the relevant molecules or manufacturing processes relating to a final dosage product, but formulations and API production processes as well. Also, patent litigation is increasing in the MENA region as international manufacturers file for local patents. A successful claim of patent or other intellectual property infringement against the Groups, their API suppliers or against their licensor with respect to a product licensed to the Groups, could have a material adverse effect on the Groups' business, financial condition and results of operations.

Unlike the United States or the EU, patent regulations in the MENA region are fragmented and vary by country. These regulations may be subject to frequent changes with limited notice and may be open to interpretation. In recent years, large international players have been filing local patent applications in various countries across the MENA region, thus creating grounds for disputes over infringements of their intellectual property rights. As a result, the Hikma Group and, if the Acquisition is completed, the Enlarged Group may be prevented from developing and marketing certain products in the MENA region, which may have a material adverse effect on its business, financial condition and results of operations.

Historically, the Hikma Group has sought approval of its ANDAs with the US FDA under Paragraph III of the Hatch-Waxman Act, on the basis that it would not market its generic product until after the expiry of the Orange Book-listed patent(s). The Hikma Group anticipates that an increasing number of its ANDA filings with the US FDA may include one or more Paragraph IV certification(s)

on the basis that there is at least one Orange Book-listed patent covering the originator product but that the Groups' product does not infringe such patent(s), and/or such patent(s) may be invalid or unenforceable. This may result in an increase in Paragraph IV patent litigation, which could result in an increase in litigation costs for the Groups. If the Acquisition becomes effective, the Enlarged Group will acquire Roxane's material Paragraph IV portfolio, which will increase the risk of any such Paragraph IV litigation.

The outcome of intellectual property-related proceedings could adversely affect, hinder, delay or prevent the manufacture, use, marketing or sale of the Groups' products or processes. The Groups may also be required to pay substantial damages or change their product offerings or expend significant resources to develop non-infringing products or processes. Any of the above could affect the Groups' ability to compete or have a material adverse effect on their business, financial condition and results of operations.

*In September 2014, the Hikma Group received an approval by the US FDA under Section 505(b)(2) of the US Federal Food Drug and Cosmetic Act for its New Drug Application for colchicine 0.6mg capsules. Following this approval, Takeda Pharmaceuticals U.S.A., Inc. ("**Takeda**") brought a suit against the US FDA with respect to its approval of the Hikma Group's colchicine product. The Hikma Group intervened in that action. The United States District Court for the District of Columbia ruled in favour of the US FDA and its approval of the Hikma Group's colchicine product. Takeda appealed that decision to the United States Court of Appeals for the District of Columbia. Should the United States Court of Appeals overrule the District Court's order, the US FDA's approval of the Hikma Group's colchicine product may be withdrawn.*

Takeda has also filed suit against the Hikma Group alleging that the Hikma Group's colchicine product infringes certain of Takeda's patents covering the Colcrys® product. In respect to this case, the District Court of Delaware denied Takeda's motion for preliminary injunction and the US Court of Appeals for the Federal Circuit affirmed the District Court's order, and the injunction pending appeal ordered by the District Court was vacated by the US Court of Appeals for the Federal Circuit. Should an un-appealable ruling on the merits be issued in favour of Takeda, there is a risk that the Hikma Group may be required to pay certain damages associated with the infringement of those certain Takeda patents.

The Groups' business could suffer if they are unable to execute their acquisition strategy, if they incur significant charges to earnings with respect to acquisitions or if they fail to successfully integrate acquisitions.

The Hikma Group has in the past grown through a combination of organic development and acquisitions, and intends to continue this combination in the future. The Hikma Group believes that acquisitions are an integral part of its future growth strategy and it depends on finding suitable acquisition targets in order to meet its medium to long-term growth prospects.

The pursuit of an acquisition strategy entails certain risks, including the risk of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's failure to identify suitable acquisition targets, realise the expected benefits of the acquisitions and incurrence of unexpected risks and obligations. Whilst the Hikma Group conducts and, if the Acquisition is completed, the Enlarged Group will conduct due diligence in preparation for each acquisition, it is possible that legal, tax and operational risks of the respective target, some of which may be unknown or undisclosed to the Hikma Group or the Enlarged Group at the time of the acquisition, may materialise or have more severe consequences than expected. In addition, acquisitions are also subject to the risk of overvaluation of the target and thus the payment of consideration greater than the target market value. Also, the Hikma Group and, if the Acquisition is completed, the Enlarged Group may be unable to evaluate the scale of a potential acquisition, which may result in it being unable to allocate proper resources to execute the acquisition and subsequent integration efficiently.

Acquiring additional businesses could also place increased pressure on the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's cash flows, especially if the acquisition is paid for using the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's operational free cash. A variety of funding options is typically available to the Hikma Group to finance acquisitions, and, if the Acquisition is completed, will typically be available to the Enlarged Group. Whilst the Hikma Group has a track record of effectively using various funding options to finance its acquisitions, an acquisition may entail significantly higher than anticipated financing-related risks and operating expenses, and may significantly increase the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's financing costs and leverage if financed with debt. Also,

recognition of staggered payment of purchase price (as is common in the pharmaceutical industry) in the financial statements is subject to a number of practical difficulties and, as such, may require substantial management time and resources.

*The success of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's acquisition strategy is dependent, among other things, on the successful integration of the technologies, products and businesses it acquires, and their subsequent expansion. Such integration and expansion may put a strain on the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's management resources, distracting the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's managers from their current tasks and/or require additional management resources to be deployed by the Hikma Group or Enlarged Group, especially where a large-scale acquisition is involved. Although the Hikma Group believes that its current managerial, administrative, technical and financial resources are capable of supporting its recent and proposed future expansion, there is no assurance that the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's existing resources will be sufficient for this purpose, or that the Hikma Group or the Enlarged Group will be able to acquire necessary additional resources on commercially acceptable terms or at all. In addition, the Hikma Group and, if the Acquisition is completed, the Enlarged Group may be unable to deploy sufficient resources to integrate a large-scale acquisition, which may result in the Hikma Group or the Enlarged Group being unable to realise desired synergies. There is also a risk that key employees of companies acquired by the Hikma Group and, if the Acquisition is completed, the Enlarged Group, or key employees necessary to successfully commercialise products and technologies that the Hikma Group or Enlarged Group acquires, may seek employment elsewhere, including with the Hikma Group's or the Enlarged Group's competitors. There is no assurance that the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's existing manufacturing, research and development ("**R&D**") and sales capabilities, which are and will be key for the efficiency and reliability of the Hikma Group's and Enlarged Group's business, will continue to support the Hikma Group's or the Enlarged Group's business at the requisite levels of efficiency during the integration of the newly acquired technologies, products or businesses as contemplated by the Hikma Group's or the Enlarged Group's strategy. Any failure by the Hikma Group and, if the Acquisition is completed, the Enlarged Group to acquire, maintain and deploy adequate management, sales, administrative, technical and financial resources to support its expansion could undermine the Hikma Group's or the Enlarged Group's acquisition strategy.*

Failure by the Hikma Group and, if the Acquisition is completed, the Enlarged Group to execute its acquisition strategy, or failure to integrate acquired business and technologies, may prevent it from obtaining the advantages that the acquisitions were intended to create, or could have a material adverse effect on the Hikma Group's or the Enlarged Group's business, financial condition and results of operations.

The Hikma Group is subject to certain restrictions under debt obligations and, if the Acquisition is completed, the Enlarged Group will be more highly leveraged which may result in operational constraints.

If the Acquisition is completed, the Enlarged Group will be more highly leveraged due to the new bank facilities taken out by Hikma to partly finance the Acquisition. The increased leverage as well as restrictive covenants in the financing arrangements of the Hikma Group may result in operational constraints for the Enlarged Group, which may adversely affect the business, financial condition and results of operation of the Enlarged Group. Furthermore, there can be no certainty that it will be possible to refinance existing debt at the relevant time on acceptable terms, which may hinder the ability of the businesses to develop, make future acquisitions and pay dividends.

The Groups will be dependent on a limited number of products for a significant portion of their business.

The Groups' ability to generate revenue depends on the sales of a limited number of products. For example, in the first six months of 2015, the ten largest-selling products in the Hikma Group's Branded business accounted for approximately 54 per cent. of the revenue of the Hikma Group's Branded business, the ten largest-selling products in the Hikma Group's Injectables business accounted for approximately 48 per cent. of the revenue of the Hikma Group's Injectables business and the ten largest-selling products in the Hikma Group's Generics business accounted for approximately 88 per cent. of the revenue of the Hikma Group's Generics business. In the year ended 31 December 2014, Roxane's 10 largest-selling products accounted for approximately half of

its revenue. As a result, the Groups' revenue and competitive position are vulnerable to loss of market share by their top-selling products. In addition, pricing dynamics in respect of the top-selling products are largely beyond the Groups' control and are difficult to predict. Prices for these products may, therefore, be subject to significant fluctuations, which could in turn result in significantly reduced profitability and uncertainty about the level of rebates to suppliers.

In addition, sales in certain markets in which the Groups operate (especially the United States) can be volatile depending on market opportunities and availability of competing supplies of pharmaceutical products. Capturing specific market opportunities in these markets can, from time to time, significantly affect the Groups' results of operations. For example, a then-recent favourable market opportunity in the United States contributed to a significant increase in the Hikma Group's Generics business's revenue for the year ended 31 December 2013. Subsequently, the contribution from this opportunity declined due to increased competition in the US market, which in turn resulted in a decrease in the Hikma Group's Generics business's revenue in the year ended 31 December 2014 as well as for the first six months of 2015. Any loss of market share by the Groups' existing top-selling products, failure by the Groups to diversify their product portfolios, or failure to identify suitable market opportunities, could have a material adverse effect on the Groups' business, financial condition and results of operations.

The Hikma Group is and, if the Acquisition is completed, the Enlarged Group will be exposed to the risks of doing business in the MENA region.

In the year ended 31 December 2014 and the six months ended 30 June 2015, approximately 43 per cent. and 45 per cent., respectively, of the Hikma Group's revenue was attributable to countries in the MENA region. The Hikma Group is and, if the Acquisition is completed, the Enlarged Group will be exposed to a variety of risks associated with doing business in this region. In recent years, certain countries in the region have experienced geo-political and macroeconomic turbulence. The significant political instability and uncertainty in certain countries has resulted in increased inflation rates, a slowdown of economic growth and a shortage of foreign currency reserves. More recently, severe armed conflicts have caused disruption to the economies of several countries across the region, including those of Syria, Libya and Iraq. Whilst the Hikma Group's operations have not been significantly affected by the on-going volatility, there is no assurance that the local conflicts will not spill into neighbouring countries, including those in which the Hikma Group is and, if the Acquisition is completed, the Enlarged Group will be present, causing disruption to the Hikma Group's or the Enlarged Group's operations and affecting its financial condition and prospects. Continuing lack of stability in the MENA region, as well as potential escalation of local armed conflicts, may materially and adversely affect both the MENA region in general and the wider global economy. In particular, it may cause negative market sentiment towards the region.

In addition to political and economic conditions in the MENA region, the Hikma Group and, if the Acquisition is completed, the Enlarged Group could be adversely affected by the interruption or curtailment of trade between countries in the MENA region, the United States and/or the states of the EU and the Hikma Group's or the Enlarged Group's trading partners. Any such events would not be covered by insurance. The Hikma Group's and, if the Acquisition is completed, the Enlarged Group's business in the MENA region may also be adversely affected by any of the following: longer credit terms offered to customers from the MENA region in accordance with the prevailing market practice in the region (which may cause delays in collecting payment from these customers); limitations on the repatriation of income, capital and other assets; currency restrictions; and other adverse regulatory or legislative developments in the MENA markets. Any unexpected changes in the political, social, economic or other conditions in such countries, or in neighbouring countries, could have a material adverse effect on the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's business, financial condition and results of operations.

Fluctuations in exchange rates may adversely affect the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's business and results of operations.

The Hikma Group operates and, if the Acquisition is completed, the Enlarged Group will operate in the United States and across a number of countries in the EU and the MENA region. In addition, the Hikma Group makes and, if the Acquisition is completed, the Enlarged Group's business will make purchases and sales in other countries. Accordingly, some of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's business sales, expenses, assets and liabilities are (and will be) in currencies other than the US dollar (the Hikma Group's or the Enlarged Group's

reporting currency) and as such the Hikma Group's or the Enlarged Group's results are (and will be) subject to exchange rate risks. To the extent that the Hikma Group and, if the Acquisition is completed, the Enlarged Group incurs expenses in one currency but generates sales in another, any change in the values of those non-US dollar currencies relative to the US dollar could cause the Hikma Group's or the Enlarged Group's profits to decrease or its products to be less competitive than those of its competitors. To the extent that cash and receivables that are denominated in currencies other than the US dollar are greater or less than the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's liabilities denominated in such non-US dollar currencies, the Hikma Group or Enlarged Group will be exposed to the risk of fluctuations and movements in the foreign exchange markets. This could have a material adverse effect on the Hikma Group's or the Enlarged Group's business, financial condition and results of operations.

A disruption in the Groups' supply chain may result in the Groups being unable to continue marketing or developing its products or result in it being unable to do so on commercially viable terms.

The Groups' ability to develop and produce approved pharmaceutical products depends on their ability to procure active ingredients, other ingredients and special packaging materials from sources approved by regulatory authorities, including the US FDA. While the Groups use a variety of raw materials to manufacture their products, APIs remain the most important component. Certain APIs have a limited number of suppliers. This is particularly the case for those relating to sterile products, where it is not uncommon for APIs to be supplied by either a single supplier or a limited number of suppliers. Whilst the Hikma Group endeavours and, if the Acquisition is completed, the Enlarged Group will endeavour to maintain at least two qualified suppliers for most of its products, this is not always possible. For example, approximately 83 per cent. of the Hikma Group's Injectables business's products had a single API supplier for the six months ended 30 June 2015.

The Hikma Group uses and, if the Acquisition is completed, the Enlarged Group will use a variety of methods to ensure the supply of APIs they need for production, including careful selection of, and building long-term mutually beneficial relationships with, the API suppliers, the use of supply contracts, partnerships and, where appropriate, the synthesis of its own APIs at its dedicated plant in Jordan. Notwithstanding these efforts, there is no assurance that the Hikma Group and, if the Acquisition is completed, the Enlarged Group will be able to maintain adequate levels of API supplies in the future.

The Groups' API suppliers are subject to regular inspections by regulatory authorities. Whenever the Groups are required to switch to a different supplier (e.g. because a supplier is found to be in breach of the applicable regulations, terminates its contract with the Groups, or otherwise), any such new supplier must be approved by the appropriate regulatory authority. Whilst the Hikma Group aims and, if the Acquisition is completed, the Enlarged Group will aim to have more than one API supplier in respect of the key products, the procedure for approving a new API supplier is lengthy and, in certain cases, may take over two years. This may disrupt the Groups' API supplies, which in turn may result in lost sales, an inability to launch new products and, consequently, a decrease in revenue and market share.

In addition, if the Groups import APIs or other raw materials, those imports are subject, in some instances, to customs and other government clearance and duties and regulation by their countries of origin. Any shipment of APIs or other raw materials from overseas may be affected by factors beyond the Groups' control and that are hard to predict, such as political instability and currency fluctuations. Also, the prices of APIs may fluctuate sharply over time.

Should any of the risks described above materialise, it may have a material adverse effect on the Groups' business, financial condition and results of operations.

The manufacture of the Groups' products will be exacting and complex. If the Groups or their suppliers encounter problems manufacturing products or cease to manufacture products, the Groups' business could suffer.

The Groups strive to deliver high-quality pharmaceutical products to their customers. The manufacture of the Groups' products will be exacting and complex due in part to strict regulatory requirements governing their manufacture. The Groups rely on complex machinery and information technology systems to support their manufacturing processes, as well as internal and external communications with respect to supplies, quality control and distribution. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific

protocols and procedures, problems with raw materials and environmental factors. If problems are severe, the Groups may be forced to temporarily suspend all or part of their production until the problems are rectified. Any of this is likely to result in increased costs, lost sales, damage to customer relations, failure to perform existing contracts, time spent investigating the cause, remedial costs and, depending on the cause, similar losses with respect to other batches or products. For example, following the receipt of a warning letter from the US FDA in February 2012, the Hikma Group voluntarily halted commercial production at its Eatontown manufacturing facility in New Jersey, United States. In addition, where problems are not discovered before the product is released to the market, the Groups may be forced to recall the product from the market. In certain cases, the Groups may face product-liability claims and incur significant costs.

The manufacture of certain of the Hikma Group's products and product candidates, such as sustained-release products or injectables, is more demanding than the manufacture of other products. Successful manufacturing of these types of products requires precise manufacturing process controls, raw materials that conform to very tight tolerances for specific characteristics and equipment that operates consistently within narrow performance ranges. Manufacturing complexities and testing requirements for such products increase the overall difficulty of manufacturing them and resolving manufacturing problems that the Groups may encounter.

The facilities used to manufacture the Groups' products are subject to periodic inspections by regulatory authorities to assess compliance with cGMPs. While the Groups manufacture most of their products, others are and will be manufactured by the Groups' contract manufacturing partners. Although the Groups are ultimately responsible for ensuring that their products are manufactured in accordance with cGMPs, they do not control the day-to-day activities of, and are completely dependent on, the contract manufacturing partners for their compliance with cGMP requirements. If the Groups or any of their manufacturing partners cannot successfully manufacture materials that conform to the Groups' specifications and the strict requirements of the relevant regulatory authorities, the Groups and their manufacturing contractors will not be able to secure and/or maintain regulatory approval for the Groups' respective manufacturing facilities. If a regulatory authority does not approve a facility for the manufacture of the Groups' products or if it withdraws any such approval in the future, or if the US FDA determines that any manufacturing facilities are not in compliance with cGMPs or other US FDA regulations, the Groups may need to find alternative manufacturing facilities. The occurrence or suspected occurrence of production not in line with the Groups' specifications or regulatory requirements can lead to lost inventories, and in some cases product recalls and enforcement action, with consequential damage to the Groups' reputation and the risk of product liability. The investigation and remediation of any identified problems can cause manufacturing delays, substantial expense, lost sales and the delay of new product launches.

Any of the risks described above may have a material adverse effect on the Groups' business, financial condition and results of operations.

Obtaining necessary government approvals is time-consuming and not assured, which could mean that the Groups are unable to realise the momentum for the launch of new products, which may result in the loss of revenue and market share.

The Groups must obtain an approval from the regulatory agencies in each country in which they operate prior to marketing or manufacturing new pharmaceutical products. The process for obtaining governmental approval to manufacture and market pharmaceutical products is rigorous, time-consuming and costly. Depending on the area and therapeutic category, issuance of an approval may take over 30 months. As the approval process is time-consuming, the Groups may not receive new product approvals according to their current expected timelines, which may result in delayed product launches and the loss of revenue and market share. To the extent that the Groups are unable to secure timely approvals for new products, they will depend on their existing products to maintain their revenue. There is no assurance that these products will continue to remain competitive and generate sufficient revenue over time.

There is no assurance that the Groups will obtain the governmental approval of any application they submit for the commercial sale of a product in time, or at all. Moreover, if the Groups obtain regulatory agency approval for a drug, it may be limited with respect to the indicated uses for which the drug may be marketed, which could in turn restrict the Groups' potential market for the drug. The discovery of previously unknown problems with any of the Groups' pharmaceutical products could result in restrictions on the use of a drug, including possible withdrawals of the drug

from the market. Any delays in obtaining the governmental approval or authorisation of new or existing products may have a material adverse effect on the Groups' business, financial condition and results of operations.

The Groups operate in a highly competitive industry. If the Groups fail to maintain their competitive position and lose either market share or face reduced profit margins, it could have a material adverse effect on their business, financial condition and results of operations.

The pharmaceutical industry is highly competitive and is driven by a variety of factors, including price, safety, efficacy, marketing, packaging and brand loyalty. The Groups' products face intense competition from their competitors' products. The price of pharmaceutical products typically declines as competition increases. The Groups' competitive position depends, in part, on their continuing ability to prolong the lifecycle of their existing drug product lines, as well as their ability to develop new products. If the Groups fail to maintain their competitive position and lose either market share or face reduced profit margins, it could have a material adverse effect on their business, financial condition and results of operations.

Many of the Groups' competitors are well-known pharmaceutical companies with substantial financial and other resources. Companies with more resources and larger R&D expenditures have a greater ability to conduct the development work necessary for regulatory applications. The Groups' products could, for example, be rendered obsolete or uneconomical through the development of new products or technological advances in manufacturing or production by the Groups' competitors. The Groups' competitors' products may also be, or be perceived as being, safer or more effective or more effectively marketed and sold than their products. The Groups' competitors may also be able to sustain a deliberate substantial reduction in the price of their products or services for longer periods. This is likely to result in significant price pressure in an increasingly commoditised market, which, in turn, may reduce the Groups' revenue and market share. In addition, in certain markets, the Groups' products may also be subject to competition from alternative therapies during the period of patent protection or regulatory exclusivity, and, thereafter, may be subject to further competition from generic products.

The pharmaceutical industry is also characterised by continuous product development and technological change. An entry of new players in any of the Groups' markets may make it difficult for the Groups to increase their market share, retain existing competitive positions or access new markets at all. In addition, sales in the United States, which accounted for approximately 49 per cent. of the Hikma Group's revenue for the six months ended 30 June 2015, include a substantial contribution from specific market opportunities from certain products. Accordingly, the potential entry of a new player to these markets may erode the Groups' market share.

If the Groups fail to maintain their competitive position, through product development and/or effective marketing, or if any of their larger competitors engage in pricing competition with the Groups, it could have a material adverse effect on the Groups' business, financial condition and results of operations.

Generic and branded pharmaceutical products are sold to a limited number of distribution customers the loss of whose business could have an adverse impact on the Groups' sales.

The Groups' products are distributed principally through contracted third parties or distributors and, in the United States, wholesalers. These contracted third parties in turn sell the Groups' products to pharmacies, mail-order customers, mass-merchandisers, hospitals and governmental agencies.

In the United States, due to the consolidation of wholesalers and distributors and the growth of large national pharmacy chains, there is a limited number of customers that comprises a significant share of the market. In the six months ended 30 June 2015, approximately 49 per cent. of the Hikma Group's revenue came from the United States, where the Hikma Group's sales are concentrated with three wholesalers. Roxane is currently almost entirely focused on the United States market. The Hikma Group does not and, if the Acquisition is completed, the Enlarged Group will not have long-term agreements with any of these wholesalers and thus their purchases from the Groups may cease or be reduced at any time. Furthermore, any change in their buying patterns or changes in their policies and practices in relation to their working capital or inventory management, or the loss of any significant client or contract, may result in a reduction in their purchases of the Groups' products.

Because the Hikma Group does not and, if the Acquisition is completed, the Enlarged Group will not market or distribute its products itself in most European countries, or is or or will be prohibited

from distributing itself by local laws in some MENA jurisdictions, it distributes or will distribute its products through third parties by way of agency and distribution agreements. In some MENA countries, the Hikma Group sells and, if the Acquisition is completed, the Enlarged Group will sell its products through a limited number of distributors. These arrangements may be terminated by either party providing the other with notice of termination or upon expiry of the contract governing the arrangement. The Hikma Group and, if the Acquisition is completed, the Enlarged Group may not be able to negotiate these third-party arrangements successfully or any of these arrangements may not be available on commercially reasonable terms or at all.

Any loss of a large wholesaler customer in the United States, or of a significant distribution customer or sales representative in Europe or in the MENA region, could have a material adverse effect on the Groups' business, financial condition and results of operations.

The Groups' future business success depends on their ability to maintain the high quality of their products and the reputation of their brands.

The Hikma Group believes that the safety and quality of its products and the market perception of its brand are important drivers of its success and, if the Acquisition is completed, that this will also be true of the Enlarged Group. This is particularly the case in certain markets across the MENA region, which accounted for 45 per cent. of the Hikma Group's revenue in the six months ended 30 June 2015. The Groups leverage their strong brand image in order to achieve premium pricing and attractive margins.

While the Groups have a network of quality systems throughout their businesses which aim to ensure the high quality of the design, formulation, development, manufacturing, packaging, handling, distribution and labelling of its products, quality and safety issues may occur. In addition, in respect of certain products, the Groups rely on third-party partners for marketing, distribution and manufacturing services and their reputation may therefore depend on such third parties over whom the Groups do not exercise direct control. Any quality or safety issues concerning the Groups could have a materially adverse effect on their business, financial condition and results of operations and may subject them to regulatory actions, including product recalls, product seizures, injunctions to halt manufacture and distribution, restrictions on their operations, monetary sanctions, civil or criminal sanctions and could subject the Groups to costly litigation. Moreover, it could cause a decrease in the perception of the quality of the Groups' products, which could damage their image and reputation as a pharmaceutical company and also damage the image and reputation of their brands.

If the Groups fail to successfully protect and promote their brands, the market perception of the brands may deteriorate, and the Groups may not be able to maintain their current prices and/or sales volumes, or employ these brands to introduce new products or enter new markets, which could have a material adverse effect on the Groups' business, financial condition and results of operations.

The Groups' ability to market their products successfully depends, in part, upon the acceptance of the products not only by customers, but also by independent third parties.

The Groups' ability to market their products successfully depends, in part, on the acceptance of products by independent third parties, including wholesalers, distributors, physicians, hospitals, pharmacies, GPOs, government representatives and other retailers, as well as patients. The Groups rely to a significant extent on the strength of their brands and reputation and their acceptance by the third-party agents and distributors, especially, in the case of the Hikma Group, for the sale of the Hikma Group's products in the MENA region. Unanticipated side effects or unfavourable publicity concerning any of the Groups' products or brands, or the brands of their in-licensed products, could have an adverse effect on the Groups' ability to achieve acceptance by prescribing physicians, managed care providers, pharmacies and other retailers, customers and patients.

In addition to the strength of their brands and reputation, acceptance of any of the Groups' products among the medical community depends upon a variety of factors, many of which are beyond the Groups' control, including:

- *acceptance by payers, physicians, pharmacists and end-customers of each product as a safe and effective treatment;*
- *whether a physician is receptive to the Groups' product and how quickly the physician adopts it as an accepted treatment;*

- *the cost of treatment in relation to alternative treatments, including numerous generic drug products;*
- *the safety and efficacy of the product;*
- *the effectiveness of the Groups' sales force;*
- *the product's price;*
- *the product's perceived advantages and disadvantages relative to competing products or treatments; and*
- *the prevalence and severity of side effects.*

If the Groups' products are approved by the regulatory authorities but do not achieve an adequate level of acceptance by independent third parties, the Groups may be unable to generate sufficient or any revenues from these products to make them profitable. If the Groups' products fail to maintain significant market acceptance, it could have a material adverse effect on the Groups' business, financial condition and results of operations.

A breakdown in the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's information technology system could result in a significant disruption of its business.

The Hikma Group's operations, including research, development, manufacturing, accounting, storage and delivery, are and, if the Acquisition is completed, the Enlarged Group's operations will be highly dependent on its information technology systems. Such systems are vulnerable to a number of problems, such as software or hardware malfunctions, malicious hacking, physical damage to vital data centres and computer virus infection. In addition, the information technology system needs regular upgrading to accommodate expansion of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's business and maintain the efficiency of its operations. If the Hikma Group and, if the Acquisition is completed, the Enlarged Group faces a breakdown in its systems, it could experience significant business and operational delays across its businesses. In particular, any breakdown in the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's information technology systems could result in disruptions of the Hikma Group's or the Enlarged Group's research, development, manufacturing, accounting and billing processes. To the extent that any disruption or security breach were to result in a loss of or damage to the Hikma Group's or the Enlarged Group's data, or inappropriate disclosure of confidential or proprietary information, the Hikma Group or the Enlarged Group could incur liability and the development of its product candidates could be delayed. Any of this could have a material adverse effect on the Hikma Group's or the Enlarged Group's business, financial condition and results of operations.

The Hikma Group manufactures and, if the Acquisition is completed, the Enlarged Group will manufacture some of its products under licence from third-party pharmaceutical companies.

As at 30 June 2015, the Hikma Group manufactured and marketed 76 products under licence from a variety of pharmaceutical companies, the largest of which are Astellas Pharma and Takeda. In the six months ended 30 June 2015, sales of products under licence accounted for approximately 20 per cent. of the Hikma Group's revenue.

The licence agreements for in-licensed products impose payment and other material obligations on the Hikma Group. Although the Hikma Group is currently in compliance with all of its material obligations under these licences, should it or, if the Acquisition is completed, the Enlarged Group breach any such obligations, the Hikma Group's or the Enlarged Group's counterparties may be entitled to terminate the licences. This may restrict, delay or eliminate the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's ability to continue commercialising these in-licensed products, which could adversely affect the Hikma Group's or the Enlarged Group's business.

The Hikma Group's and, if the Acquisition is completed, the Enlarged Group's failure to in-license new products or compounds for development and distribution, replace existing products as needed or to retain its currently in-licensed products on a commercially reasonable basis, or at all, could have a material adverse effect on the Hikma Group's or the Enlarged Group's business, financial condition and results of operations.

Failure by the Groups to comply with anti-bribery and anti-corruption regulations may harm their businesses.

The Groups are subject to a variety of anti-bribery and anti-corruption regulations in the jurisdictions where they operate. Historically, the pharmaceutical industry, and certain markets across the MENA region in particular, have been considered higher risk in relation to sales practices and related anti-corruption and anti-bribery violations. Any violations of the relevant regulations by the Groups' employees or other associated person could seriously damage the Groups' reputation and result in the Groups' licences and permits being revoked or suspended. The Hikma Group has implemented compliance measures to reduce the risks associated with the breach of anti-bribery and anti-corruption regulations. In particular, the Hikma Group's board of directors has approved an internal code of conduct setting out anti-bribery and anti-corruption compliance procedures. This code has been translated into seven languages and is mandatory for all of the Hikma Group's employees. The Hikma Group has also created a compliance, responsibility and ethics committee responsible for monitoring anti-bribery and anti-corruption compliance by the employees. In addition, the Hikma Group also conducts and, if the Acquisition is completed, the Enlarged Group will conduct regular seminars and training aimed at keeping the employees aware of their responsibilities.

While the Hikma Group believes that it is implementing adequate anti-bribery and anti-corruption measures, there is no assurance that these measures will be effective or continue to be adequate in the future. If the Groups are found to be in breach of the applicable anti-bribery and anti-corruption regulations in any jurisdiction, this could have a material adverse effect on the Groups' business, financial condition and results of operations.

The Hikma Group's and, if the Acquisition is completed, the Enlarged Group's may be unable to retain key officers and qualified scientific and technical personnel, and sales employees.

The Hikma Group is and, if the Acquisition is completed, the Enlarged Group will be highly dependent on the principal members of its management staff and its scientific, technical and sales personnel. The Hikma Group has employment agreements with most of its senior management that include non-competition and non-solicitation provisions and provide for specified notice periods, but the Hikma Group does not maintain key man life insurance policies for any of them. The loss of any member of the senior management team or any other key employee may significantly delay or prevent the achievement of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's product development or business objectives.

Due to the specialised scientific nature of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's business, the Hikma Group is and the Enlarged Group will be highly dependent upon its ability to continue to attract and retain qualified scientific and technical personnel. The Hikma Group also depends and, if the Acqusiition is completed, the Enlarged Group will depend on its sales force to market and sell its products in some of the markets where it operates, and the success of such sales and marketing efforts depends to a significant extent on the personal relationships between a particular sales representative and his or her customers.

In the MENA region, lack of job opportunities may force local talent to leave their countries and seek opportunities abroad. In addition, the dominance of public-sector jobs and substantial governmental interventions may make it difficult for the Hikma Group and, if the Acquisition is completed, the Enlarged Group to secure a local workforce having the skills necessary to run its business. For example, due to restrictions imposed by certain countries (most notably, in Saudi Arabia) on business immigration, it may be difficult for the Hikma Group and, if the Acquisition is completed, the Enlarged Group to replace local expertise and to staff its operations in this market.

Loss of the services of, or failure to recruit, key scientific, technical or sales personnel could be materially detrimental to the Groups' business and financial condition. The Groups face competition for such personnel from other companies, academic institutions, government entities and other organisations. Increasing demand for higher wages may make it difficult for the Groups to retain the necessary personnel. The loss of any key personnel and/or the inability to attract and retain skilled employees required for the Groups' activities could have a material adverse effect on their business, financial condition and results of operations.

The Hikma Group's and, if the Acquisition is completed, the Enlarged Group's policies in the United States regarding returns, allowances and chargebacks, and marketing programmes adopted by wholesalers, may reduce the Hikma Group's or the Enlarged Group's sales in future fiscal periods.

Based on industry practice in the United States, the Hikma Group has liberal return policies and has been willing to give customers post-sale inventory allowances. In addition, the Hikma Group provides to its customers in the United States allowances on its products that its customers still hold in inventory after the Hikma Group has decreased the market prices of such products. Therefore, if additional competitors enter the marketplace and significantly lower the prices of any competing products, the Hikma Group and, if the Acquisition is completed, the Enlarged Group may have to reduce the price of its comparable products. As a result, the Hikma Group or the Enlarged Group would be obliged to provide significant credits to its customers who are holding inventories of such products, which could reduce sales and gross margin for goods already sold and for the period during which the credit is provided. Like its competitors, the Hikma Group also gives credits for chargebacks to wholesalers who have contracted with the Hikma Group for their sales to hospitals, GPOs, pharmacies or other retail customers. A chargeback is the difference between the price the wholesaler pays and the price the wholesaler's end customer pays for a product (i.e. contract price). Although the Hikma Group establishes reserves based on historical experience and its best estimates of the impact these policies may have in subsequent periods, the reserves so established may not be adequate, and actual product returns, allowances and chargebacks may exceed the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's estimates and have a material adverse effect on its business, financial condition and results of operations.

The Groups may be exposed to product-liability claims that could cause them to incur significant costs or cease selling some of their products.

The pharmaceuticals industry has high levels of product-liability claims, primarily aimed at originator pharmaceutical companies and their products. Generic pharmaceutical companies such as the Groups may be liable, or incur costs related to, liability claims if any of their products cause injury or are found unsuitable during development, manufacture, sale or use. Hikma believes that, for the Hikma Group and, if the Acquisition is completed, the Enlarged Group, the risk of product-liability claims is more significant with respect to those products manufactured by the Hikma Group or the Enlarged Group under licence from an originator pharmaceutical company. The risk exists even with respect to products that have received, or may receive in the future, regulatory approval for commercial use.

Product-liability lawsuits could be costly to defend, and could result in reduced sales, substantial monetary awards to clinical trial participants or customers, harm to the Groups' brands, the inability to commercialise products that the Groups develop and diversion of management's time, attention and resources. Considerable sums in damages have been awarded in certain countries against pharmaceutical companies due to physical harm allegedly caused by the use of certain products (including prescription drugs and medical devices). Product-liability claims may force the Groups to withdraw some of their products from the market, in turn creating potential for further claims. Regardless of merit or eventual outcome, liability claims would likely result in negative publicity, decreased demand for any products that the Groups may develop, injury to their reputation and suspension or withdrawal of clinical trials and require the Groups to incur significant legal fees. Although the Hikma Group has a track record of successfully defending product-liability lawsuits, there is no assurance that it will be able to do so in the future. The Hikma Group currently has insurance coverage for product-liability claims. However, such insurance may not be sufficient to cover all or even a material part of a significant product liability claim. Furthermore, at any time, insurance coverage may not be available to the Groups on commercially reasonable terms or at all.

Failure by the Groups to successfully defend a product-liability lawsuit could have a material adverse effect on their business, financial condition and results of operations.

The Groups' operations can be disrupted by accidents, equipment malfunctioning or other unexpected events.

Although the Hikma Group believes that it has, and its contract manufacturer has, adopted and maintains adequate safety precautions, if one or more of its or its contract manufacturers' facilities were to suffer a serious accident, equipment malfunction or other unexpected event (such as an

earthquake, fire or explosion), a part of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's and/or its contract manufacturers' manufacturing capacity could be jeopardised and its revenues and net income would be materially adversely affected until the Hikma Group or the Enlarged Group repaired or found a replacement for any such facility and/or machinery. While the Hikma Group believes that it maintains sufficient insurance to cover any such property damages and other material damages, depending on the risk and type of asset or property insured, any losses related to a serious accident, equipment malfunction or other unexpected event could exceed the amount of this coverage. In addition, the refurbishment or reconstruction of any of the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's contract manufacturers' facilities or the construction of new facilities could be subject to regulatory approval by the competent health authorities of the jurisdictions in which they are located as well as the health authorities of some or all of the jurisdictions to which products from such facilities are exported, which could result in significant delays in the resumption of product manufacturing. If any of the above were to materialise, it could have a material adverse effect on the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's business, financial condition and results of operations.

The Hikma Group and, if the Acquisition is completed, the Enlarged Group will be subject to risks associated with cross-border sales and purchases, which could harm its operations.

A significant portion of sales of the Hikma Group's pharmaceutical products takes place outside the relevant products' country of manufacture. As part of its business strategy and growth plan, the Hikma Group and, if the Acquisition is completed, the Enlarged Group plans to expand further its sales of products manufactured in Portugal or the MENA region into the United States and to market its products in more countries in Europe, the CIS and other emerging markets, which will result in an increase in cross-border sales and purchases. Cross-border operations are subject to risks, including but not limited to:

- *adverse impact of foreign exchange (FX) movements;*
- *inadequate protection of intellectual property;*
- *difficulties and costs associated with complying with a wide variety of complex domestic and foreign laws, regulations and treaties, some of which are subject to change;*
- *legal uncertainties regarding, and timing delays associated with, customs procedures, tariffs, import or export licensing requirements and other trade barriers;*
- *differing local product preferences and product requirements;*
- *increased difficulty in collecting delinquent or unpaid accounts;*
- *risk of loss at sea or other delays in the delivery of products caused by transportation problems; and*
- *differing tax regimes.*

Any of these factors, individually or in the aggregate, could have a material adverse effect on the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's business, financial condition and results of operations.

Furthermore, economic sanctions and restrictions on exports and other transfers of goods have been implemented by the United States and the EU in relation to certain countries in which the Hikma Group or its subsidiaries do business and, if the Acquisition is completed, the Enlarged Group or its subsidiaries will do business, including but not limited to Iraq, Libya, Sudan and Syria. The United States and the EU have also enacted sanctions that prohibit transactions by US or EU persons and entities involving certain specially designated individuals and entities from sanctioned countries or participating in sanctioned activities, including, but not limited to, terrorism and drug trafficking. In addition, the United States, the EU and certain other countries have implemented measures against Russia in connection with the continuing turmoil in Ukraine. These regulations and their enforcement could potentially affect the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's sales in the affected countries and force it to change or abandon its growth plans. In addition, failure to comply with such regulations could result in significant fines, debarment from the ability to contract with the US government or its agencies, as well as reputational damage. Any of the foregoing could result in a material adverse effect on the Hikma Group's and, if the Acquisition is completed, the Enlarged Group's business, financial condition and results of operations.

Industrial action or adverse labour relations could disrupt the Groups' operations and have an adverse effect on operating results.

The Hikma Group's operations depend and, if the Acquisition is completed, the Enlarged Group's operations will depend on employees who are parties to national or local collective bargaining arrangements or benefit from local applicable law, regulation or custom regarding employee rights and benefits. For example, in the United States, approximately 11 per cent. of the Hikma Group's employees are represented by unions. If the Groups are unable to maintain satisfactory employee relations or negotiate acceptable labour agreements in future, the results could include work stoppages, strikes or other industrial action or labour difficulties (including higher labour costs) at any or all of its global facilities.

While the Hikma Group believes that it has good relations with labour unions, employees and their representatives generally, it has experienced a number of disputes with some unions in the past, especially across the MENA region. Many of these disputes were due to an extended period of political instability in the MENA region known as the Arab Spring. For example, in June 2013, an unregistered labour union in Hikma's Jordanian subsidiaries initiated an industrial action, causing a short disruption to the Hikma Group's operations. The action was in violation of the applicable Jordanian labour law and regulations. The action was finally ceased in July 2013, after which the unregistered labour union was dissolved and replaced by committees elected by employees. This disruption did not have a material adverse effect on the Hikma Group's operations or financial performance; however, there is no assurance that the Groups will not experience adverse labour situations in the future. Any of these adverse labour situations could have a material adverse effect on the Groups' business, financial condition and results of operations.

If the Groups fail to comply with environmental, health and safety laws and regulations or faces environmental, health and safety litigation or liability, they may incur costs and expenditures, face potential business interruption and/or regulatory enforcement.

The Groups' product development programmes and manufacturing processes involve the use of chemicals and include hazardous or toxic materials. These programmes and processes expose the Groups to risks of accidental contamination, events of non-compliance with environmental, health and safety laws and regulatory enforcement, personal injury, property damage and claims and litigation resulting from such events. If an accident occurs, or if contamination caused by prior operations is discovered, the Groups could be liable for clean-up obligations, damages or fines, which could have an adverse effect on their business, financial condition and results of operations. The Hikma Group is not aware of any significant contamination incidents or material non-compliance with environmental, health and safety laws.

The environmental laws of many jurisdictions in which the Groups operate may impose potential obligations on the Groups to clean up contaminated sites. These obligations may relate to sites that the Groups acquire, own or operate, that they formerly owned or operated, or for which they may otherwise have retained liability or where waste from their operations was disposed. Were such environmental clean-up obligations to arise they could significantly adversely affect the Groups' operating results. In particular, any financial accruals which the Groups may make for these obligations might be insufficient if the assumptions underlying the accruals proved to be incorrect, or if the Groups are held responsible for additional contamination.

Stricter environmental, health and safety laws and enforcement policies could result in substantial costs and liabilities for the Groups, and could result in their handling, manufacture, use, reuse or disposal of substances or pollutants being subjected to more rigorous scrutiny by relevant regulatory authorities than is currently the case. Compliance with these laws could result in significant capital expenditures, as well as other costs, thereby potentially harming the Groups' business, financial condition and results of operations.

The Groups will be subject to healthcare fraud and abuse regulations in the United States that could result in significant liability and require the Groups to change their business practices and restrict their operations in the future.

The Groups' businesses are subject to various national, supranational, federal and state laws in the United States pertaining to healthcare fraud and abuse, including anti-kickback and false claims laws. Violations of these laws are punishable by criminal and/or civil sanctions, including, in some instances, substantial fines, imprisonment and exclusion from participation in national, federal and state healthcare programs, including Medicare, Medicaid, and Veterans' Administration health

programs. These laws and regulations are broad in scope and are subject to evolving interpretations, which could require the Groups to alter one or more of their sales or marketing practices. In addition, violations of these laws, or allegations of such violations, could disrupt the Groups' business and result in a material adverse effect on the Groups' sales, profitability and financial condition.

In the United States, the Federal False Claims Act allows persons meeting specified requirements to bring suits alleging false or fraudulent Medicare or Medicaid claims and to share in any amounts paid to the government in fines or settlement. The frequency of suits being brought under this act has increased significantly in recent years and accordingly the risk that a manufacturer of pharmaceutical products will be required to defend a false claim action, pay fines and/or be excluded from Medicare and Medicaid programmes has increased. Federal false claims litigation can lead to civil monetary penalties, criminal fines and imprisonment and/or exclusion from participation in Medicare, Medicaid and other federally funded health programmes.

Currently, certain federal and state governmental authorities in the United States, including the US Department of Justice and the US Department of Health and Human Resources, are investigating issues surrounding pricing information reported by several drug manufacturers and used in the calculation of reimbursement under the Medicaid program administered jointly by the federal and state governments. As far as management is aware, the Hikma Group is not the subject of any such investigations. The Groups cannot be certain that any such investigations or claims under the Federal False Claims Act will not be brought against them, or if they are brought that such claims might not be successful.

A change in tax laws in the jurisdictions in which the Groups operate could adversely affect the Groups' earnings.

Changes in the tax laws of any of the countries in which the Hikma Group does and, if the Acquisition is completed, the Enlarged Group will do significant business, as well as changes in the Hikma Group's or the Enlarged Group's effective tax rate for a fiscal year caused by other factors, including changes in the interpretation of tax law by local tax officials, could adversely affect the Hikma Group's or the Enlarged Group's net income.

The pricing of cross-border transactions is often the subject of negotiation with tax authorities, and any adjustments imposed may lead to greater, including double, taxation of profits.

*Most national tax authorities follow the Organization for Economic Co-operation and Development (the "**OECD**") or United Nations guidelines when considering the arm's length nature of cross-border pricing of goods and services. However, the OECD backed Base Erosion and Profit Sharing initiative is beginning to impact existing guidelines which could potentially affect all multinational groups. Adjustments made by a national tax authority may not lead to a corresponding adjustment in the other tax jurisdiction. Also, even where a corresponding tax adjustment is allowed, national tax rates may be different and may therefore increase the overall burden of taxation on the Groups. Cross-border trade is increasing within the Hikma Group and, although the Hikma Group benchmarks its intercompany pricing regularly, the risk of an adverse adjustment will require constant monitoring, which may require a substantial amount of the management resources. Potential discrepancies in the adjustments made by the tax authorities in certain jurisdictions may result in an increased tax burden of the Groups. This is a risk faced by all multinational groups and is not specific to the Groups.*

The Groups will be exposed to legal, regulatory and other risks from their operations in various jurisdictions

The Groups will be subject to the risk of a change in law, regulation or accounting standards in the jurisdictions in which they operate which may have a material adverse effect on the Groups' business, financial condition and results of operations.

2. RISKS RELATING TO THE CONSIDERATION SHARES AND HIKMA SHARES

The value of the Consideration Shares and Hikma Shares may go down as well as up and any fluctuations may be material and may not reflect the underlying asset value.

The market price of the Consideration Shares and Hikma Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding such shares. The fluctuations could result from national and global economic and financial conditions, the market's response to the Acquisition, market perceptions of the Hikma Group, and various other factors and events,

including but not limited to regulatory changes affecting the Enlarged Group's operations, variations in the Enlarged Group's operating results, business developments of the Enlarged Group and/or its competitors and the liquidity of the financial markets. Furthermore, the operating results and prospects from time to time of the Groups may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Consideration Shares and Hikma Shares.

The sale of Hikma Shares by substantial Shareholders could depress the price of Hikma Shares.

Following Admission, if substantial Shareholders sell a substantial number of Hikma Shares, the market price of Hikma Shares, including the Consideration Shares which Hikma will issue to BI (or a nominee of BI that is an affiliate of BI) in part consideration for the Acquisition, may fall significantly. Also, any perceived view that any such Shareholder might sell substantial numbers of Hikma Shares could depress the market price of Hikma Shares, including the Consideration Shares, for an unknown period of time.

Admission of the Consideration Shares may not occur when expected.

Application for Admission of the Consideration Shares will be made prior to Closing. If Closing is delayed, the application for Admission will be delayed. Admission is subject to the approval (subject to satisfaction of any conditions to which such approval is expressed) of the UKLA. There can be no guarantee that any conditions to which Admission is subject will be met or that the UKLA will approve Admission.

Any future issue of Hikma Shares will further dilute the holdings of current Shareholders and could adversely affect the market price of Hikma Shares.

Other than pursuant to the Acquisition, Hikma has no current plans for an offering of ordinary shares. However, it is possible that Hikma may decide to offer additional ordinary shares in the future either to raise capital or for other purposes. If Shareholders did not take up such offer of ordinary shares or were not eligible to participate in such offering, their proportionate ownership and voting interests in Hikma would be reduced. An additional offering could have a material adverse effect on the market price of Hikma Shares.

Holders of Hikma Shares in overseas jurisdictions may not be able to participate in future equity offerings of the Hikma Group or, if the Acquisition is completed, the Enlarged Group's.

Securities laws of certain jurisdictions may restrict the ability of the Hikma Group or, if the Acquisition is completed, the Enlarged Group to allow participation by certain Shareholders in any future issue of Hikma Shares. In particular, Shareholders who are located in the United States may not be able to exercise their rights in a future issue of Hikma Shares unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements is available thereunder. There is no current intention to seek such registration, and it would be evaluated at the time of any proposed issue whether the offer would qualify for an exemption, as well as the indirect benefits to the Hikma Group or, if applicable, the Enlarged Group of enabling US shareholders to exercise rights and any other factors, considered to be appropriate at the time, prior to making a decision on whether to utilise an exemption, if available, from the registration requirements of the Securities Act. Similar issues may arise in relation to other overseas jurisdictions.

The ability of the Hikma Group or, if the Acquisition is completed, the Enlarged Group to pay dividends is not guaranteed, and any acquisition by Hikma of Hikma Shares under the Shareholders' Agreement may adversely affect Hikma's financial and distributable reserves positions and/or involve a fresh issue of Hikma Shares.

The ability of a company to pay dividends is limited under English company law, which limits a company to making distributions (including paying cash dividends) only to the extent that it has distributable reserves available for this purpose. As a holding company, Hikma's ability to pay dividends in the future is affected by a number of factors, principally its ability to receive sufficient dividends, and generate sufficient cash flows, from subsidiaries. The payment of dividends to Hikma by its subsidiaries is, in turn, subject to restrictions, including certain regulatory requirements, applicable tax laws, covenants in debt facilities and the existence of sufficient distributable reserves in such subsidiaries. These laws and restrictions could limit the payment of future dividends and distributions by subsidiaries, which could restrict the ability of Hikma to fund other operations or to pay a dividend to holders of Hikma Shares.

Under the Shareholders' Agreement, Hikma will have a right of first refusal to acquire all or part of any Hikma Shares that BII or its affiliates propose to dispose of from time to time. If Hikma elects to acquire Hikma Shares, its obligation to purchase the relevant Hikma Shares may require significant financing and may accordingly adversely affect the financial position of the Enlarged Group. Alternatively, Hikma may decide to finance the purchase of Hikma Shares by an offering of shares. If the Shareholders do not take up such offer of shares or are not eligible to participate in such offering, their proportionate ownership and voting interests in the Enlarged Group would be reduced and the percentage that their Hikma Shares would represent of the total share capital of the Enlarged Group would be reduced accordingly. Unless funded by the proceeds of a fresh issue of Hikma Shares, any acquisition of Hikma Shares by Hikma would require funding out of Hikma's distributable profits and may accordingly adversely affect Hikma's distributable reserves position.

3. RISKS RELATING TO THE ACQUISITION

Closing is subject to a number of conditions which may not be satisfied or waived.

*The Acquisition is subject to the merger control regime established by the US Hart-Scott-Rodino Improvements Act of 1976, pursuant to which Hikma was required to submit a Premerger Notification Form and Report to the US Federal Trade Commission ("**FTC**") and the Antitrust Division of the Department of Justice (the "**DOJ**"). Hikma will be unable to complete the Acquisition until the HSR Act waiting period has expired or been terminated. Closing of the Acquisition may be subject to conditions imposed by the FTC or DOJ or as a result of litigation. This may include new, or more stringent, conditions being applicable to the Enlarged Group, including restrictions on operations and possible divestitures, which may include divestitures of either Hikma Group or Roxane products with material profitability or sales. Such conditions may adversely affect the benefits of the Acquisition and may materially limit the ability of the Enlarged Group to achieve cost synergies and/or may materially limit the revenues of the Enlarged Group.*

No assurance can be given that all necessary approvals and clearances will be obtained.

The Enlarged Group may fail to realise the expected benefits resulting from the Acquisition, or these benefits may be materially lower than have been estimated.

The Hikma Directors believe the combination of the businesses of the Hikma Group and Roxane will bring significant growth opportunities by maximising the potential of Roxane's marketed product portfolio, and the commercialisation of Roxane's extensive and differentiated product pipeline as well as operational cost savings for the Enlarged Group. The Enlarged Group, however, may not realise the expected benefits and synergies from the Acquisition or may encounter difficulties or higher costs in achieving those expected benefits and synergies. Realisation of the expected benefits of the Acquisition will depend largely on the success of Hikma and Roxane management in implementing their combined strategy. Any failure to realise the increased earnings, operational efficiencies and accelerating growth opportunities which the Hikma Board believes are possible for the Enlarged Group could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and results of operations.

The financial effects of the Acquisition may not meet Hikma's current expectations.

Hikma's current expectations as to the potential financial effects of the Acquisition, described in paragraph 4 of Part I (Letter from the Chairman of Hikma), are based on information provided to Hikma by BI and, in particular, on Hikma's assessment of Roxane's expected growth profile in the short to medium term, including Hikma's assessment of the timing and financial effects of launches of certain pipeline products by Roxane over the next 12 to 24 months and Hikma's ability to achieve certain synergies as a result of the Acquisition. The statements made as to the potential financial effects of the Acquisition are forward-looking statements and are therefore made subject to the reservations specified under paragraph 1 of the "Important Information" on page 42 of this document.

Integration of Roxane into the Hikma Group may be more time-consuming and costly than expected and unforeseen difficulties may arise.

The Hikma Group and Roxane operate as at the date of this document, and will operate until the Closing Date, as two separate and independent entities. The Acquisition will lead to the integration of Roxane into the Hikma Group and the success of the Enlarged Group will depend, in part, on the ability of the Enlarged Group to realise the anticipated benefits from combining the respective operations.

The integration process is likely to present significant administrative, managerial and financial challenges, some of which may not be known until after the process begins. The integration may also take longer than is expected, which may be due to difficulties relating to the integration, of which the Hikma Directors are not yet aware, arising during the process.

Potential difficulties of the integration process could include:

- *co-ordinating services and operations;*
- *consolidating infrastructure, procedures, systems, facilities, accounting functions, compensation structures and other policies;*
- *integrating the management teams and retaining and incentivising key employees;*
- *co-ordinating and communicating with a larger workforce and maintaining employee morale;*
- *operating and integrating a large number of different technology platforms and systems, including information technology systems;*
- *disruptions to the on-going businesses of each of the Hikma Group and Roxane; and*
- *organising and integrating current licensing and other regulatory approvals.*

The failure of, or any unforeseen delays, difficulties, costs, liabilities or losses encountered in connection with, the integration of Roxane with the Hikma Group could have a negative impact on the Enlarged Group's business, prospects, financial condition, reputation and results of operations (as well as the price of the Ordinary Shares).

The Enlarged Group will have an increased exposure to the US generics market as a result of the Acquisition.

If the Acquisition is completed, Hikma will become the sixth largest company by revenue in the US generics market, according to IMS.[1] The Enlarged Group will therefore have increased exposure to this market.

Potential risks associated with this increased exposure to the US generics market could include:

- *more intensive regulatory scrutiny in the US, which could affect the business of the Enlarged Group disproportionately compared to the businesses of its competitors who may not be subject to similar regulatory requirements or restrictions (for example those which do not operate in the US), could increase the costs of complying with regulations and co-operation with regulatory bodies, could reduce the scope for and success of new products and strategies of the Enlarged Group and could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and results of operations;*
- *an increase in volatility of sales in the US market depending on market opportunities and the availability of competing supplies of pharmaceutical products, which could significantly affect the Enlarged Group's results of operations;*
- *more intensive scrutiny of pharmaceutical prices and continued pressure with respect to price increases and the introduction of new products at affordable price points, which could limit the potential of the Enlarged Group's new product launches;*
- *greater exposure to large wholesalers and distributors in the US, whose bargaining power has increased following consolidation, magnifying the adverse effect to the Enlarged Group of losing a large wholesale customer; and*
- *increased exposure to healthcare fraud and abuse regulations in the US that could result in significant liability and require the Enlarged Group to change its business practices and restrict its operations in the future.*

The Enlarged Group may be unable to achieve the anticipated tax rate.

Hikma anticipates an effective tax rate based on a global operating model for the Roxane business following Closing. If Hikma is unable to implement the proposed global operating structure, or is delayed in so doing, the Enlarged Group may be unable to achieve the anticipated tax rate.

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1 Adjusted to reflect recently announced M&A transactions: Teva's proposed acquisition of Allergan Generics, Endo's proposed acquisition of Par, Pfizer's proposed acquisition of Hospira and Lupin's proposed acquisition of Gavis.

Shareholders in Hikma will experience a dilution of their ownership of Hikma.

Pre-emption rights do not apply to the issue of the Consideration Shares to BI pursuant to the Acquisition. Following closing of the Acquisition, Shareholders will experience dilution in their proportionate ownership and voting interest in Hikma compared to their proportionate ownership and voting interest in Hikma immediately prior to the Acquisition because of the issue of the Consideration Shares to BI (or a nominee of BI that is an affiliate of BI).

The Acquisition may have a negative impact on relationships with existing suppliers or customers.

The Hikma Directors consider that, following the Acquisition and integration of Roxane with the Hikma Group, the Enlarged Group will provide expanded service offerings and capabilities. There is a risk, however, that existing suppliers or customers of the Hikma Group and/or Roxane may react negatively to the Acquisition and may as a result terminate, or cease to utilise or renew, their existing arrangements with the Hikma Group or Roxane, as applicable. If as a result of the Acquisition a significant number of either the Hikma Group's and/or Roxane's existing suppliers or customers terminated or ceased utilising or renewing their existing arrangements, it could have a material adverse impact on the Enlarged Group's business, prospects, financial conditions and results of operations.

Management attention may be diverted from the Hikma Group's business by the Acquisition and the integration of Roxane with the Hikma Group.

The Acquisition has required, and will continue to require, substantial amounts of both time and focus from Hikma and Roxane management teams, which could divert the attention of those teams from maintaining standards of operation in their respective businesses. Following Closing, the Enlarged Group's management team will also be required to devote significant attention and resources to integrating the Hikma and Roxane businesses. There is a risk that the challenges associated with managing the Acquisition will result in management teams of each of the Hikma Group, Roxane and the Enlarged Group being distracted and that consequently the underlying businesses will not perform in line with expectations.

The loss of one or more of the Enlarged Group's key employees following Closing could adversely affect the Enlarged Group's business, prospects, financial condition and results of operations.

The calibre and performance of the Enlarged Group's management and other key employees, taken together, is critical to the success of the Enlarged Group and there can be no assurance that the Acquisition will not result in the departure of management and/or other key employees from the Enlarged Group. Such departures may take place either before the Closing Date or following the Closing Date, during the Enlarged Group's integration process.

As noted in paragraph 2 of Part I (Letter from the Chairman of Hikma) of this document, Roxane has a strong and experienced management team of 14 members with an average industry experience of more than 25 years and Hikma expects that the strength and depth of the Roxane team, with strong commercial, operational, regulatory and development expertise will significantly enhance its capabilities in the US and globally.

Failure of the Enlarged Group to maintain or put in place effective plans or arrangements or otherwise to incentivise employees appropriately could result in the departure of management and/or other key employees. The departure of a significant number of management or other key employees could adversely affect both the Enlarged Group's ability to conduct its businesses (through an inability to execute business operations and strategies effectively) and the value of those businesses, which could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and results of operations.

The value of Roxane may be less than the consideration paid by Hikma.

The consideration to be paid by Hikma pursuant to the Acquisition Agreement was calculated based on the information provided to Hikma by Roxane and determined during the negotiations between the Parties prior to entering into the Acquisition Agreement. Prior to Closing, Hikma has limited rights to terminate the Acquisition Agreement and no right to do so after Closing. In the event that there is a factor of which Hikma is unaware, or an adverse event, affecting the value of Roxane, or the value of Roxane's business declines prior to Closing, the value of Roxane's business purchased by Hikma may be less than the consideration agreed to be paid by Hikma

and, as a result, the net assets of the Enlarged Group could be reduced. In such circumstances Hikma may therefore pay an amount in excess of market value for Roxane, which could have a material adverse effect on the business, financial condition and results of operations of the Enlarged Group.

The Acquisition Agreement reflects a competitive auction process with limited protections provided to Hikma by BI.

The disposal of Roxane by BI was carried out by means of a competitive auction process involving Hikma and, Hikma understands, other bidders. Accordingly, the warranties and other purchaser protections given by BI in the Acquisition Agreement are limited and may not cover all potential liabilities associated with Roxane, whether identified or unidentified. The liability of BI is also limited in time and amount. Accordingly, Hikma may not have recourse against, or otherwise be able to recover from, BI in respect of material losses which it may suffer in respect of a breach of those warranties or otherwise in respect of liabilities of Roxane.

The Acquisition may be affected by changes in law, regulation or accounting standards.

The Acquisition is subject to the risk of a change in law, regulation or accounting standards which affects the legal, regulatory or accounting treatment of the Acquisition. In the event of any such change in law, regulation or accounting standards, the Enlarged Group may not realise the expected benefits and synergies from the Acquisition or may encounter difficulties or higher costs in achieving those expected benefits and synergies.

WHERE TO FIND HELP

If Shareholders have any questions, they should call the Shareholder helpline on the numbers set out below. The UK helpline is available from 9.00am to 5.30pm (UK time) on any Business Day, excluding bank holidays.

Shareholder helpline telephone numbers:

0871 664 0300 (from inside the UK) or +44 (0)20 8639 3399 (from outside the UK)

Calls are charged at 12 pence per minute plus network extras. Calls outside the United Kingdom will be charged at the applicable international rate.

Please note that, for legal reasons, the Shareholder helpline will only be able to provide information contained in this document and information relating to the Hikma register of members and will be unable to give advice on the merits of the Acquisition and Admission or to provide financial, legal, tax or investment advice.

IMPORTANT INFORMATION

1. Forward-looking statements

Certain statements contained in this document, including those in the Parts headed ''Summary'', ''Risk Factors'', ''Letter from the Chairman'', ''Information on Hikma'', ''Information on Roxane'' and ''Operating and Financial Review relating to Hikma'', constitute 'forward-looking statements'. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms ''believes'', ''estimates'', ''anticipates'', ''projects'', ''expects'', ''intends'', ''aims'', ''plans'', ''predicts'', ''may'', ''will'', ''seeks'', ''could'', ''would'', ''shall'' or ''should'' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Investors should specifically consider the factors identified in this document, which could cause actual results to differ, before making an investment decision. These forward-looking statements include all matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the Board concerning, among other things, Hikma, Roxane or the Enlarged Group's results of operations, financial condition, prospects, growth, strategies and the industries in which Hikma, Roxane or the Enlarged Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond Hikma's control. Forward-looking statements are not guarantees of future performance and are based on one or more assumptions. Hikma, Roxane or the Enlarged Group's actual results of operations and financial condition and the development of the industries in which Hikma, Roxane or the Enlarged Group operates may differ materially from those suggested by the forward-looking statements contained in this document. In addition, even if Hikma, Roxane or the Enlarged Group's actual results of operations, financial condition and the development of the industries in which Hikma, Roxane or the Enlarged Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Such risks, uncertainties and other factors are set out more fully in the section of this document headed ''Risk Factors''. The forward-looking statements contained in this document speak only as of the date of this document. Hikma and the Board expressly disclaim any obligations or undertaking to update or revise publicly any forward-looking statements contained in this document to reflect any change in Hikma's expectations with regard thereto or any change in events, conditions or circumstances on which such statement is based, unless required to do so by applicable law, the Prospectus Rules, the Listing Rules, the London Stock Exchange Rules or the Disclosure Rules and Transparency Rules.

2. Market, economic and industry data

The Group operates in markets in which it is difficult in certain cases to obtain precise market, economic and industry information. Certain factual information used in this document has been obtained from IMS Health (''**IMS**''), a leading information, services and technology company. In particular, information obtained from IMS includes descriptions of the pharmaceutical markets in certain geographies and details of the Group's market share and competitive position.

Hikma accepts no responsibility for the factual correctness of any such statistics or information obtained from third parties. Hikma accepts responsibility for accurately extracting and transcribing such statistics and information and believes, after due inquiry, that such statistics and information represent the most current publicly available statistics and information from such sources at the dates and for the periods with respect to which they have been presented.

Where information has been sourced from a third party, Hikma confirms that the information has been accurately reproduced and, as far as Hikma is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used, the source of such information has been identified wherever it appears in this document.

Data provided by IMS may differ from that compiled by the Group with respect to its products. Of particular significance in this regard are the following:

- the Group publishes its financial results on a financial year and on a semi-annual basis, whereas IMS issues data on a monthly, quarterly, semi-annual or yearly basis;

- the electronic IMS database, which is supplied to the Group monthly in the cases of Lebanon, Saudi Arabia, Jordan and the UAE, is updated monthly and uses the average exchange rates for the relevant month. In the case of Algeria, the IMS database is updated quarterly (and supplied to the Group on a quarterly basis) and uses the average exchange rates for the relevant quarter;
- IMS sales data is compiled using actual wholesaler data and data from statistically representative panels of retail and hospital pharmacies, which data are then projected by IMS to give figures for national markets. In Saudi Arabia and Algeria, IMS uses actual wholesalers' data reporting and data from representative panels of retail and hospital pharmacies. In Jordan, IMS data is projected from a representative panel of directly reporting pharmacies; and
- the Group reports its sales based on shipping sales to its direct customers (i.e. distributors, pharmacies or hospitals) whereas IMS sales figures are based on ''street'' sales. Street sales are calculated on actual sales by the distributors, pharmacies and hospitals to the end users. The street sales reported by IMS in some MENA region markets, including Saudi Arabia, Jordan and Lebanon are based on pharmacy purchase prices – the prices paid by pharmacies to the distributors, which include a distributor's mark-up. In other MENA region markets, including Algeria and UAE, street sales are reported by IMS based on the actual price paid by the patient.

Unless otherwise stated, the market information included in this document relates largely to prescription pharmaceuticals. This is true for the IMS data included for the United States. IMS data used for the MENA region includes information on non-prescription and prescription products.

3. Financial information

The Group's consolidated financial information included in this document is presented in US dollars, and has been prepared in accordance with International Financial Reporting Standards (''**IFRS**''). Hikma's functional currency is the US dollar, as the majority of its business is conducted in US dollars. The functional currencies of Hikma's subsidiaries are chosen to reflect the primary economic environment in which they operate. Transactions in currencies other than US dollars are translated into US dollars at the rates of exchange prevailing on the dates of the transactions.

All financial information relating to the Hikma Group contained in this document has been extracted, without material adjustment, from the audited financial information of the Hikma Group for the financial years ending 31 December 2012, 31 December 2013 and 31 December 2014 and the unaudited condensed financial information for the six months ended 30 June 2014 and 30 June 2015. Where information has been extracted from the audited financial information of the Hikma Group, the information is audited unless otherwise stated. Where information has been extracted from the unaudited condensed financial information of the Hikma Group, the information is unaudited unless otherwise stated.

The financial information relating to Roxane contained in this document is taken from the audited financial information of Roxane for the financial years ending 31 December 2012, 31 December 2013 and 31 December 2014 set out Part VIII (*Historical Financial Information relating to Roxane*). This has been prepared in accordance with US GAAP and subsequently converted to IFRS in a form that is consistent with Hikma's accounting policies in its latest annual accounts. Where information has been extracted from the audited financial information of Roxane, the information is audited unless otherwise stated.

4. Roundings

Rounding adjustments have been made in calculating some of the financial information included in this document. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

5. Currency presentation and abbreviations

Unless otherwise indicated, all references to (i) ***US$, US dollars*** or ***$*** are to the lawful currency of the United States of America; (ii) ***Pounds*** or ***£*** or ***Pounds Sterling*** are to the lawful currency of the United Kingdom; and (iii) ***Euro*** or ***€*** are to the single currency of the participating Member States in the third stage of the European and Economic Monetary Union pursuant to the Treaty establishing the European Community, as amended from time to time.

6. Website

Without prejudice to the documents incorporated by reference into this document, which will be made available on Hikma's website (www.hikma.com), neither the contents of Hikma's website, nor of any website accessible via hyperlinks from Hikma's website, are incorporated into, or forms part of, this document and Shareholders and prospective investors should not rely on them.

7. Relevant documentation

The following documentation, which is available for inspection in accordance with paragraph 18 of Part XII (*Additional Information*) of this document, contains information that is relevant to the Acquisition.

7.1 Audited and unaudited historical financial information of Hikma

These contain the audited financial information of Hikma for the financial years ending 31 December 2012, 31 December 2013 and 31 December 2014 and the audit reports in respect of each such financial year, and the unaudited financial information of Hikma for the six months ended 30 June 2015.

7.2 Cross-reference table

A list setting out the sections incorporated by reference into, and forming part of, this document and referring to the relevant pages of the audited condensed financial information of Hikma for the financial years ended 31 December 2012, 31 December 2013 or 31 December 2014 and the unaudited condensed financial information for the six months ended 30 June 2014 and 30 June 2015 is included at Part XIII (*Documents Incorporated by Reference*) of this document. This list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change. Please read the notes to this timetable set out below.

Announcement of the Acquisition	Tuesday 28 July 2015
Publication of this document, including the Notice of General Meeting and the Form of Proxy	22 January 2016
Posting of this document, including the Notice of General Meeting and the Form of Proxy	25 January 2016
Latest time and date for receipt of Forms of Proxy	9.00a.m. on 17 February 2016
General Meeting	9.00a.m. on 19 February 2016
Closing of the Acquisition	By the end of February 2016
Admission of Consideration Shares	No later than close of business on the first Business Day after the Closing Date

Notes:

1. Each of the times and dates set out in the expected timetable of principal events above and mentioned throughout this document, and in any other document issued in connection with the Acquisition may be adjusted by Hikma, in which event details of the new times and dates will be notified to the UK Listing Authority, the London Stock Exchange and, where appropriate, Shareholders. An announcement by Hikma will also be made on a Regulatory Information Service. Notwithstanding the foregoing, Shareholders may not receive any further written communication.
2. The date of Closing of the Acquisition is indicative only and depends, among other things, upon the timing for receipt of applicable anti-trust approvals.
3. Any reference to a time in this document is to UK time unless otherwise stated.

INDICATIVE STATISTICS

Number of Hikma Shares in issue (as at 20 January 2016, being the last practicable date prior to the publication of this document)	199,385,501
Number of Consideration Shares to be issued as consideration for the Acquisition	40,000,000
Enlarged Issued Share Capital[1]	239,385,501
Consideration Shares as a percentage of Enlarged Issued Share Capital[1]	16.71 per cent.

Notes:

1. These figures are calculated assuming that no issues of Hikma Shares, other than those described above, occur between the latest practicable date prior to the publication of this document and Closing.

DIRECTORS, PROPOSED DIRECTOR, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors

Name	***Position***
Mr. Said Darwazah	*Chairman and Chief Executive Officer*
Mr. Mazen Darwazah	*Executive Vice-Chairman, President and Chief Executive Officer of MENA and Emerging Markets*
Mr. Robert Pickering	*Senior Independent Director*
Mr. Mohammed "Ali" Al-Husry	*Non-Executive Director*
Mr. Michael Ashton	*Independent Non-Executive Director*
Mr. Breffni Byrne	*Independent Non-Executive Director*
Dr. Ronald Goode	*Independent Non-Executive Director*
Mr. Patrick Butler	*Independent Non-Executive Director*
Dr. Pamela Kirby	*Independent Non-Executive Director*

The business address of all of the Directors is 13 Hanover Square, London W1S 1HL.

Proposed Director

Name	***Position***
Dr. Jochen Gann	*Non-Executive Director*

Group Company Secretary
Mr. Peter Speirs

Registered Office
13 Hanover Square, London W1S 1HL

Advisers

Financial Adviser, Broker and Sponsor	Citigroup Global Markets Limited Citigroup Centre Canada Square London E14 5LB
Financial Adviser	Centerview Partners UK LLP 100 Pall Mall London SW1 5NQ
Legal Adviser to Hikma as to English Law	Slaughter and May One Bunhill Row London EC1Y 8YY
Legal Adviser to Hikma as to New York Law	White & Case LLP 1155 6th Avenue New York United States
Legal Adviser to Citi as to English Law	Linklaters LLP One Silk Street London EC2Y 8HQ
Auditor and Reporting Accountants	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom
Financial PR	FTI Consulting 200 Aldersgate Street London EC1A 4HD
Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART I

LETTER FROM THE CHAIRMAN

Hikma Pharmaceuticals Public Limited Company
(incorporated in the UK under the Companies Act, registered number 05557934)

Directors
Said Darwazah (*Chairman and Chief Executive Officer*)
Mazen Darwazah (*Executive Vice-Chairman*)
Mohammed "Ali" Al-Husry (*Non-Executive Director*)
Robert Pickering (*Non-Executive Director and Senior Independent Director*)
Michael Ashton (*Non-Executive Director*)
Breffni Byrne (*Non-Executive Director*)
Dr. Ronald Goode (*Non-Executive Director*)
Patrick Butler (*Non-Executive Director*)
Dr. Pamela Kirby (*Non-Executive Director*)

Registered office
13 Hanover Square
London W1S 1HL

22 January 2016

Dear Shareholder,

Proposed acquisition of Roxane and issue of Consideration Shares

Notice of General Meeting

1. Introduction

On 28 July 2015, Hikma announced the proposed acquisition, subject to certain consents and approvals, of 100 per cent. of Roxane from BI.

Under the terms of the Acquisition, on Closing Hikma will pay gross consideration of approximately US$1.18 billion in cash and will issue 40,000,000 Consideration Shares (representing approximately 16.71 per cent. of Hikma's issued share capital immediately following Closing and Admission) to BI (or a nominee of BI that is an affiliate of BI). Based on an agreed issue price for the Consideration Shares of £23.50 per share and the USD:GBP exchange rate of 1.56:1, the aggregate value of the gross consideration payable on Closing is approximately US$2.65 billion subject to certain post-Closing cash adjustments. Hikma has also agreed to make contingent cash payments of up to US$125 million, subject to the achievement of certain US FDA approval milestones, depending on specific products, type of approval and dosage approved and further exclusivity and ten-year quarterly sales-based contingent payments once the products are commercialised.

Due to the size of Roxane in relation to the size of Hikma, the Acquisition constitutes a Class 1 transaction pursuant to the Listing Rules and is therefore conditional upon the approval of Shareholders. In addition the right of first refusal, which Hikma has in respect of any Hikma Shares (other than ROFR Excluded Hikma Shares) that BII or its affiliates propose to dispose of from time to time, requires shareholder approval as an off-market buy back contract. A General Meeting to approve the Resolutions required to enable Hikma to complete the Acquisition, allot the Consideration Shares, and exercise the right of first refusal is being convened and will be held at 9.00a.m. on 19 February 2016 at The Westbury, Bond Street, Mayfair, London W1S 2YF. **A Notice of General Meeting and the Resolutions to be proposed and considered at the General Meeting are set out at the end of this document.**

I am writing to give you further details of the Acquisition, including the background to and reasons for it, to explain why the Hikma Board considers it to be in the best interests of Hikma and its Shareholders as a whole, and to recommend that Shareholders vote in favour of the Resolutions.

2. Information on Roxane

Roxane is a well-established US specialty generics business that was founded in 1885 as The Columbus Pharmacal Company. The business was purchased by Boehringer in 1978 at which point its name was changed to Roxane Laboratories, Inc. As at 1 September 2015, Roxane had 1,276 employees supporting the development, manufacturing and marketing of Roxane products. As at 1 September 2015, Roxane had a high-quality product portfolio of 111 different product offerings with particular strength in immediate-release solids as well as nasal spray, liquid and sub-lingual tablet products. Roxane's main marketed products during the period covered by the financial information set out in Part VIII (*Historical Financial Information relating to Roxane*) of this document were Fluticasone, Buprenorphine, Methotrexate, Prednisone and Calcium Acetate. As at 1 September 2015, Roxane had a pipeline of 90 projects in various stages of development, including 28 products which are currently filed with the US FDA and 58 Paragraph IV products, and a consistent track-record of delivering new products to market.

The production of Roxane's products occurs at its manufacturing site in Columbus, Ohio. The facility is located on a modern ~875,000 square-foot site and has broad production capabilities across solid, liquid, dry powder inhaler and nasal spray dosage forms, as well as being able to handle high-potency products, technically complex formulations, and controlled substance drugs. The facility has a strong track record in regulatory inspections. Roxane has co-located its R&D and marketing functions to enable an integrated and responsive approach to new market opportunities. Roxane's key customers are wholesalers, retail chain pharmacies and group purchasing organisations.

Roxane has a strong and experienced management team of 14 members with average industry experience of more than 25 years. Hikma expects that the strength and depth of the Roxane team, with strong commercial, operational, regulatory and development expertise will significantly enhance its capabilities in the US and globally.

Following the finalisation of the audited financial statements prepared in accordance with US GAAP and their conversion to IFRS in a form that is consistent with Hikma's accounting policies in its latest annual accounts, the gross assets of Roxane as at 31 December 2014 as set out in Part VIII (*Historical Financial Information relating to Roxane*) amounted to US$802 million. For the year ended 31 December 2014, profit before tax as set out in Part VIII (*Historical Financial Information relating to Roxane*) amounted to US$17 million.

Roxane's results for the year ended 31 December 2014 were impacted by certain costs that are not expected to recur and reflected on-going costs in respect of Roxane's investment in certain key products in its development pipeline, as described further in paragraph 4 of this letter.

The historical financial information on Roxane set out in Part VIII (*Historical Financial Information relating to Roxane*) may not be indicative of what Roxane's results would have been had Roxane operated as a separate standalone entity and may not be indicative of Roxane's results of operations, financial position and cash flows in the future.

3. Background to and reasons for the Acquisition

Hikma's longstanding objective has been, and remains, to deliver high quality, affordable generic and branded generic medicines to patients as a leading global injectables manufacturer, a leading pharmaceutical manufacturer in MENA and emerging markets, and a high-quality provider of generics in the US.

In recent years, Hikma has rapidly expanded its presence in the US generics market. Hikma is now a leading player in the US generic injectables market, reflecting strong organic growth and the successful acquisition and integration of the MSI and Bedford Laboratories businesses. Hikma has also been investing in the development of its Generics, or non-injectables business in the US, with a focus on expanding its capabilities in specialised and niche segments of the market. The Board believes that the Acquisition is a transformational step in delivering Hikma's strategy to strengthen its non-injectables business in the US. It also represents a compelling opportunity to further the Company's six key strategic priorities of:

- maximising portfolio opportunities;
- strengthening and broadening the Company's product portfolio;
- maintaining high-quality and efficient manufacturing facilities to maximise profitability;

- investing to expand the Company's product portfolio, technological capabilities, manufacturing capacity and geographic reach through capital investment and M&A;
- developing a skilled and effective workforce; and
- ensuring sustainable long-term growth through the continuous development of its product portfolio to increase patient access to high-quality, important medicines across the Company's markets.

In particular, the Board believes that the Acquisition represents a compelling strategic fit for Hikma for the following reasons:

3.1 *Roxane transforms Hikma into a leading supplier of generics in the US market*

The US generics market has attractive industry dynamics with growth drivers, including continued regulatory pressures to control healthcare costs, an ageing population with increasing incidence of chronic illnesses and increasing acceptance among consumers and physicians of generics as equivalents of branded pharmaceuticals, as well as patent cliff and loss-of-exclusivity opportunities. The independent industry data provider US Business Monitor International estimates that the US generic pharmaceuticals market will grow at a compound annual rate of 6.6 per cent. in the period 2014 to 2019.[2]

In the year ended 1 December 2014, Hikma's Generics business, which sells non-injectable products in the US, generated revenue of US$216 million and accounted for approximately 15 per cent. of Group revenue. In recent years, the Company has been developing its growth strategy for this business and investing to build a strong pipeline focused on higher-value, differentiated products in more niche segments of the US generics market. The acquisition of Roxane will transform Hikma into the sixth-largest company by revenue in the US generics market, according to IMS[3], with good prospects for growth.

The addition of scale and product diversification to Hikma's US Generics business is expected to position the Company to better serve its customers in the US, who are themselves consolidating and increasingly preferring suppliers with scale and a broad product offering.

3.2 *Roxane has a differentiated product portfolio of existing marketed products*

As at 1 September 2015, Roxane had a large portfolio of 111 marketed products and over 300 package sizes across seven dosage forms and across a broad range of therapeutic categories, including the high value areas such as respiratory and oncology. More than 80 per cent. of the portfolio (by sales) had at least one layer of product differentiation, which creates a high value portfolio. Roxane has a top-three market position in over 90 per cent. of its product portfolio (by sales). In addition, approximately 75 per cent. of Roxane's products (by sales) have three or fewer competing products.

Whilst Hikma expects that its short-term focus will be on continuing to grow Roxane's product portfolio and market share in the US, the Board also intends to take some of these products to some of the Company's other markets over time, particularly Roxane's portfolio of oncology products, which the Company intends to take into the MENA region.

3.3 *Roxane has a differentiated and robust pipeline with leading R&D capabilities which are expected to support sustainable long-term growth*

As at 1 September 2015, Roxane has a pipeline of 90 projects in various stages of development, which are expected to support Hikma in sustaining long-term growth. These include 28 products which are filed and currently pending approval from the US FDA. The pipeline is focused on high potential products, including 58 Paragraph IV products, which are both filed and in development. All of the pipeline products have at least one layer of product differentiation and a focus on high value areas of respiratory and oncology.

As at 1 September 2015, Roxane had 164 experienced and skilled employees in R&D and Regulatory Affairs, who have a track record of delivering new and differentiated products to market, with an average of eight new product launches annually since 2010. The Acquisition will strengthen Hikma's existing R&D capabilities and is expected to underpin the continued development of a strong product pipeline to sustain long-term growth.

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2 United States Pharmaceuticals and Healthcare Report Q4 2015, page 26, BMI Research, 9 September 2015.

3 Adjusted to reflect recently announced M&A transactions: Teva's proposed acquisition of Allergan Generics, Endo's proposed acquisition of Par, Pfizer's proposed acquisition of Hospira and Lupin's proposed acquisition of Gavis.

3.4 *Hikma will acquire Roxane's site in Columbus, Ohio which will bring new manufacturing technologies and capabilities to Hikma*

Roxane's manufacturing plant in Columbus, Ohio will bring new manufacturing technologies and capabilities to Hikma, including the ability to manufacture solids, liquids, nasal sprays and dry powder inhalers. It also includes a standalone high containment facility, including product and analytical development areas, quality control laboratories, active pharmaceutical filling, manufacturing, packaging and a finished goods warehouse. In 2014, the Roxane manufacturing facility produced 67 million generic packaged units.

Roxane has co-located its R&D and marketing functions to enable an integrated and responsive approach to new market opportunities and to align capacity to support commercial demand. Since 2010, the facility has supported an average of nine new product filings and eight new product launches annually.

The acquisition of the Columbus site gives Hikma additional flexibility to optimise its manufacturing footprint going forward.

3.5 *Roxane has a strong track record with multiple global regulatory authorities*

Roxane has a track record of strong performance in regulatory inspections. Over the past ten years there have been no critical findings or GMP warning letters issued to Roxane by any global regulatory body, including the US, Europe and eight other international agencies. This underpins the potential to commercialise the Roxane portfolio globally over time.

3.6 *Roxane is a scarce asset which would be difficult for Hikma to replicate on the same scale and to the same level of quality*

Roxane possesses a combination of commercial expertise, excellence in manufacturing and specialised R&D capabilities. BI has invested significantly in Roxane since it acquired it in 1978 and has established it as a high-quality operation with a long and impressive track record of differentiated product introductions. This makes Roxane an excellent strategic fit for Hikma. It will be complementary to the Company's existing US business and the combination of Roxane and Hikma is expected to strengthen the Company in terms of adding greater scale, product breadth, pipeline and technological capabilities to its existing offering, including opportunities for the realisation of material synergies in the supply chain and procurement, as well as efficiencies across R&D and other operations.

4. Financial effects of the Acquisition

Roxane's revenue in 2014 amounted to US$676 million. Approximately 16 per cent. of Roxane's 2014 revenues related to products manufactured by Roxane for BI and its affiliates. At Closing, Hikma will enter into supply agreements in relation to the continued manufacture and supply by Roxane of certain products for BI and its affiliates for an initial term of six years from Closing, with automatic renewal for one year periods. Over the next six years revenues attributable to the manufacture of these products will decline as the manufacture of most of the relevant products is gradually phased out of and transferred from the Roxane facility. The transfer of the manufacture of these products will free additional capacity for the manufacture of Roxane's marketed portfolio and pipeline products, each of which is expected to be higher margin than the manufacture of the relevant products for BI and its affiliates.

Roxane's operating profit was US$21 million in 2014. Profitability during 2014 was impacted by two main items – elevated R&D expenses, including US$35 million related to the development of certain key products expected to launch in the coming years, and non-recurring costs of US$17 million attributable to related party transactions and employee benefits.[4]

Hikma expects Roxane revenue in 2015 to be slightly higher than 2014, with the reduction in revenue from products manufactured for BI and its affiliates being offset by growth in revenue from Roxane's marketed portfolio and new product launches.

In 2016, Hikma expects revenue from the Roxane products to be broadly in line with 2015, with recent and planned new product launches mostly offsetting increased competition on the current marketed product portfolio.

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4 The US$35 million and US$17 million figures set out in this paragraph have been extracted from internal financial accounting records and have been prepared on the same basis as the audited financial information of Roxane for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 set out Part VIII (*Historical Financial Information relating to Roxane*). The US$35 million figure forms part of the audited US$117 million Research and development expenses reported for the financial year ended 31 December 2014. The US$17 million forms part of the audited US$180 million Total operating expenses reported for the financial year ended 31 December 2014. Both figures are unaudited.

Following Closing, Hikma will focus on accelerating Roxane's sustainable profitable growth, by aiming to improve the product mix and reduce overheads and other expenses.

By 2017, Hikma expects that the accelerated pace of new product launches will drive Roxane's total revenue to between US$725 million and US$775 million. Close to 20 launches from the Roxane pipeline are scheduled in 2016 and 2017, including some potentially substantial market opportunities. In addition to the anticipated revenue growth, Hikma expects an improved product mix, resulting from the successful commercialisation of Roxane's differentiated pipeline and the reduction in the supply of lower-margin products to BI and its affiliates. The improved product mix, combined with anticipated material operating efficiencies gained through the combination with Hikma's US business, will significantly improve performance and will enable Roxane to expand EBITDA margins from the pre-acquisition levels to around 35 per cent. over the medium term.

Hikma has conducted extensive due diligence to assess the future potential of Roxane's marketed products, the viability and potential of its pipeline of differentiated products and the ability to successfully bring this pipeline to market over time. Hikma's short to medium-term expectations for the business reflect Hikma's assessment of the strength of Roxane's differentiated portfolio and pipeline and current launch plans. Over the medium term, Hikma expects that the combination of its US Generics business with Roxane's strong product selection, R&D and commercialisation capabilities, as well as the benefits of operating and tax efficiencies, will deliver significant shareholder value.

Notwithstanding that Closing is expected to occur, subject to the receipt of applicable anti-trust approvals, by the end of February 2016, which is later than initially anticipated, the Acquisition is expected to be accretive to adjusted EPS in 2016 and strongly accretive to adjusted EPS from 2017, the first full year, onwards.

Following Closing, the Board will target a dividend of between 20 per cent. and 30 per cent. of the annual reported Group profits for the financial year after tax, assuming that there are sufficient distributable reserves available at the time, and taking into consideration the potential for adjustments related to the amortisation of intangibles and non-recurring, acquisition-related items.

5. Terms of the Acquisition

Pursuant to the Acquisition Agreement, Hikma has agreed, subject to the terms and conditions of the Acquisition Agreement, to acquire the entire issued and outstanding capital stock of BIRI and RLI from BI.

At Closing, Hikma will pay to BI gross consideration of approximately US$1.18 billion in cash and will issue 40,000,000 Consideration Shares to BI (or a nominee of BI that is an affiliate of BI), subject to certain post-Closing cash adjustments. Hikma has also agreed to make contingent cash payments of up to US$125 million, subject to the achievement of certain US FDA approval milestones, depending on specific products, type of approval and dosage approved and further exclusivity and ten-year quarterly sales-based contingent payments once the products are commercialised.

The Acquisition is conditional upon, among other things, approval by the Shareholders of the Acquisition and the expiration or termination of any required HSR Act antitrust waiting period. Darhold Limited, the Company's largest shareholder, has irrevocably undertaken to BI to vote in favour of the Resolutions at the General Meeting. The Closing Date is expected to occur, subject to the receipt of applicable anti-trust approvals, by the end of February 2016.

If the Acquisition Agreement is terminated as a result of a change of recommendation by Hikma's Board that is not permitted by the Acquisition Agreement or failure of the Shareholders to approve the Acquisition, Hikma will pay BI a termination fee in the amount of approximately US$52 million, representing just under 1 per cent. of Hikma's market capitalisation as at the close of business on 27 July 2015.

A more detailed summary of the principal terms and conditions of the Acquisition, as set out in the Acquisition Agreement, is set out in Part V (*Terms of the Acquisition*) of this document.

Alongside the Acquisition Agreement, Hikma will enter into supply agreements for the continued manufacture of certain products of BI and its affiliates, a transition services agreement and quality assurance agreements.

6. Shareholders' Agreement

Hikma and BII will at Closing enter into an agreement for the purpose of governing BII's and its affiliates' rights and obligations with respect to the Consideration Shares.

A summary of the principal terms and conditions of the Shareholders' Agreement is set out in Part V (*Terms of the Acquisition*) of this document.

7. Principal terms of the financing

Hikma proposes to finance the Acquisition through a combination of cash, utilisation of bank facilities, and through the issuance of the Consideration Shares to BI (or a nominee of BI that is an affiliate of BI).

8. Management and employees

It is intended that, on Closing, Dr. Jochen Gann, who currently holds a number of board positions at companies in the Boehringer Ingelheim group, will join the Board as non-executive director of the Enlarged Group. It is therefore proposed that the Board of the Enlarged Group following Closing would comprise:

Name	***Position***
Mr. Said Darwazah	*Chairman and Chief Executive Officer*
Mr. Mazen Darwazah	*Executive Vice-Chairman, President and Chief Executive Officer of MENA and Emerging Markets*
Mr. Robert Pickering	*Senior Independent Director*
Mr. Mohammed "Ali" Al-Husry	*Non-Executive Director*
Mr. Michael Ashton	*Independent Non-Executive Director*
Mr. Breffni Byrne	*Independent Non-Executive Director*
Dr. Ronald Goode	*Independent Non-Executive Director*
Mr. Patrick Butler	*Independent Non-Executive Director*
Dr. Pamela Kirby	*Independent Non-Executive Director*
Dr. Jochen Gann	*Non-Executive Director*

9. Current trends and prospects

Hikma

The prospects for Hikma were described in the trading update dated 2 November 2015 as follows:

"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."

There has been no change in the Board's assessment of the matters described above since 2 November 2015.

Roxane

In the nine months ended 30 September 2015, revenues increased through growth in currently marketed products and new product launches, which offset a reduction in revenue from products manufactured for BI and its affiliates. Costs of sales and operating expenses remained largely unchanged during the period. These trends are expected to have continued through to the end of 2015.

10. General Meeting and Resolutions

Set out at the end of this Circular is a Notice convening the General Meeting at which the Resolutions will be proposed. The General Meeting will be held at 9.00 a.m. on 19 February 2016 at The Westbury, Bond Street, Mayfair, London W1S 2YF. The Acquisition is conditional upon, among other things, the Resolutions being approved at the General Meeting.

At the General Meeting you will be asked to approve:

(1) subject to resolutions 2 and 3 being approved, an ordinary resolution (numbered 1) approving the Acquisition and granting the Directors authority to do all such acts and things and execute all such agreements and make such arrangements as may seem to them necessary, expedient or appropriate to implement the Acquisition;

(2) subject to resolutions 1 and 3 being approved, an ordinary resolution (numbered 2) granting the Directors authority to allot the Consideration Shares in accordance with the terms of the Acquisition Agreement; and

(3) subject to resolutions 1 and 2 being approved, an ordinary resolution (numbered 3) approving the potential buy-backs of Hikma Shares by Hikma from BII (or a nominee of BII that is an affiliate of BII) under clause 3 of the Shareholders' Agreement.

The authority to allot the Consideration Shares sought under resolution 2 will expire on the date which is five years from the date of the General Meeting.

Should resolution 3 be passed, if and when the right of first refusal arises, the Directors will consider whether to exercise that right as authorised under resolution 3, and if so, whether to cancel any Hikma Shares bought back or hold them in treasury. Hikma will be authorised to acquire all or part of any Hikma Shares (other than ROFR Excluded Shares) held by BII and its affiliates from time to time being 40,000,000 Hikma Shares as at the date of Closing (representing approximately 16.71 per cent. of Hikma's issued share capital immediately following Closing and Admission) and that BII or its affiliates propose to dispose of from to time. The price of the shares will be equal to the average closing price of a Hikma Share for the five business days prior to BII's notification to Hikma of its intention to dispose of such shares. If Hikma acquired all of the 40,000,000 Hikma Shares held by BII and its affliates immediately following Closing and Admission, immediately following such acquisition the issued and fully paid share capital of Hikma would be 199,385,501 Ordinary Shares of 10 pence each and Hikma's major shareholders would be as set out in paragraph 3 of Part XII (*Additional Information*) of this document (in each case assuming that no issues of Hikma Shares, other than the issue of Consideration Shares as consideration for the Acquisition, occur between the latest practicable date prior to the publication of this document and any such acquisition of Hikma Shares).

In the event that Hikma exercises its right of first refusal to buy back Hikma Shares from BII or its affiliates, Hikma will not be required to seek further shareholder approval of the buyback as a related party transaction (as defined in the Listing Rules) as a result of BII or its affiliates being a substantial shareholder (as defined in the Listing Rules) of Hikma at that time unless there has been a material change to the terms of the buy-back (as set out in clause 3 of the Shareholders' Agreement).

The Resolutions will be proposed as ordinary resolutions. The Resolutions must be approved by Shareholders who together represent a simple majority of the Ordinary Shares being voted (whether in person or by proxy) at the General Meeting.

11. Action to be taken

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed on it and return it so as to be received by the Registrar, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 9.00a.m. UK time on 17 February 2016 (or not less than 48 hours before the time fixed for any adjourned meeting). Shareholders may, if they so wish, register the appointment of a proxy or proxies electronically by logging on to the Registrar's website at www.capitashareportal.com where full details of the procedure are given. Electronic proxy appointments must be received by the Registrar, so as to arrive no later than 9.00a.m. UK time on 17 February 2016 (or not less than 48 hours before the time fixed for any adjourned meeting). CREST members may appoint a proxy or proxies by completing and transmitting a CREST Proxy instruction in accordance with the procedures described in the CREST Manual so that it is received by Hikma's agent (ID RA10) by the latest time for receipt of proxy appointments specified above.

Completing and returning a Form of Proxy or electronic proxy appointment or completing and transmitting a CREST proxy instruction will not prevent you from attending the meeting and voting in person if you wish.

12. Further information

Your attention is drawn to the further information set out in this document and, in particular, to the Risk Factors. **You are advised to read the whole of this document and not just rely on the summary information set out in this letter**.

13. Recommendation

The Board has received financial advice from Citi and Centerview Partners in relation to the Acquisition. In providing such financial advice to the Board, Citi and Centerview Partners have relied on the Board's commercial assessment of the Acquisition.

The Board believes the proposed Acquisition and the Resolutions to be in the best interests of the Shareholders as a whole and, accordingly, unanimously recommends that the Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as each member of the Board intends to do in respect of their own beneficial holdings of, in aggregate, 26,103,684 Hikma Shares, representing approximately 13.09 per cent. of the Company's existing total voting share capital.

Yours faithfully,

Said Darwazah
Chairman and Chief Executive Officer

PART II

INFORMATION ON HIKMA

The selected historical financial information and other historical financial information in relation to Hikma referred to in this Part II (Information on Hikma) has been extracted without material adjustment from the audited historical financial information of Hikma for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014, which has been prepared in accordance with IFRS as well as the unaudited financial information for the six months ended 30 June 2014 and 30 June 2015, which is incorporated by reference in Part VII (Historical Financial Information relating to Hikma) of this document.

Investors should read the whole of this document and the documents incorporated herein by reference and should not just rely on the financial information set out in this Part II (Information on Hikma).

1. Introduction and history

1.1 Introduction

The Group is a fast-growing pharmaceutical group focused on developing, manufacturing and marketing a broad range of high-quality generic, branded and in-licensed pharmaceutical products.

1.2 History

The Group was founded in 1978 in Amman, Jordan by the late Mr. Samih Darwazah, its former Chairman and Chief Executive Officer who retired in May 2014 and passed away on 15 May 2015. At the time of its foundation, the Group was focused on establishing its Branded business in the MENA region. In the early 1990s, the Group expanded outside the MENA region by establishing injectable pharmaceutical operations in Portugal and acquiring West-Ward Pharmaceuticals, a generics pharmaceutical business, in the United States. Over the following ten years, the Group significantly expanded its operations in the United States, the MENA region and Europe through organic growth and investment in greenfield projects. In 2005, the Group listed on the London Stock Exchange raising gross proceeds of US$124 million. A successful initial public offering enhanced the Group's flexibility to grow the business both organically and through acquisitions. From 2005 onwards, the Group has expanded its presence in existing markets and entered new markets in the MENA region. It has also made significant acquisitions in Europe and the United States to strengthen its Injectables business.

The key events in the Group's history include:

1978 — Commenced manufacturing branded generic pharmaceutical products in Jordan for the Middle East market.

1990 — Acquired land in Sintra, Portugal, for the construction of an injectable pharmaceutical products manufacturing plant.

1991 — Entered the United States market through acquisition of West-Ward Pharmaceuticals Corp. with facilities in Eatontown, New Jersey, USA.

1993 — Entered the Tunisian market through acquisition of a minority stake in Industries Pharmaceutiques Ibn Al Baytar ("**IAB**").

1999 — Started manufacturing operations of Jazeera Pharmaceutical Industries ("**JPI**") in Saudi Arabia and entered the Saudi market.

2001 — Manufacturing facilities in Portugal approved by the US FDA. The Group started to manufacture injectable powder cephalosporins for sale in the MENA region and Portugal.

2003 — The Injectables business commenced commercial-scale production of liquid injectables.

2005 — The Injectables business expanded into the lyophilised segment of the injectables market with the acquisition of a specialised manufacturing plant in Italy.

Listed on the London Stock Exchange, raising gross proceeds of US$124 million.

2006 — JPI, the Group's associate business in Saudi Arabia, became a wholly-owned subsidiary and its manufacturing facilities in Saudi Arabia received US FDA approval.

Started manufacturing operations in Trust Pharma Algeria.

2007 — Expanded into the generic injectable oncology market through the acquisition of Ribosepharm GmbH and Thymoorgan in Germany.

Entered the Egyptian pharmaceutical market through the acquisition of Alkan Pharma and strengthened its market presence in Jordan through the acquisition of Arab Pharmaceutical Manufacturing Company ("**APM**").

2008 — Completed share placement raising US$160 million.

2010 — Strengthened position in the Tunisian market through increasing its stake in IAB and, consequently, its 100 per cent. owned subsidiary Medicef.

Acquired Al Dar Al Arabia in Algeria, for penicillin production.

2011 — Expanded the Injectables business through the acquisition of Baxter Healthcare Corporation's multisource injectables business ("**MSI**").

Entered the Moroccan market through the acquisition of Société de Promotion Pharmaceutique du Maghreb S.A.

Strengthened position in Sudan through acquisition of Elie Pharmaceuticals which included a manufacturing facility and a number of product registrations.

Acquired minority stake in Hubei Hauson Pharmaceutical Co. Ltd, a Chinese company developing and manufacturing complex API with a focus on oncology. Hubei Hauson's facilities are approved by the US FDA.

2013 — Acquired Egyptian Company for Pharmaceuticals and Chemical Industries to strengthen the Group's position in the Egyptian market.

Entered Ethiopian market through joint venture with MIDROC Pharmaceuticals Limited.

2014 — Acquired substantially all of the assets of Bedford, which is expected to significantly increase the scale and scope of the Injectables business, adding a large product portfolio, a strong R&D and business development pipeline and a number of employees across key business functions. The acquisition was completed in July 2014.

As part of the Bedford acquisition, the Group acquired substantially all of the assets of Ben Venue, a generic injectables manufacturing facility in Bedford, Ohio, USA, for no incremental consideration. The Ben Venue site included four manufacturing plants and a quality and development centre (the "**QDC**"). The acquisition was completed in September 2014. The Ben Venue site, excluding the QDC, was subsequently sold to Xellia Pharmaceuticals in November 2015.

2015 — Acquired 98.09 per cent. of the share capital of EIMC United Pharmaceuticals, further strengthening the Group's position in the Egyptian market.

Sold the Ben Venue site, excluding the QDC, to Xellia Pharmaceuticals.

2. Business overview

2.1 Principal activities

The Group conducts its business primarily in the United States, the MENA region and Europe. As at 30 June 2015, the Group was selling 587 branded, in-licensed and generic pharmaceutical products in 1,678 dosage strengths and forms in over 50 countries. The Group conducts its operations through three businesses: Branded, Injectables and Generics.

Branded

The Branded business develops, manufactures and markets branded generic pharmaceutical products, supported by a large sales and marketing team and local manufacturing facilities across the MENA region. The Group is also a leading licensing partner in the MENA region, and the Branded business manufactured and marketed 50 branded in-licensed pharmaceutical products in the six months ended 30 June 2015. As at 30 June 2015, the Group was the fifth-largest

pharmaceutical company in the MENA region by revenue, according to IMS[5], selling its products in 17 markets, and it had local manufacturing facilities in seven countries. In the six months ended 30 June 2015, the Branded business manufactured, marketed and sold 377 branded solid, semi-solid and liquid generic pharmaceutical products, in 1,125 dosage strengths and forms.

Historically, the Branded business has focused on anti-infective products. In recent years, in response to changing patients' demands, the business has increasingly focused on developing a portfolio of higher-value products in chronic therapeutic categories, such as cardiovascular, diabetes, central nervous system and oncology products. The following table provides a summary of products launched in the MENA region during the years indicated.

	Year ended 31 December						Six months ended 30 June	
	2012		2013		2014		2015	
	Number of products launched	**Therapeutic categories**	**Number of products launched**	**Therapeutic categories**	**Number of products launched**	**Therapeutic categories**	**Number of products launched**	**Therapeutic categories**
Saudi Arabia	7	CNS	13	Dermatological, CNS, Cardiovascular, Respiratory	0		2	Sexual health
Algeria	6	Diabetes, Cardiovascular, CNS	15	Cardiovascular, CNS	13	CNS, Cardiovascular		
Egypt	9	Cardiovascular, CNS	13	Ophthalmic, CNS	7	CNS, Metabolism	9	Oncology CNS
Jordan	3	CNS	1	Blood & Blood forming	8	CNS		
Other	22		27		31		12	
Total	**47**		**69**		**59**		**23**	

As at 30 June 2015, the Branded business had 95 products under development in various therapeutic categories, including oncology, cardiovascular, diabetes, CNS, hormones and respiratory systems. As at the same date, the Branded business also had a total of 388 products pending approval across all the countries where it operates.

Injectables

The Injectables business manufactures and markets branded generic, generic and in-licensed injectable products. The Injectables business operates manufacturing facilities in the United States, Portugal, Germany and Italy. The Group sells its injectable products in the United States, the MENA region and Europe. As at 30 June 2015, the Group was the fourth-largest player in the injectables pharmaceuticals market in the United States by value, according to IMS.

The Injectables business's product portfolio covers various therapeutic categories, such as anti-infectives, anaesthetic, CNS, oncology and pain management. In recent years, the Injectable business's strategic focus has been on developing a portfolio of higher-value, more differentiated products.

As at 30 June 2015, the Injectables business had 35 products under development across various therapeutic categories, including oncology, central nervous system, cardiovascular, anti-infectives and metabolism. As at the same date, the Injectables business had a total of 443 pending approvals.

In July 2014, the Group completed the acquisition of substantially all of the assets of Bedford, a generic injectables business, from Ben Venue, for total consideration of up to US$300 million, which included a portfolio of 82 generic injectables products, intellectual property rights, contracts for products marketed under licence, raw material inventories, an R&D and business development pipeline and employees across business functions. In addition, as part of the Bedford acquisition, the Group acquired substantially all of the assets of Ben Venue's generic injectables manufacturing facility in Bedford, Ohio, USA, for no incremental consideration. The Ben Venue site included four manufacturing plants and the QDC. The acquisition of Ben Venue was completed in September

5 IMS sales information for the MENA region captures only the top nine private retail markets and not all 17 countries within the MENA region.

2014. The QDC, which includes an R&D pilot plant and a team of experienced employees, is expected to strengthen the Group's existing R&D capabilities, support the development of a strong future pipeline and expedite the transfer and reactivation of the acquired Bedford products.

All manufacturing activities on the Ben Venue site were ceased in December 2013 when it entered into a consent decree with the US FDA. The consent decree related to certain processes and procedures employed at the site, as well as to its management. Following initial assessment of the site, the Group decided not to proceed with further remediation of the Ben Venue site, and on 25 November 2015 sold the four non-operational sterile injectable manufacturing plants to Xellia Pharmaceuticals, whilst retaining the QDC which has been integral to the tech transfer of the Bedford products to the Group's manufacturing facilities in Portugal, Germany and the US. The Group has transferred products and a large number of equipment and machines from the Ben Venue site to its existing facilities in the US, Germany and Portugal in order to expedite the re-introduction of the Bedford products to the market.

Generics

In the Generics business, the Group manufactures and markets oral generic products for sale in the United States. The Generics business operates a manufacturing facility in the United States and is also serviced by the US FDA-approved facilities in Jordan and Saudi Arabia.

Currently, the business is developing its pipeline of products in oral and other non-injectable forms, such as transdermal patches, creams and ointments, through strengthening its internal R&D, external partnerships and product acquisitions.

As at 30 June 2015, the Generics business had 17 products under development, including products in the oncology and musculoskeletal categories.

In February 2012, the Group received a warning letter from the US FDA in respect of its Eatontown manufacturing facility, pointing out deficiencies in certain procedures employed by the Group at this facility. The Group voluntarily shut down the facility for the last two months of 2012 to focus on completing the remediation. The Group began re-launching products manufactured at this facility to the market during 2013 and 2014. Following a re-inspection of the facility by the US FDA, the warning letter was lifted in April 2014. As part of the remediation work, the Group significantly strengthened its operations at the Eatontown facility through the purchase of new equipment, upgrades to its manufacturing processes and hiring additional staff across key functions. The Eatontown facility is now fully operational and the Group is continuing to re-introduce products to the market. As at 30 June 2015, 12 products in 29 dosage forms were being manufactured at the Eatontown facility, and the Group is expecting to reintroduce further products by the end of 2016. As at the same date, 14 products sold by the Generics business in 39 dosage forms and strengths were supplied by the Group's US FDA-approved facilities located in the MENA region.

Breakdown of revenue

The following table sets out a segmental breakdown of revenue for continuing operations (as determined at the time of the relevant period under review and set out in the notes to the audited financial information of Hikma for the financial years ended 31 December 2012, 31 December 2013 or 31 December 2014 or the unaudited financial information for the six months ended 30 June 2014 or 30 June 2015, as applicable) for the periods under review.

	Audited historical financial information for the financial year ended 31 December 2012		**Audited historical financial information for the financial year ended 31 December 2013**		**Audited historical financial information for the financial year ended 31 December 2014**		**Unaudited financial information for the six months ended 30 June 2014**		**Unaudited financial information for the six months ended 30 June 2015**	
	US$m	**% of total revenue**	**US$m**	**% of total revenue**	**US$m**	**% of total revenue**	**US$m**	**% of total revenue**	**US$m**	**% of total revenue**
Branded	529	48	554	41	551	37	259	35	282	40
Injectables	470	42	536	39	713	48	346	47	344	49
Generics	104	9	268	20	216	15	128	17	79	11
Others	6	1	7	—	9	—	5	1	4	—

2.2 Principal markets

Branded business

The Branded business's principal markets are Saudi Arabia, Algeria, Egypt, Morocco and Jordan.

Based on the IMS data, in the six months ended 30 June 2015, the Group was the fourth-largest pharmaceutical manufacturer in Algeria with a market share of approximately 5.2 per cent. by sales value, the eighth-largest pharmaceutical manufacturer in Saudi Arabia with a market share of approximately 4.6 per cent. by sales value and the 17th-largest pharmaceutical manufacturer in Egypt with a market share of approximately 1.8 per cent. by sales value.

The Branded business's largest customers in the MENA region are distributors and agents who sell the Group's products on to end-customers such as pharmacies and hospitals, predominantly in the private market. As is customary in the MENA pharmaceutical market, the Group does not have long-term agreements with any of the relevant distributors and agents. Typically, contracts with distributors and agents are entered into for a period of one year and are subject to an automatic extension. The Group aims to maintain long-standing relationships with some of the largest distributors and agents in the region by entering into longer term contracts with them.

The Branded business focuses on product promotion and brand development, and its marketing efforts are targeted at building long-term relationships with doctors and pharmacists and demonstrating the quality and differentiation of the business's products. The Group's customers in the MENA region typically enjoy longer credit terms compared to the customers in other geographical areas. Average credit terms for these customers vary from 180 to 360 days. For tender sales, the credit term can be up to two years, especially in Jordan and Saudi Arabia. The Group has extensive experience of dealing with its customers across the MENA region. The Group believes that this experience allows it to effectively manage the risks associated with extended credit terms and reduce associated costs.

Injectables business

United States. In the United States, the Injectables business's primary customers are hospital group purchasing organisations ("**GPOs**"), generic distributors and wholesalers. The Injectables business also sells directly to hospitals. As at 30 June 2015, the Injectables business employed a sales force in the United States of 22 people. Average credit terms for the Group's US customers are 30 to 90 days.

MENA region. In the MENA region, the Injectables business sells its products to agents and distributors, who resell these products to end-customers, including hospitals, pharmacies in hospitals and buying groups for hospitals. The Injectables business does not have direct contractual relationships with these end-customers. As is customary in the MENA pharmaceutical market, the Group does not have long-term agreements with any of the relevant distributors and agents. Typically, contracts with distributors and agents are entered into for a period of one year and are subject to an automatic extension.

The Injectables business primarily serves its customers in the MENA region through a direct sales force which, as at 30 June 2015, consisted of 177 sales and marketing professionals. Injectables sales in the MENA region are mainly to the private sector and tender sales are predominately to the Ministry of Health or Ministry of Defence of the relevant country. Customers in the MENA region enjoy longer credit terms compared to customers in other geographical regions. Average credit terms for the Group's Injectables business's customers in the MENA region are similar to those of the Branded business in the MENA region.

Europe. The primary customers for the Injectables business in Europe are hospitals, pharmacies in hospitals and buying groups for hospitals. Portugal, Germany, Italy and the Netherlands are the Group's current main markets. The Group serves these customers through its direct sales forces. As at 30 June 2015, there were 12 sales representatives and two managers in Germany, one sales manager in Italy and two sales representatives and one manager in Portugal.

The Injectables business sells its products in other markets such as the United Kingdom, the Czech Republic and the Balkans through independent third-party distributors.

In Europe, the Group's average credit terms are 180 days for hospitals and 30 to 120 days for other customers.

Generics business

All of the products of the Generics business are sold exclusively in the United States. In the six months ended 30 June 2014 and 2015, the business had over 100 customers in the United States. The most significant of these customers are pharmaceutical wholesalers and distributors, with three wholesalers accounting for approximately 52 per cent. (including US government tender sales) of the Generics business's revenue in the six months ended 30 June 2015. The Generics business also sells directly to mail-order companies and to large pharmaceutical chains. The Group's average credit terms in its Generics business for its US customers are 30 to 60 days.

The sales and marketing activities of the Generics business are managed by the West-Ward Pharmaceuticals team which focuses exclusively on selling oral generic products in the United States. The senior marketing executives of the Generics business call regularly on wholesalers, distributors, mail-order companies and large chains. These sales efforts are supported with telemarketing, as well as professional journal advertising and exhibitions at key medical and pharmaceutical conventions.

Breakdown of revenue

The following table sets out a geographical breakdown of revenue for continuing operations (as determined at the time of the relevant period under review and set out in the notes to the audited financial information of Hikma for the financial years ended 31 December 2012, 31 December 2013 or 31 December 2014 or the unaudited financial information for the six months ended 30 June 2014 and 30 June 2015, as applicable) for the periods under review.

	Audited historical financial information for the financial year ended 31 December 2012		**Audited historical financial information for the financial year ended 31 December 2013**		**Audited historical financial information for the financial year ended 31 December 2014**		**Unaudited financial information for the six months ended 30 June 2014**		**Unaudited financial information for the six months ended 30 June 2015**	
	US$m	**% of total revenue**	**US$m**	**% of total revenue**	**US$m**	**% of total revenue**	**US$m**	**% of total revenue**	**US$m**	**% of total revenue**
MENA region	619	56	638	47	633	43	296	40	322	45
United States	400	36	631	46	763	51	396	54	344	49
Europe and the rest of the world	90	8	96	7	93	6	46	6	43	6

3. Principal investments

A description of the Hikma Group's principal investments for the financial year ended 31 December 2012 is given on pages 138 and 156 of the audited historical financial information of Hikma for the financial year ended 31 December 2012 (which is incorporated by reference into this document).

A description of the Hikma Group's principal investments for the financial year ended 31 December 2013 is given on pages 149 to 150 and 166 of the audited historical financial information of Hikma for the financial year 31 December 2013 (which is incorporated by reference into this document).

A description of the Hikma Group's principal investments for the financial year ended 31 December 2014 is given on pages 146 and 163 of the audited historical financial information of Hikma for the financial year 31 December 2014 (which is incorporated by reference into this document).

A description of the Hikma Group's principal investments for the six months ended 30 June 2015 is given on page 27 of the unaudited financial information of Hikma for the six months ended 30 June 2015 (which is incorporated by reference into this document).

On 8 September 2015, Hikma announced that it had agreed to acquire 98.09 per cent. of the share capital of EIMC United Pharmaceuticals, a Cairo-based pharmaceutical manufacturing company specialising in oncology products.

4. Organisational structure

The following table contains a list of the significant subsidiaries of Hikma as at the date of this document (each of which is considered by Hikma to be likely to have a significant effect on the assessment of the assets, liabilities, financial position and/or profits and losses of the Hikma Group):

Name	Country of incorporation/ registered office	Percentage ownership interest
Hikma Pharmaceuticals LLC	Jordan	100
Arab Pharmaceutical Manufacturing Co.	Jordan	100
Hikma Pharma Algeria SARL	Algeria	100
Hikma Farmacêutica (Portugal) S.A.	Portugal	100
West-Ward Pharmaceuticals Corp.	US	100
Hikma Pharma SAE	Egypt	100
Al Jazeera Pharmaceutical Industries Ltd	KSA	100
Societe D'Industries Pharmaceutiques Ibn Al Baytar S.A.	Tunisia	66
SPA Societe Al Dar Al Arabia	Algeria	100
Societe de Promotion Pharmaceutique du Maghreb S.A	Morocco	94.1
Egyptian Company for Pharmaceuticals & Chemical Industries	Egypt	100

5. Strategy

The Group's strategy is to deliver high-quality, affordable branded generic, generic and in-licensed medicines to patients by:

- leveraging its position as a leading pharmaceutical manufacturer in the MENA region and emerging markets;
- strengthening its position as a leading global injectables manufacturer; and
- leveraging its position as a high-quality provider of non-injectable generics in the United States.

An important part of the Group's strategy is product portfolio expansion. In the future, the Group intends to expand its product portfolio through a combination of organic growth and selective acquisitions.

The Group is delivering its strategy through a focus on a number of key strategic priorities across its businesses. The Group is maximising the opportunities of its global product portfolio through a greater focus on higher-value product launches tailored to market needs, supported by skilled sales and marketing teams and strong customer relationships. It is strengthening and broadening its product portfolio through a greater focus on differentiated products, leveraging both in-house R&D and external partnerships. The Group's commitment to operational excellence aims to ensure it maintains high-quality, efficient and regulatory compliant manufacturing facilities. The Group is making capital investments across its businesses, including acquisitions, to expand its global product portfolio, technological capabilities, geographic reach and manufacturing capacity, whilst continuously developing its skilled, effective and diverse workforce. In delivering its strategy, the Group is increasing patient access to high-quality, affordable medicines in order to ensure sustainable long-term growth. The acquisition of Roxane is consistent with the Group's strategy.

Leveraging position as a leading pharmaceutical manufacturer in the MENA region and emerging markets

As at 30 June 2015, the Group was the fifth-largest pharmaceutical company in the MENA region by revenue, according to IMS[6]. In the MENA region, the Group has focused on building local businesses in each of its markets and employing experienced local management and operating

6 IMS sales information for the MENA region captures only the top nine private retail markets and not all 17 countries within the MENA region.

teams in order to best capture the attractive growth opportunities in these pharmaceutical markets. As well as expanding in its existing MENA markets, the Group is seeking to extend its geographic reach by replicating its business model in new markets.

The Group believes that continuing to launch new products is among the key determinants of its future revenue growth and profitability. To address the changing needs of patients in the MENA region, the Group has been expanding its product portfolio to include higher-value products in fast-growing therapeutic categories such as cardiovascular, diabetes, central nervous system and oncology, whilst still remaining a leading supplier of anti-infective products. The Group believes that its focus on higher-value products also enhances its competitive position. The Group aims to deliver this strategy by increasing its investment in R&D, strengthening its local R&D centres and establishing new licensing partnerships for innovative, patented products. The Group promotes its products through a large and skilled team of over 1,900 sales professionals across its MENA markets. It continuously enhances its sales and marketing activities. In addition, in recent years, the Group has improved its operations across its facilities in the MENA region by reducing procurement costs throughout the supply chain, improving its manufacturing processes and transferring production from Jordan to its local facilities across the region.

Strengthening position as a leading global injectables manufacturer

The Group sells its large portfolio of generic injectable products in the United States, Europe and the MENA region. The Group seeks to sustain the growth of Injectables revenue through pricing improvements, new product launches and a greater focus on higher-value, more differentiated products. To achieve this, the Group is investing in its product portfolio, leveraging its in-house R&D capabilities, developing strategic partnerships and making product acquisitions. In addition, the Group is investing in new technologies, including the capability to combine its generic injectable products with advanced delivery systems.

The 2014 acquisition of substantially all of the assets of Bedford, a generic injectables business with a portfolio of 82 products, a strong R&D and business development pipeline and a number of skilled employees across key business functions, was an important element in this strategy. Combined with the Group's existing marketed products, the acquisition of Bedford creates the largest portfolio of generic injectable products in the US market, according to IMS. In addition, as part of the Bedford acquisition, the Group also acquired substantially all of the assets of Ben Venue's generic injectables manufacturing facility in Bedford, Ohio, USA, for no incremental consideration. The site included four manufacturing plants and the QDC.

On 25 November 2015, the Group sold the Ben Venue site to Xellia Pharmaceuticals excluding the QDC, which has been integral to the tech transfer of the Bedford products to Hikma's own manufacturing facilities. Since Hikma acquired the Ben Venue site in September 2014, it has transferred a large number of modern, high-quality machines, including lyophlisers and filling lines, to its manufacturing facilities in Portugal, Germany and the US.

The Group is transferring an initial tranche of 20 products formerly manufactured at the Ben Venue site to the Group's existing global manufacturing facilities. The Group has launched its first Bedford product in May 2015, and has had two other product launches in July and November 2015. The Group expects to have re-introduced all 20 products to the market by 2017, and is leveraging the QDC and Bedford's strong R&D team to expedite the transfer and reactivation of Bedford's products.

The Group believes that the transfer of Ben Venue's manufacturing equipment and products will significantly increase its current injectable manufacturing capacity and capabilities, as well as enhance the Group's competitive position.

Leveraging position as a high-quality provider of non-injectable generics in the United States

Hikma sells a portfolio of oral generic products in the United States. These products are supplied by the Group's manufacturing facility in Eatontown, New Jersey, USA and from its US FDA-approved facilities in Jordan and Saudi Arabia.

To leverage its position as a high-quality provider of non-injectable generics in the United States, the Group intends to further re-introduce legacy products at its Eatontown manufacturing facility. As at 30 June 2015, 26 products were being sold in the US market, and the Group is expecting to reintroduce further products by the end of 2016.

The Group began re-launching products manufactured at the Eatontown facility to the market during 2013 and 2014. Following a re-inspection of the facility by the US FDA, the warning letter was lifted in April 2014. As part of the remediation work, the Group significantly strengthened its operations at the Eatontown facility through the purchase of new equipment, upgrades to its manufacturing processes and hiring additional staff across key functions. The Eatontown facility is now fully operational and the Group is continuing to re-introduce products to the market. As at 30 June 2015, 12 products in 29 dosage forms were being manufactured at the Eatontown facility, and the Group is expecting to reintroduce further products by the end of 2016.

The acquisition of Roxane builds upon Hikma's existing presence and transforms the Enlarged Group into the sixth-largest company by revenue in the US generics market, according to IMS.[7] The addition of scale and product diversification will also position the Enlarged Group to better serve its customers. As at 1 September 2015, Roxane marketed 111 products in over 300 package sizes across seven dosage forms. As at 1 September 2015, Roxane also possessed a pipeline of 90 projects in various stages of development, which are expected to support Hikma in driving sustainable long-term growth in the market.

The Acquisition also provides a manufacturing plant in Columbus, Ohio, that will bring new manufacturing technologies and capabilities to Hikma, including the ability to manufacture solids, liquids, nasal sprays and dry powder inhalers.

The Enlarged Group intends to continue building market share for its legacy products, and those acquired through Acquisition as well as to develop further its pipeline of oral and other non-injectable generic products for sale in the United States market. The Enlarged Group is targeting growing its portfolio of products in niche market segments with high entry barriers through increased investment in internal R&D, focused business development and selective acquisitions.

Expand the product portfolio through selective acquisitions

The Group has grown historically through a combination of organic development and acquisitions. The Group plans to continue this combination in the future as, in the Group's view, this is the way to deliver certain elements of its strategy that most create value. The Group intends to acquire companies (or their parts) that possess products, R&D expertise, manufacturing capabilities and technologies that will complement or enhance the Group's existing businesses. For example, in the MENA region and in the emerging markets generally, the Group has a short- to medium-term investment horizon with a focus on expanding market share, adding new products across various therapeutic categories, strengthening the R&D capabilities and expanding the geographic presence into new markets. In the United States and Europe, the Group is focused on strengthening its presence by acquiring companies with advanced R&D capabilities and a complementary product portfolio. More generally, the Group believes that future acquisitions will enable it to enhance the product portfolio, strengthen its positions in existing markets and access new markets and geographies.

In delivering this strategy, the Group is committed to a selective and disciplined approach to acquisitions. The growth potential of the target, the strategic value, the ability to integrate the target into the Group's operating model and the likely return for shareholders are among the key criteria for the Group's acquisition strategy, which is focused on the potential value to be created rather than the overall size of a potential acquisition. Accordingly, the Group assesses potential acquisition targets based on their product and technology portfolio, R&D and manufacturing capabilities and overall strategic fit with the Group's growth strategy. The Group also compares its expected investment returns on potential acquisitions of products and technology with those likely to be realised through organic development.

6. Key strengths

Strong marketing capabilities, brand recognition and distribution network in the MENA region

As at 30 June 2015, the Group was the fifth-largest pharmaceutical company in the MENA region by revenue, according to IMS[8], with sales across all 17 countries within the MENA region. As at 30 June 2015, the Group had a large, dedicated and trained sales and marketing force of 1,969 employees, with a particularly strong presence in Egypt, Algeria, Saudi Arabia and Jordan. In

7 Adjusted to reflect recently announced M&A transactions: Teva's proposed acquisition of Allergan Generics, Endo's proposed acquisition of Par, Pfizer's proposed acquisition of Hospira and Lupin's proposed acquisition of Gavis.

8 IMS sales information for the MENA region captures only the top nine private retail markets and not all 17 countries within the MENA region.

addition, the Group has sales and marketing capabilities in Morocco, Sudan, Lebanon, Tunisia, Iraq, Libya and the countries of the Gulf Cooperation Council ("**GCC**"). The Group believes that the high quality of its branded products, strong brand recognition and strong relationships with physicians, hospitals, pharmacies and purchasing groups for hospitals make it a partner of choice for licensing products in the MENA region and enhance its competitive position. In addition, the management teams running the Group's operations in individual markets consist of local professionals with a deep understanding of the respective market. Also, the Group's distribution network allows it to market and distribute its products across the MENA region even in circumstances of war or political instability. The Group believes that local expertise, along with its distribution capabilities, allow it to effectively navigate through the volatile conditions of the MENA region and efficiently respond to any challenges it may pose.

Strong relations with licensors

As at 30 June 2015, the Group had licences or promotion and distribution agreements with a variety of multinational pharmaceutical companies for the manufacture and/or sale of 76 pharmaceutical products. Many of these in-licensed products are in fast-growing therapeutic areas such as cardiovascular, diabetes, central nervous system and oncology, complementing the Group's existing portfolio of generic products.

The Group believes that, due to its strong manufacturing and distribution capabilities, it can offer a comprehensive range of services to its licensing partners, including development, registration and promotion of pharmaceutical products. The Group benefits from its large and experienced sales force, local manufacturing facilities and regulatory expertise to manufacture, register and promote in-licensed products. The Group believes that this makes it a licensing partner of choice for multinational pharmaceutical companies seeking access to markets where the Group has an established presence, particularly in the MENA region, where it has had a long track record of successfully promoting in-licensed products.

API sourcing strength

The Group's API sourcing team is responsible for identifying and securing API and other raw materials for the Group. The Group's dedicated API team has extensive experience and in-depth knowledge of the industry, which allows it to identify the most effective and appropriate API suppliers. As at 30 June 2015, the Group had relationships with approximately 206 API suppliers. Where possible, the Group aims to have multiple API suppliers for each of its key products. The Group believes that this approach provides flexibility and enables it to remain cost competitive. The Group has the capability to manufacture a limited amount of the API required for some of its finished products. This capability is currently being utilised to manufacture 15 APIs that the Group believes would be either difficult or expensive to source from third parties.

Broad product portfolio with significant pipeline

As at 30 June 2015, the Group's three businesses provided it with a broad product portfolio, comprising 587 pharmaceutical products in 1,678 dosage strengths and forms sold in over 50 countries. Of these, the Branded business was marketing 377 products, the Injectables business was marketing 184 products and the Generics business was marketing 26 products. As at the same date, the Group had a total of 893 products pending approval across its businesses. The Group's strategic focus is on higher-value products in growing therapeutic categories such as cardiovascular, diabetes, central nervous system and oncology. The Group believes that its broad product portfolio, coupled with its effective sales and distribution functions, positions it well to capitalise on market demand and respond to customers' requirements in a prompt and efficient manner.

Continuous emphasis on quality

The Group is committed to the highest quality standards across its manufacturing facilities. All of the Group's manufacturing facilities are approved by the local regulatory authorities in the countries where they are located. The Group believes that having US FDA and EU-approved manufacturing facilities enhances its reputation in the MENA region, where the perception of quality usually associated with these approvals and brand recognition are important to the Group's success. The Group believes that the same perception dominates some of its other target markets.

Both the US FDA and the EU authorities have approved the Group's overseas manufacturing facilities located in its key markets. The Group operates 11 US FDA-compliant manufacturing

facilities in five countries (Jordan, Saudi Arabia, United States, Portugal and Germany) and nine EU-approved facilities in five countries (Jordan, Egypt, Portugal, Italy and Germany). The Group's manufacturing facilities are subject to regular US FDA inspections. The Group's global manufacturing facilities were in compliance with the applicable regulatory requirements at the time of their most recent inspection.

7. Selected financial information

This summary of financial information includes a selection of information for the years ended 31 December 2012, 31 December 2013 and 31 December 2014 and the six month periods ended 30 June 2014 and 2015 and has been extracted without material adjustment from the financial information incorporated by reference in Part VII (*Historical Financial Information relating to Hikma*) of this document, which should be read alongside this summary.

Consolidated income statement

	Year ended 31 December 2012 US$m Audited	Year ended 31 December 2013 US$m Audited	Year ended 31 December 2014 US$m Audited	Six months ended 30 June 2014 US$m Unaudited	Six months ended 30 June 2015 US$m Unaudited
Continuing operations					
Revenue	1,109	1,365	1,489	738	709
Cost of sales	(605)	(601)	(638)	(297)	(309)
Gross profit	504	764	851	441	400
Sales and marketing expenses	(150)	(160)	(171)	(91)	(81)
General and administrative expenses	(123)	(151)	(185)	(77)	(86)
Research and development expenses	(34)	(39)	(55)	(19)	(20)
Other operating expenses (net)	(30)	(62)	(38)	(18)	(19)
Total operating expenses	(337)	(412)	(449)	(205)	(206)
Adjusted operating profit	194	413	427	244	204
Exceptional items					
– Acquisition-related expenses	(3)	—	(11)	(1)	(1)
– Severance costs	(4)	(1)	—	—	(5)
– Plant remediation costs	(7)	(24)	—	—	—
– Impairment losses	—	(10)	—	—	—
– Proceeds from legal claims	—	—	—	—	2
– Other claims provisions	—	(11)	—	—	—
Other adjustments:					
Intangible amortisation	(13)	(15)	(14)	(7)	(6)
Operating profit	167	352	402	236	194
Associated companies					
– share of results	1	(3)	(6)	(2)	(2)
– exceptional impairment of investment	—	(16)	—	—	—
Finance income	1	2	4	1	1
Finance expense	(38)	(37)	(38)	(16)	(23)
Other income expense (net)	1	—	—	—	—
Profit before tax	132	298	362	219	170
Tax	(25)	(82)	(80)	(48)	(35)
Profit for the period/year	107	216	282	171	135
Attributable to:					
Non-controlling interests	7	4	4	2	1
Equity holders of the parent	100	212	278	169	134
	107	216	282	171	135
Earnings per share (cents)					
Basic	51.1	107.6	140.4	85.4	67.3
Diluted	50.6	107.1	139.0	84.5	67.0
Adjusted basic	61.4	139.1	151.0	88.9	71.4
Adjusted diluted	60.8	138.4	149.5	88.0	71.0

Consolidated balance sheet

	At 31 December 2012 US$m (Audited)	At 31 December 2013 US$m (Audited)	At 31 December 2014 US$m (Audited)	At 30 June 2014 US$m (Unaudited)	At 30 June 2015 US$m (Unaudited)
Non-current assets					
Intangible assets	433	447	602	444	585
Property, plant and equipment	420	443	514	447	504
Investment in associates and joint ventures	38	22	16	20	14
Deferred tax assets	46	86	67	92	64
Financial and other non-current assets	11	34	39	38	43
	948	1,032	1,238	1,041	1,210
Current assets					
Inventories	272	276	273	309	280
Income tax asset	1	4	10	3	16
Trade and other receivables	328	439	439	418	484
Collateralised and restricted cash	2	7	8	7	5
Cash and cash equivalents	177	168	280	282	490
Other current assets	2	3	3	3	22
	782	897	1,013	1,022	1,297
Total assets	1,730	1,929	2,251	2,063	2,507
Current liabilities					
Bank overdrafts and loans	193	159	393	203	165
Obligations under finance leases	3	1	1	1	1
Trade and other payables	195	241	248	219	234
Income tax provision	23	65	65	58	64
Other provisions	11	20	25	20	25
Other current liabilities	42	100	109	109	107
	467	586	841	610	596
Net current assets	315	311	172	412	701
Non-current liabilities					
Long-term financial debts	372	263	145	237	589
Obligations under finance leases	16	19	23	23	23
Deferred tax liabilities	23	26	25	25	23
Derivative financial instruments	4	1	—	1	1
Other non-current liabilities	—	—	1	—	1
	415	309	194	286	637
Total liabilities	882	895	1,035	896	1,233
Net assets	848	1,034	1,216	1,167	1,274
Equity					
Share capital	35	35	35	35	35
Share premium	279	281	281	281	281
Own shares	—	(3)	(1)	(3)	(1)
Other reserves	519	704	882	836	941
Equity attributable to equity holders of the parent	833	1,017	1,197	1,149	1,256
Non-controlling interests	15	17	19	18	18
Total equity	848	1,034	1,216	1,167	1,274

Consolidated cash flow statement

	Year ended 31 December 2012 US$m Audited	Year ended 31 December 2013 US$m Audited	Year ended 31 December 2014 US$m Audited	Six months ended 30 June 2014 US$m Unaudited	Six months ended 30 June 2015 US$m Unaudited
Net cash from operating activities	184	337	425	200	125
Investing activities					
Purchases of property, plant and equipment	(51)	(59)	(91)	(43)	(37)
Proceeds from disposal of property, plant and equipment	1	1	1	—	2
Purchase of intangible assets	(38)	(16)	(27)	(13)	(16)
Proceeds from disposal of intangible assets	—	—	1	—	—
Acquisition of interest in joint ventures	—	(3)	—	—	—
Investment in financial and other non-current assets	—	(22)	(5)	(4)	—
Investments designated at fair value	—	—	—	—	(20)
Acquisition of business undertakings net of cash acquired	(12)	(18)	(225)	—	—
Payments of costs directly attributable to acquisitions	(2)	—	—	—	—
Finance income	1	2	4	1	1
Net cash used in investing activities	(101)	(115)	(342)	(59)	(70)
Financing activities					
Increase/(decrease) in collateralised and restricted cash	1	(5)	(1)	—	3
Increase in long-term financial debts	152	7	5	5	505
Repayment of long-term financial debts	(124)	(117)	(121)	(31)	(65)
Increase/(decrease) in short-term borrowings	52	(34)	241	45	(222)
Increase in obligations under finance leases	(2)	1	—	4	—
Dividends paid	(27)	(39)	(55)	(34)	(42)
Dividends paid to non-controlling shareholders of subsidiaries	(1)	(3)	(1)	(1)	(2)
Purchase of own shares	—	(4)	—	—	—
Interest paid	(36)	(37)	(38)	(16)	(18)
Proceeds from issue of new shares	1	2	—	—	—
Acquisition of non-controlling interest in subsidiary	(12)	—	—	—	—
Net cash generated by/(used in) financing activities	4	(229)	30	(28)	159
Net increase/(decrease) in cash and cash equivalents	87	(7)	113	113	214
Cash and cash equivalents at beginning of year/period	95	177	168	168	280
Foreign exchange translation movements	(5)	(2)	(1)	1	(4)
Cash and cash equivalents at end of year/period	177	168	280	282	490

8. Property, plants and equipment

The following table shows information relating to the Group's principal manufacturing facilities as at 30 June 2015:

Facility location	Use	Own/Lease	Approval
Amman, Jordan	general formulation	own	US FDA Certificate, GMP Certificate, ISO 9001 Certificate
Amman, Jordan	penicillin	own	US FDA Certificate, GMP Certificate, ISO 9001 Certificate, MHRA Certificate
Amman, Jordan	chemicals	own	US FDA Certificate, GMP Certificate
Amman, Jordan	packaging area	own	GMP Certificate
As-Salt, Jordan	general formulation	own	Takeda Certificate
Sahab, Jordan	general formulation and oncology	own	US FDA Certificate, GMP Certificate
Riyadh, Saudi Arabia	general formulation	own	GMP Certificate, ISO 9001 Certificate, ISO 14001 Certificate, ISO 18001, Takeda Certificate, GCCDR
Riyadh, Saudi Arabia	penicillin	own	GMP Certificate, ISO 9001 Certificate, ISO 14001 Certificate, ISO 18001, Takeda Certificate, GCCDR
Riyadh, Saudi Arabia	cephalosporin	own	US FDA Certificate, GMP Certificate, ISO 9001 Certificate, ISO 14001 Certificate, ISO 18001, Takeda Certificate, GCCDR
Tunis, Tunisia	general formulation	own	GMP Certificate, ISO 9001 Certificate, GSK Certificate, Takeda Certificate
Tunis, Tunisia	penicillin	own	GMP Certificate
Tunis, Tunisia	cephalosporin	own	GMP Certificate
Algiers, Algeria	general formulation	own	GMP Certificate
Algiers, Algeria	penicillin	own	GMP Certificate
6 October City, Egypt	general formulation	own	GMP Certificate, ISO 9001 Certificate
Beni Suif, Biad Alarab Industrial Zone, Egypt	cephalosporin	own	N/A
Al-Bagair Industrial Area, Sudan	general formulation	own	ISO 9001 Certificate
Al-Bagair Industrial Area, Sudan	penicillin	own	N/A
Al-Bagair Industrial Area, Sudan	cephalosporin	own	N/A
Casablanca, Morocco	general formulation	own	N/A
Sintra, Portugal	sterile filling of liquids, lyophilisation, IV bags, sterile filling of cephalosporin	own	US FDA, EU, GCC and DEA (CIV)
Vienenburg, Germany	cytotoxic drugs/noncytotoxic drugs, two filling/closing lines for vials	own	US FDA, EU, ANVISA, and GCC
Pavia, Italy	2 freeze dryers, 4 ampoule filling equipment, 1 vial filling line, automatic inspection and packaging equipment	own	EU, ANVISA, and GCC
Cherry Hill, NJ, USA	Manufacturing – 6 high-speed lines (400-600 units/min), capable of filling vials and ampoules from 1ml-100 ml, 1.5m units per batch, 8 packaging lines including 3 fully automated high-speed lines (400 packages(vials)/min) offices, R&D, quality assurance, quality control and analytical research	own	US FDA, EU and DEA (CII/CIV)
Eatontown, NJ, USA	manufacturing	own	US FDA and DEA (CII/CIV)
Eatontown, NJ, USA	offices, R&D, quality control and analytical research	own	US FDA and DEA (CII/CIV)
Memphis, TN, USA	warehouse	lease	US FDA and DEA (CII/CIV)
Eatontown, NJ, USA	packaging and administration	own	US FDA and DEA (CII/CIV)

As at 30 June 2015, the Group leased a total of 9,070 square metres of warehouse space in various countries across the MENA region. As at the same date, the Group leased 12,727 square metres of warehouse space in Eatontown, New Jersey, USA, and a 9,290 square-metre distribution centre in Memphis, Tennessee. In addition, the Group owns a 2,694 square-metre facility in Eatontown, New Jersey, USA, comprising both office and raw material storage space.

The Directors believe that there are currently no environmental issues which materially affect the Hikma Group's use of the assets described above.

9. In-licensed products

In the six months ended 30 June 2015, sales of in-licensed products in the Branded business and the Injectables business constituted approximately 20 per cent. of the Group's revenue compared to 19 per cent. in the six months ended 30 June 2014.

Branded business

In-licensed products are mostly patented pharmaceutical products that are produced and/or sold by the Branded business under licence from an originator company and marketed under the licensor's brand name. In-licensed products display on their labels the Group's trademark, as well as the licensor's brand name and identity. The Group enters into a licence either to manufacture and market a product, in which case the licensor customarily provides only the API, or to market and distribute a finished product. In the latter case, the Group purchases the finished product directly from the licensor. By entering into licensing or distribution agreements for originator pharmaceutical products, the Branded business gains exclusive rights to patent-protected drugs which, in the Group's view, boosts its product offering and enhances the competitive position of the Group. Certain in-licensing arrangements require transfer of advanced technologies and production capabilities of the relevant licensors to the Group's manufacturing facilities, enhancing the Group's manufacturing expertise and capabilities.

The Group aims to develop any licensing arrangements into a long-term relationship with the respective licensor. In addition, the Group aims to enter into licensing arrangements with those licensors that are capable of bringing in a strong future pipeline of in-licensed products in the future. Finally, the Group aims to in-license products that can potentially be protected by an intellectual property right in a certain market that is of interest in the MENA region. The Branded business is not dependent on any specific licence.

In the six months ended 30 June 2015, sales of in-licensed products constituted approximately 40 per cent. of the Branded business's revenue.

Typically, the licensing or distribution agreements have average terms of between five and 15 years and are renewed automatically. Some of the Group's licensing or distribution agreements require the Group to pay a licensing fee in addition to purchasing the API from the originator pharmaceutical company. The Branded business has generally been able to re-negotiate prices or territories, as appropriate, during a contract's term and it is rare for licences or distribution agreements to be terminated. Some of the Branded business's licence and distribution agreements specify minimum quantities of product to be purchased from the licensor.

Injectables business

As at 30 June 2015, the Injectables business had active licences to register, distribute, sell and market, and in some cases manufacture, 26 injectable pharmaceutical products. These products are primarily sold across the MENA region. Similarly to the Branded business, the Group maintains a selective approach to licensing in its Injectables business. In particular, it enters into licensing arrangements in respect of products that are difficult to produce. The Group aims to develop any licensing arrangements into a long-term relationship with the respective licensor. In addition, the Group aims to enter into licensing arrangements with those licensors that are capable of bringing in a strong future pipeline of in-licensed products in the future. The Injectables business is not dependent on any specific licence.

The contractual framework governing the Group's in-licensed injectable products is similar to that described above under "***Branded business***". Like in-licensed oral pharmaceutical products, the Group's in-licensed injectable products are marketed under the licensor's brand name, together with the Group's brand name.

10. Intellectual property

Trademarks

As at 30 June 2015, the Group had:

- 237 trademarks, including the Hikma name, registered in Jordan;
- 12 trademarks registered and one application pending registration in the United States; and

- 85 trademarks registered in Europe.

For all major products sold by Hikma in Jordan, Algeria, Egypt, Lebanon, Iraq, Sudan, Tunisia, Saudi Arabia and the Gulf States, the Group has registered its trademarks with the appropriate regulatory authorities. In addition, the Group continuously registers trademarks in respect of new products and renews the trademarks that are about to expire. The Group also uses certain trademarks under licence from third parties. The Group's principal trademarks include Amoclan, Votrex and Zomax.

Patents

The Group is not materially dependent on patents. As at 30 June 2015, the Group had one patent relating to oral formulations of Modafinil, one patent relating to methods of colchicine administration and one patent relating to injection of temozolomide (a drug used to treat certain types of brain tumours). In addition, as at the same date, the Group had three pending patent applications relating to injection of temozolomide and four pending patent applications relating to colchicine. The Group files patent applications and maintains patents where doing so would be of a commercial benefit.

Licences

For description of the Group's licensing arrangements, see paragraph 9 of this Part II (*Information on Hikma*).

11. API sourcing

The majority of the raw materials used in the manufacturing of the Group's products are supplied from a variety of external sources, including other manufacturers, licensees, agents and traders. As at 30 June 2015, the Group purchased API from approximately 200 suppliers. With approximately 200 suppliers and API and raw materials costs being equal to approximately 24.7 per cent. of the Group's revenue in the six months ended 30 June 2015, API sourcing represents one of the Group's largest cost components.

Certain APIs, in particular those relating to sterile products, have a limited number of suppliers. Whilst the Group endeavours to maintain at least two qualified suppliers for most of its products, this is not always possible. For example, approximately 83 per cent. of the Injectables business's products had a single API supplier during the six months ended 30 June 2015. A key element of the Group's API sourcing strategy is, therefore, building strong long-term mutually beneficial relationships with API suppliers to ensure continuity and security of supply. To the extent alternative API suppliers are available, the Group aims to register the use of such suppliers with the appropriate authorities. By doing so, the Group aims to create an option to switch to an alternative supplier in case the main supplier becomes unavailable, thus reducing the risk of API supply disruption.

The Group uses a variety of methods to ensure it has sufficient quantities of the APIs it needs for production, including the use of supply contracts, partnerships and, where appropriate, the synthesis of its own API at its dedicated plant in Jordan. The Group has also developed in-house API manufacturing capability. Currently, the Group manufactures API for four of its solid pharmaceutical products and for six of its injectable pharmaceutical products, and the Group has filed 14 related drug master files with the US FDA and received approval to market nine finished solid and injectable products containing internally produced API. As at 30 June 2015, the Group had eight new APIs under development. When choosing whether to purchase an API or manufacture it internally, the Group considers the technology and cost required to produce the API and the availability and flexibility of other suppliers.

The Group maintains a certain amount of safety stock of raw materials necessary to manufacture certain of its key products at its facilities to cover at least 90 to 120 days' worth of its production requirements. Although a change in suppliers could require significant effort and/or investment by the Group, the Group does not believe that the loss of any existing supplier would have a material adverse effect on its business.

12. Competition

The Group competes with both originator and generic pharmaceutical companies that manufacture or sell drugs in the same therapeutic classes to its own products (including originator pharmaceutical companies that also manufacture generic drugs). Many of the Group's competitors

have greater financial, production and R&D resources, substantially larger sales and marketing organisations, lower cost bases or substantially greater name recognition than the Group. Some originator pharmaceutical companies, in an attempt to participate in the generic drug sales of their branded products, have introduced generic equivalents of their own branded products, both prior to and subsequent to the expiry of their patents or the US FDA exclusivity periods of such drugs. These competitors have also introduced generic equivalents of originator pharmaceutical products other than their own.

The Group believes that the primary factors contributing to success in the generic pharmaceutical industry include price, product development, timely regulatory approval, manufacturing capabilities, product quality, customer service and, in the case of branded generics, brand recognition and reputation. In addition to the normal competitive forces that affect the level of prices, a further constraint exists in the form of government intervention, such as price controls, budgets or patient contribution requirements. These controls are imposed either by law or because the government or healthcare providers in a particular jurisdiction are the principal purchasers of the product or reimburse the principal purchasers. The extent of price controls is largely determined by the financial situation of the relevant social health insurance. Price control mechanisms operate differently in different jurisdictions and can result in larger price differentials amongst markets and may be amplified by currency fluctuations.

The competition experienced by the Group varies among markets, type of products and classes of customer. The level of market share, sales and gross profit attributable to a particular generic pharmaceutical product is normally related to the number of competitors in that product's market, to the timing of that product's regulatory approval and launch and to the extent of the product's barriers to entry. In order to remain competitive, the Group must continue to develop and introduce new products in a timely and cost-effective manner.

Branded business

In the MENA region, the Group sells its branded pharmaceutical products predominantly in the private market but also in the tender market. Growth in the region continues to be underpinned by favourable demographics. The Group competes with both multinational pharmaceutical companies and local generic manufacturers. In Jordan, the Group's main competitors are GlaxoSmithKline, Novartis, AstraZeneca and Dar al Dawa. In Saudi Arabia, the Group's main competitors are GlaxoSmithKline, Tabuk, Pfizer and Novartis. In Algeria, the Group's main competitors are Sanofi-Aventis, GlaxoSmithKline and Al Kendi.

Injectables business

In the MENA region, the Group's Injectables business competitors are both multinational pharmaceutical companies and local generic manufacturers. The business's key competitors in that region include Roche, Sanofi-Aventis, Juphar and Tabuk. The Group competes with companies such as Hospira, APP, American Regent and Sagent in the United States. In Europe, the Group competes with Actavis, Fresenius, Sandoz, Teva and Stada.

Generics business

Legislation in the United States encourages where possible the use of generic pharmaceuticals as an alternative to originator drugs, including requiring the use of generics in certain medical programmes across the United States, and generally allows pharmacy substitution of originator drugs with generic ones. Nevertheless, the Group operates in a competitive, price-sensitive market. The Group competes in the US private and tender market on the basis of price, quality, product range and customer service, as well as through its ability to provide certain niche products. The Group's principal competitors in the United States for its generic solid dose pharmaceutical products are Actavis, Teva, Mylan and Ranbaxy.

13. Dividend policy

Following Closing, the Board will target a dividend of between 20 per cent. and 30 per cent. of the annual reported Group profits for the financial year after tax, assuming that there are sufficient distributable reserves available at the time, and taking into consideration the potential for adjustments related to the amortisation of intangibles and non-recurring, acquisition-related items.

The dividends paid on the Hikma Shares in respect of the period covered by the historical financial information were as follows:

	Dividend per share (US cents)
Interim dividend declared during the year ended 31 December 2015	11
Final dividend in respect of the year ended 31 December 2014	15
Special dividend in respect of the year ended 31 December 2014	6
Interim dividend declared during the year ended 31 December 2014	7
Special dividend in respect of the year ended 31 December 2014	4
Final dividend in respect of the year ended 31 December 2013	17
Special dividend in respect of the year ended 31 December 2014	4
Interim dividend declared during the year ended 31 December 2013	7
Special dividend in respect of the year ended 31 December 2013	3
Final dividend in respect of the year ended 31 December 2012	10
Interim dividend declared during the year ended 31 December 2012	6

PART III

INFORMATION ON ROXANE

1. Introduction and history

1.1 Introduction

Roxane is a well-established US specialty generics business. Roxane is currently entirely focused on the US generic pharmaceutical market.

1.2 History

Roxane was founded in 1885 as The Columbus Pharmacal Company. It was purchased by Philips of the Netherlands in 1959 and its name changed to Philips Roxane. The business was subsequently purchased by Boehringer in 1978, at which point its name was further changed to Roxane Laboratories, Inc. In 2005, the business was split into two legal entities: Boehringer Ingelheim Roxane, Inc. and Roxane Laboratories, Inc., which collectively comprise Roxane.

The principal events in Roxane's history are listed below:

1885	—	Originated in downtown Columbus as The Columbus Pharmacal Company.
1959	—	Purchased by Philips of the Netherlands. The name was changed to Philips Roxane.
1978	—	Purchased by Boehringer Ingelheim and the name was changed to Roxane Laboratories, Inc.
1985	—	100th anniversary.
Early 2000's	—	Identified as a strategic manufacturing and new product launch site in the Boehringer Ingelheim network.
2005	—	Split into two legal entities: Boehringer Ingelheim Roxane, Inc. and Roxane Laboratories, Inc.
2013	—	High Containment Facility opened.

2. Business overview

2.1 Principal activities

Roxane is a well-established US specialty generics company. Roxane is currently almost entirely focused on the US generic pharmaceutical market.

As of 1 September 2015, Roxane marketed a product portfolio comprising 111 products in over 300 package sizes across seven dosage forms. Roxane's main marketed products during the period covered by the financial information set out in Part VIII (*Historical Financial Information relating to Roxane*) were Fluticasone, Buprenorphine, Methotrexate, Prednisone and Calcium Acetate. Its portfolio included immediate-release solids as well as nasal spray, liquid and sub-lingual tablet products. Approximately 80 per cent. of Roxane products (by sales) have at least one layer of differentiation.[9]

As of 1 September 2015, Roxane had a pipeline of 90 products in various stages of development, including 28 that are currently filed with the US FDA, 58 Paragraph IV candidates and 13 first-to-file products. As of 1 September 2015, Roxane had 164 experienced and skilled employees in R&D and Regulatory Affairs, including 20+ PhDs, PharmDs and MDs, who have a proven track record of delivering new and differentiated products to the market, with an average of eight new product launches annually since 2010.

The production of Roxane's products occurs at its manufacturing site in Columbus, Ohio. The facility is located on a modern ~875,000 square-foot site and has broad production capabilities across solid, liquid, dry powder inhaler and nasal spray dosage forms, as well as being able to handle high-potency products, technically complex formulations and controlled substance drugs.

9 Layers of differentiation include: paragraph IV first-to-file challenges, potent compounds (High Containment Operations products), schedule drugs I – V (DEA controlled products), products requiring complex bioequivalence studies, technically challenging dosage forms, API sourcing competency and technical expertise and Risk Evaluation and Mitigation Strategies (REMS).

The facility offers full supply chain capabilities including product and analytical development, quality control labs, active pharmaceutical filling, manufacturing, packaging and warehouse and has a strong track record in regulatory inspections. The facility is US FDA / EMA-inspected and cGMP-compliant as well as being DEA-approved for controlled substance drugs.

Roxane has co-located its R&D and marketing functions to enable an integrated and responsive approach to new market opportunities.

Roxane's key customers are wholesalers, retail chain pharmacies and group purchasing organizations.

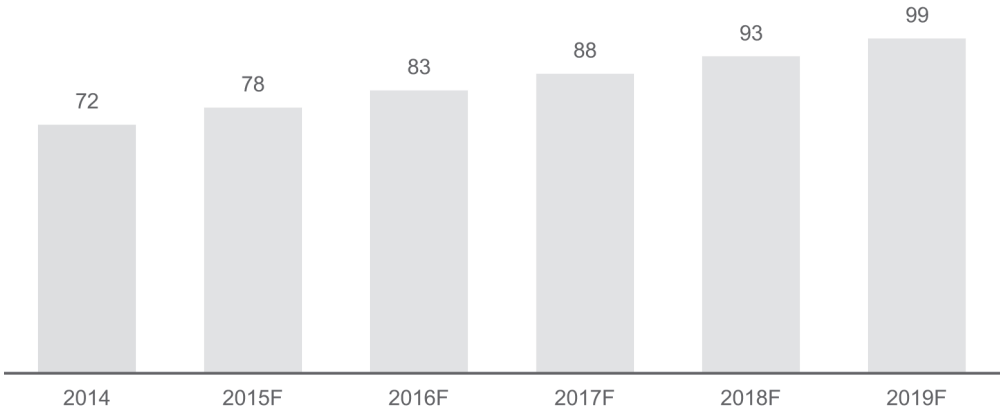
2.2 Principal markets

Roxane is focused on the production of generic pharmaceuticals. Currently 100 per cent. of its revenue is generated in the US.

US generics pharmaceutical market overview

US sales of generic pharmaceuticals reached approximately US$72 billion in 2014, according to US Business Monitor International[10]. Because of stable fundamentals, including an ageing population and increased incidence of chronic illnesses, the market is expected to grow at 6.6 per cent. per year to reach a value of approximately US$99 billion by 2019[11].

Market size and expected development (US$ billion)



Generic drugs accounted for approximately 88 per cent. of total prescriptions in the US in 2014, up from approximately 74 per cent. in 2009[12]. This reflects the increased acceptance among consumers, physicians and pharmacists of generics as equivalents of branded pharmaceuticals.

On a value basis, generics held a 29 per cent. share of the US market in 2014[13]. Generic drugs are typically priced at a significant discount to the reference branded drugs when generic competition enters the market.

It is anticipated that generic drugs will continue to capture market share from branded products. This will be driven by upcoming patent expiries and loss of exclusivity. Approximately US$91 billion of branded product revenue is expected to be susceptible to generic competition from 2015 through to 2018, according to IMS[14]. This includes a number of high-value opportunities that will provide better margins to the generic industry.

The US generic industry also benefits from continued governmental and regulatory pressures to control healthcare costs as well as a push to increase access to affordable healthcare. For instance the Generic Drug User Fee Amendments Act, published in 2012, was designed to speed up access to generic drug applications and reduce costs to the industry.

Since the passage of the Hatch-Waxman Act in 1984, the use of generic versions of brand name drugs has significantly reduced the annual spend by the US healthcare system on pharmaceuticals. In 2013, generic savings reached approximately US$239 billion, 14 per cent. more than in 2012

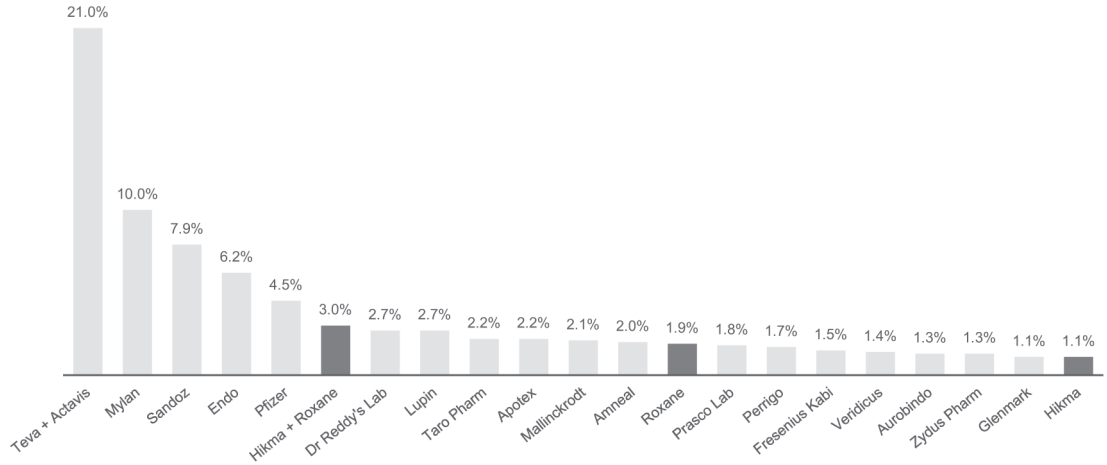
10 United States Pharmaceuticals and Healthcare Report Q4 2015, page 26, BMI Research, 9 September 2015.
11 United States Pharmaceuticals and Healthcare Report Q4 2015, page 26, BMI Research, 9 September 2015.
12 Branded and generics sales and prescription data; IMS Health, February 2015.
13 Branded and generics sales and prescription data; IMS Health, February 2015.
14 Evaluate Pharma; data only available to 2018. Excludes biologics, June 2013.

and equating to an average saving of US$4.6 billion every week[15]. Between 2004 and 2013, generic drug use generated more than US$1.5 trillion in savings to the US healthcare systems and since 2007, the annual rate of increase in savings has averaged approximately 15 per cent.[16] The implementation of the Patient Protection and Affordable Care Act in 2010 has also encouraged an increase in the utilisation of generic drugs.

Roxane's position

As of May 2015, Roxane was the 12th-largest supplier of generic pharmaceuticals in the US. Through the acquisition of Roxane, Hikma will become the sixth-largest company by revenue in the US generics market, according to IMS.[17]

US generic pharmaceutical market share (%)



3. Organisational structure

Through the Acquisition, Hikma is acquiring both BIRI and RLI, collectively Roxane.

BIRI's primary operations are pharmaceutical manufacturing, which, from 2013 to 2015, was approximately 55 per cent. related to RLI (i.e. generic manufacturing) and 45 per cent. related to BI and BI affiliates such as Boehringer Ingelheim Pharmaceuticals, Inc. and exported brand pharmaceuticals for Boehringer Ingelheim International GmbH. Following the Acquisition, the manufacturing operations related to BI and BI affiliates will be covered by supply agreements for the continued manufacture of certain BI products for BI and its affiliates.

RLI's core business is the development and sale of generic pharmaceutical products.

15 IMS Health, August 2014.

16 Generic Drug Savings in the U.S., GphA 2013.

17 Adjusted to reflect recently announced M&A transactions: Teva's proposed acquisition of Allergan Generics, Endo's proposed acquisition of Par, Pfizer's proposed acquisition of Hospira and Lupin's proposed acquisition of Gavis.

4. Selected financial information

This summary of financial information includes a selection of information for the years ended 31 December 2012, 31 December 2013 and 31 December 2014 and has, unless otherwise stated, been extracted without material adjustment from the financial information set out in Part VIII (*Historical Financial Information relating to Roxane*) of this document, which should be read alongside this summary.

Consolidated Income Statement

	Year ended 31 December 2012 US$000 Audited	Year ended 31 December 2013 US$000 Audited	Year ended 31 December 2014 US$000 Audited
Continuing operations			
Revenue	575,571	550,090	675,665
Cost of sales	(356,263)	(390,430)	(473,967)
Gross profit	219,308	159,660	201,698
Sales and marketing	(19,392)	(20,350)	(22,163)
General and administrative expenses	(22,500)	(17,493)	(28,729)
Research and development expenses	(90,766)	(108,977)	(117,288)
Other operating expenses – net	(3,411)	(20,696)	(12,115)
Total operating expenses	136,069	167,516	180,295
Adjusted operating profit/(loss)	63,989	(7,856)	15,403
Exceptional items:			
– Litigation settlement	19,250	—	—
– Impairment of property, plant and equipment (net)	—	—	—
– Sale of intellectual property	—	—	6,000
Total exceptional items	19,250	—	6,000
Operating profit (loss)	83,239	(7,856)	21,403
Interest expense to parent	(3,107)	(3,904)	(4,361)
Profit/(loss) before tax from continuing operations	80,132	(11,760)	17,042
Tax (expense)/benefit	(26,659)	7,861	(5,228)
Profit/(loss) from continuing operations	53,473	(3,899)	11,814
(Loss)/profit from discontinued operations, net of tax	3,535	(2,520)	(55)
Profit/loss and total comprehensive income/(loss) for the year	57,008	(6,419)	11,759

Consolidated Balance Sheet

	At 31 December 2012 US$000 (Audited)	At 31 December 2013 US$000 (Audited)	At 31 December 2014 US$000 (Audited)
Non-current assets			
Property, plant and equipment	268,075	288,989	333,144
Intangible assets	10,000	10,075	14,075
Deferred tax assets	38,062	31,787	41,352
Disposal group assets	4,999	3,426	5,941
	321,136	334,277	394,512
Current assets			
Inventories	228,153	292,546	267,459
Trade and other receivables	103,581	88,543	127,927
Disposal group assets	43,338	14,667	12,324
	375,072	395,756	407,710
Total assets	696,208	730,033	802,222
Current liabilities			
Short-term loan payable to Parent	—	202,367	202,062
Payable to Affiliates	291,726	157,859	222,592
Trade and other payables	98,244	75,720	71,772
Other current liabilities	6,753	1,635	1,379
	396,723	437,581	497,805
Net current liabilities	(21,651)	(41,825)	(90,095)
Non-current liabilities			
Other non-current liabilities	8,322	7,708	7,914
Total liabilities	405,045	445,289	505,719
Net assets	291,163	284,744	296,503
Equity			
Total Investment Capital	291,163	284,744	296,503

Consolidated cash flow

	Year ended 31 December 2012 US$000 Audited	Year ended 31 December 2013 US$000 Audited	Year ended 31 December 2014 US$000 Audited
Operating Activities			
Profit/(loss) before tax from continuing operations	80,132	(11,760)	17,042
Profit/(loss) before tax from discontinued operations	5,668	(4,033)	(88)
Profit/(loss) before tax	85,800	(15,793)	16,954
Adjustments for:			
Depreciation, amortisation, and impairment of property, plant and equipment	47,457	32,246	31,417
Loss of disposal of property, plant and equipment	634	4,904	1,638
Gain from litigation settlement	(19,250)	—	—
Movement on provisions	5,252	(21,297)	449
Interest to parent	3,107	3,904	4,361
Other items, net	39	(469)	(1,247)
Cash flow before working capital	123,039	3,495	53,572
Change in trade and other receivables and other assets	(7,649)	15,038	(45,384)
Change in inventories	(93,090)	(35,722)	27,430
Change in trade and other payables and other liabilities	15,420	(6,406)	(12,636)
Cash generated /(used) in operating activities	37,720	(23,595)	22,982
Income taxes (paid)/ recovered	(45,676)	15,649	(14,760)
Net cash generated/(used) in operating activities	(7,956)	(7,946)	8,222
Investing activities			
Purchases of property, plant and equipment	(34,310)	(56,345)	(72,654)
Purchases of licences	—	(75)	(4,001)
Proceeds from sale of intellectual property	—	—	6,000
Net cash used in investing activities	(34,310)	(56,420)	(70,655)
Financing activities			
Payable to affiliates	42,266	64,366	62,433
Net cash provided by financing activities	42,266	64,366	62,433
Net Increase (Decrease) in cash and cash equivalents	—	—	—
Cash and cash equivalents at beginning of year	—	—	—
Cash and cash equivalents at end of year	—	—	—

Roxane develops, manufactures, markets and sells generic pharmaceutical products in the United States. Key products included in the selected historical financial information for Roxane set out in this section include Fluticasone, Buprenorphine, Methotrexate, Prednisone and Calcium Acetate. Growth during the period covered by the selected historical financial information was primarily driven by new product launches, which more than offset an increase in competition on other marketed products. Roxane's key customers are wholesalers, retail chain pharmacies and group purchasing organizations.

Roxane's own products

Approximately 84 per cent. of Roxane's revenue and 79 per cent. of Roxane's cost of sales during the period covered by the selected historical financial information for Roxane relate to Roxane's

own products, from which inter-company transactions and balances have been eliminated. Approximately 16 per cent. of revenue and 21 per cent. of its cost of sales during the period covered by the selected historical financial information relate to products manufactured for the Boehringer Ingelheim Companies. As part of the transaction, Hikma and the Boehringer Ingelheim Companies have entered into a long-term supply agreement for certain products that will continue to be manufactured at Roxane's facilities. The Boehringer Ingelheim Companies plan to gradually transfer most of the manufacturing of these products back to the Boehringer Ingelheim Companies over the next six years.

Revenues

Roxane's revenue in 2013 was US$550 million, down from US$576 million in 2012. The decrease was primarily due to price declines on certain products in Roxane's marketed portfolio and, in particular, to declines in the price of Roxane's largest product, Fluticasone, as competitors entered the market. These decreases were partially offset by volume growth across the portfolio.

Roxane's revenue in 2014 was US$676 million, an increase of US$126 million, primarily due to new product launches. Revenues from products manufactured for the Boehringer Ingelheim Companies also increased during the year.

Gross profit

Roxane's gross profit in 2013 was US$160 million, down from US$219 million in 2012. The decrease reflects price declines on certain marketed products and slight increases in raw material and overhead costs resulting from higher volumes. As a result, Roxane's gross margin decreased to 29 per cent., down from 38 per cent. in 2012.

Roxane's gross profit in 2014 was US$202 million, an increase of US$42 million. A strong contribution from new product launches more than offset an increase in raw material costs and overheads related to volume growth. As a result, Roxane's gross margin increased to 30 per cent. in 2014.

Operating expenses

Roxane's operating expenses in 2013 were US$168 million, up US$31 million from 2012, primarily due to higher research and development costs and other operating expenses partially offset by lower general and administrative expenses, as described below. Roxane's operating expenses in 2014 were US$180 million, up US$13 million from 2013, primarily due to higher research and development and sales, general and administrative costs, which were only partially offset by a decline in other operating expenses, as described below.

Sales and marketing and general and administrative expenses

Roxane's sales and marketing and general and administrative expenses were US$38 million in 2013, down from US$42 million in 2012. The decrease is due to lower litigation costs and a reversal of the allowance for uncollectable accounts. In 2014, Roxane's sales and marketing and general and administrative expenses increased by US$13 million to US$51 million, primarily due to increases in litigation costs related to defending ANDA filings with Paragraph IV certifications, executive benefits related to Roxane's sponsored pension and healthcare plans, product liability insurance related to new product launches, and a general increase in product volumes within the Roxane product portfolio.

Research and development expenses

Roxane's research and development expenses were US$109 million in 2013, up from US$91 million in 2012. This increase is primarily due to an increase in pivotal studies. In 2014, Roxane's research and development expenses increased by US$8 million to US$117 million, primarily due to increased costs associated with the development of certain key products, slightly offset by a reduction in the number of incremental pivotal studies. In partnership with an external contract research and manufacturing company, over the past several years Roxane has been working on the development of certain key products and has incurred high levels of research and development costs.

Other operating income/expenses (net)

Roxane's other operating income/expenses (net) were US$21 million in 2013, up from US$3 million in 2012. The increase is primarily due to a settlement reached in favour of Roxane in 2012 in the amount of US$19.3 million, related to a prior suit regarding a Paragraph IV ANDA filing. In 2014,

other operating expenses (net) decreased by US$9 million to US$12 million, primarily due to a gain from the sale of an ANDA.

Operating profit

Roxane had an operating loss of US$8 million in 2013, compared to an operating profit of US$83 million in 2012. The decline of US$91 million was due to lower gross profit of US$160 million as described above and an increase in operating expenses of US$31 million. On an adjusted basis, excluding exceptional income from a favourable litigation settlement and impairment charges, adjusted operating income decreased by US$83 million. In 2014, Roxane's operating profit was US$21 million, up US$29 million from 2013. The increase was due to an increase in gross profit of US$42 million as described above, offset by a US$13 million increase in operating expenses. Excluding US$6 million of exceptional income resulting from a sale of intellectual property, adjusted operating income increased by US$23 million.

Discontinued operations

As a result of the Acquisition, certain products that were historically manufactured, packaged, and distributed by Roxane were specifically excluded from the sale, as were certain warehousing and distribution facilities which will be retained by BI. The assets related to the products and services not being sold to Hikma have been presented as a disposal group. The revenues and expenses related to the products and services not being sold to Hikma have been classified as discontinued operations for all years presented.

Trade and other receivables

Roxane's trade and other receivables were US$89 million at 31 December 2013, down US$15.0 million from 31 December 2012 primarily due to lower revenues. Trade and other receivables increased by US$39.4 million from 31 December 2013 to 31 December 2014 primarily due to the significant increase in revenues and the effects of customer consolidation, which resulted in an increase in wholesale acquisition prices with longer payment terms.

Inventories

Roxane's inventories were US$293 million at 31 December 2013, up US$64 million from 31 December 2012, reflecting the growth of the Roxane business, a strategic decision to hold higher safety-stock of inventory to address market opportunities, and inventory related to 2014 product launches. Inventories decreased by US$25 million from 31 December 2013 to 31 December 2014 following new product launches and a depletion of safety-stock raw materials inventory.

Trade and other payables

Roxane's trade and other payables were US$76 million at 31 December 2013, a decrease of US$23 million from 31 December 2012, primarily due to timing of payments. Trade and other payables decreased by US$4 million from 31 December 2013 to 31 December 2014, primarily due to timing of payments.

Capital expenditure

Roxane's capital expenditure reached US$56 million in 2013, an increase of US$22 million over 2012 primarily due to increases in maintenance capital expenditures related to corporate compliance programs, the expansion of drug stability storage areas and the upgrading of packaging lines to implement product safety serialization capabilities. Capital expenditures related to the development of the certain key products referred to above also increased during the year.

In 2014, Roxane's capital expenditure reached US$73 million, an increase of US$16 million, primarily due to the installation of new packaging lines and other manufacturing equipment, as well as engineering and construction costs related to future product launches.

The selected historical financial information for Roxane set out in this section may not be indicative of what Roxane's results would have been had Roxane operated as a separate standalone entity and may not be indicative of what Roxane's results of operations, financial position and cash flows may be in the future.

5. Intellectual property

Trademarks

As at 31 December 2014, Roxane had two trademarks and no trademark applications pending registration in the United States.

Patents

Roxane is not materially dependent on patents. As at 31 December 2014, Roxane had three patents. In addition, as at the same date, Roxane had two pending patent applications, relating to Calcium Acetate and Sampling Device. Roxane files patent applications and maintains patents where doing so would be of a commercial benefit.

Licences

In the year ended 31 December 2014, Roxane had no revenue from the sale of in-licensed products.

6. Employees

As of 1 September 2015, Roxane had 1,276 employees supporting the development, manufacturing and marketing of Roxane products. As of 1 September 2015, Roxane had 164 experienced and skilled employees in R&D and Regulatory Affairs, including 20+ PhDs, PharmDs and MDs, who have a proven track record of delivering new and differentiated products to the market.

Roxane has a strong and experienced management team of 14 members with average industry experience of more than 25 years.

PART IV

INFORMATION ON THE CONSIDERATION SHARES

1. Description of the type and class of securities admitted

The Consideration Shares will be ordinary shares with a nominal value of 10 pence each. The ISIN of the Consideration Shares will be GB00B0LCW083. The Consideration Shares will be created under the Companies Act and the Articles.

The Consideration Shares will be credited as fully paid and free from all liens, equities, charges, encumbrances and other interests, and will rank in full for all dividends and distributions on the ordinary share capital of Hikma declared, made or paid after their allotment and issue.

2. Listing

Application will be made prior to Closing to the UK Listing Authority for the Consideration Shares to be admitted to the premium segment of the Official List. Application will also be made prior to Closing to the London Stock Exchange for the Consideration Shares to be admitted to trading on its main market for listed securities. It is expected that Admission will become effective, and that dealings in the Consideration Shares will commence on the London Stock Exchange, by no later than close of business on the first Business Day after the Closing Date, which is expected to occur, subject to the receipt of applicable anti-trust approvals, by the end of February 2016.

Listing of the Consideration Shares is not being sought on any stock exchange other than the London Stock Exchange, being the stock exchange on which the Hikma Shares are listed.

3. Form and currency of the Consideration Shares

The Consideration Shares will be issued in registered form and will be capable of being held in certificated and uncertificated form.

Title to any certificated Consideration Shares will be evidenced by entry in the register of members of Hikma and title to uncertificated Consideration Shares will be evidenced by entry in the operator register maintained by Euroclear (which forms part of the register of members of Hikma). The registrars of Hikma are Capita Asset Services.

No share certificates will be issued in respect of any Consideration Shares in uncertificated form. If any such shares are converted to be held in certificated form, share certificates will be issued in respect of those shares in accordance with the Articles and applicable legislation.

The Consideration Shares will be denominated in Pounds Sterling.

4. Rights attached to the Consideration Shares

Each Consideration Share will rank *pari passu* in all respects with each Hikma Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each Hikma Share, as set out in the Articles.

Please refer to paragraph 5 of Part XII (*Additional Information*) of this document for further information about the rights attaching to Hikma Shares.

BII and its affiliates will be subject to the terms of the Shareholders' Agreement, further details of which are set out in paragraph 1.9 of Part V (*Terms of the Acquisition*) of this document.

5. Dividends

There is no guarantee that any future dividends will be declared or paid. The declaration and payment of dividends will depend upon, among other things, expected future earnings and the general financial and business conditions relating to Hikma at the time. Under the Companies Act, dividends may be paid out of the profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous years.

It is the Board's policy to review the profits available for distribution, and the level of dividend (if any) payable, on a regular basis (acting in accordance with the Companies Act).

Subject to the provisions of the Companies Act and the Articles, Hikma may pay dividends upon a recommendation by the Board and approval by a majority of the Shareholders, who have the right to decrease but not to increase the amount of the dividend recommended by the Board. Such dividends are known as final dividends and become a debt payable to Shareholders when they are

approved by Shareholders. Subject to the provisions of the Companies Act and the Articles, the Board may declare and pay dividends without Shareholder approval. Such dividends are known as interim dividends and, unlike final dividends, become a debt payable to the Shareholders only upon actual payment. The Board may also pay any dividend payable at a fixed rate at intervals settled by the Board in accordance with the terms of issue of the shares to which such dividend attaches.

Dividends are payable to persons registered as Shareholders on the record date relating to the relevant dividend.

Hikma may pay any dividend or other monies payable in cash in respect of shares by direct debit, bank or other funds transfer system (subject always, in the case of uncertificated shares, to the facilities and requirements of the relevant system concerned, where payment is to be made by means of such system). Hikma may also pay by cheque, dividend warrant or money order and may remit the same by post directed to the registered address of the holder or person entitled thereto (or, in the case of joint holders or of two or more persons entitled thereto, to the registered address of the person whose name stands first in the register of members), or to such person and to such address as the holder or joint holders or person or persons may in writing direct. Hikma will not be responsible for any loss of any such cheque, warrant or order nor for any loss in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders of any share, or any one of two or more persons entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, may give effectual receipts for any dividends or other monies payable or property distributable on or in respect of the share.

Subject to the rights attaching to, or the terms of issue of, any shares, no dividend or other monies payable on or in respect of a share will bear interest against Hikma.

If a dividend or other money has not been claimed for 12 years after being declared or becoming due for payment, it will be forfeited and go back to Hikma.

Please see paragraph 13 of Part II (*Information on Hikma*) of this document for information relating to Hikma's recent dividend policy.

6. Resolutions, authorisations and approvals relating to the Consideration Shares

The Consideration Shares will be allotted and issued pursuant to the authority to be granted under resolution 2 proposed at the General Meeting. The resolution proposes that the Directors be authorised to allot the Consideration Shares (representing approximately 16.71 per cent. of Hikma's enlarged share capital on Closing and approximately 20.06 per cent. of Hikma's issued share capital (excluding treasury shares) as at 20 January 2016 (being the latest practicable date prior to the publication of this document)) in accordance with the terms of the Acquisition Agreement.

7. Dates of issue and allotment

The Consideration Shares are expected to be issued and allotted on the date of Closing, which is expected to occur, subject to the receipt of applicable anti-trust approvals, by the end of February 2016 and those entitled to the Consideration Shares are expected to be entered on Hikma's register of members on that day.

8. Description of restrictions on free transferability

Save as set out in paragraph 1 of Part V (*Terms of the Acquisition*) of this document, the Consideration Shares will be freely transferable.

Hikma may, under the Articles and the Companies Act, send out statutory notices to those it knows or has reasonable cause to believe have an interest in its shares, asking for details of those who have an interest and the extent of their interest in a particular holding of shares. When a person receives a statutory notice and fails to provide any information required by the notice within the time specified in it, Hikma can apply to the Court for an order directing, amongst other things, that any transfer of the shares which are the subject of the statutory notice is void.

The Directors may also, without giving any reason, refuse to register the transfer of any Ordinary Shares which are not fully paid.

9. Mandatory bids, squeeze-out and sell-out rules relating to the Consideration Shares

Other than as provided by the City Code and Chapter 3 of Part 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Ordinary Shares.

10. Public takeover bids in the last and current financial years

There have been no public takeover bids by third parties in respect of the share capital of Hikma in the last or current financial year.

11. Taxation

Please see Part X (*UK Taxation*) of this document for information relating to UK taxation (including a discussion of UK stamp duty and SDRT which is relevant to holders of Consideration Shares, irrespective of their tax residence).

If you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriately qualified independent professional adviser immediately.

PART V

TERMS OF THE ACQUISITION

1. Acquisition Agreement

The Acquisition Agreement is between BI, Hikma and Eurohealth (U.S.A.), Inc., and pursuant to the Acquisition Agreement Hikma has agreed to acquire the entire issued and outstanding capital stock of BIRI and RLI from BI.

1.1 Consideration

At Closing, Hikma will pay to BI gross consideration of approximately US$1.18 billion in cash and will issue the Consideration Shares to BI (or a nominee of BI that is an affiliate of BI), subject to certain post-Closing cash adjustments. Hikma has also agreed to make contingent cash payments of up to US$125 million, subject to the achievement of certain US FDA approval milestones, depending on specific products, type of approval and dosage approved and further exclusivity and ten-year quarterly sales-based contingent payments once the products are commercialised.

1.2 Conditions

The Closing is conditional upon, among other things, certain conditions, including (amongst others):

(i) no legal restraint preventing the consummation of the Acquisition;

(ii) approval by the Shareholders of the Acquisition;

(iii) certain of the representations and warranties provided by BI and Hikma in the Acquisition Agreement being true and correct at the time of Closing except for breaches or inaccuracies that would not have a material adverse effect;

(iv) no Material Adverse Effect (as defined in the Acquisition Agreement) occurring in relation to the business of BIRI and RLI; and

(v) the expiration or termination of any required HSR Act antitrust waiting period.

With respect to the approval by the Shareholders of the Acquisition ((ii) above), Darhold Limited, the Company's largest shareholder, has irrevocably undertaken to BI to vote in favour of the resolutions necessary to implement the Acquisition at the General Meeting. The Closing Date is expected to occur, subject to the receipt of applicable anti-trust approvals, by the end of February 2016.

1.3 Termination

In the event that (i) there is mutual consent between the parties, (ii) Closing has not occurred on or before the date that is nine (9) months from 28 July 2015, (iii) a party's closing conditions are incapable of fulfilment, (iv) there is a change of recommendation by Hikma's Board that is not permitted by the Acquisition Agreement, (v) the Shareholders fail to approve the Acquisition at a duly convened meeting, or (vi) the Shareholders fail to approve the Acquisition at the additional duly convened meeting, either BI or Hikma (in the case of (i) and (ii)), BI (in the case of (iv) and (v)), Hikma (in the case of (vi)), or the non-defaulting party (in the case of (iii)) may terminate the Acquisition Agreement.

In the event that the Acquisition Agreement is terminated as a result of a change of recommendation by Hikma's Board that is not permitted by the Acquisition Agreement or failure of the Shareholders to approve the Acquisition, Hikma is required to pay BI a termination fee in the amount of approximately US$52 million, representing just under 1 per cent. of Hikma's market capitalisation as at the close of business on 27 July 2015.

1.4 Warranties

The Acquisition Agreement contains customary warranties given by BI in relation to its title and ownership of BIRI and RLI and in relation to the underlying businesses of BIRI and RLI.

In addition, Hikma and Eurohealth (U.S.A.), Inc. provide customary warranties regarding, among others, authority to enter into the Acquisition Agreement and required consents.

1.5 Covenants and further agreements

Except as otherwise permitted by the terms of the Acquisition Agreement, BI has agreed to carry on the business of BIRI and RLI, prior to Closing, in the ordinary course of business consistent with past practice. BI has also agreed to procure that certain acts will only be carried out with the prior written consent of Hikma.

The Acquisition Agreement also contains certain non-competition and non-solicitation provisions applicable to Hikma and BI.

Pursuant to the Acquisition Agreement, Hikma and BI have agreed that:

(i) in the event that a certain key product acquired by Hikma from BI in the Acquisition receives approval from the US FDA and is the sole generic (of a certain branded product) available for purchase in the US, Hikma is required to make payments to BI of US$40 million for each calendar quarter in which those conditions are met (and, if applicable, make pro-rated payments for the portion of a calendar quarter in which such conditions were met);

(ii) with regard to two key products acquired pursuant to the Acquisition, Hikma is required to make quarterly contingent payments to BI at a rate of up to 20 per cent. of net sales of such products for a period of ten years from the first commercial sale of each product;

(iii) with regard to the two key products referred to in (ii) above, Hikma is required for a period of ten years from the first commercial sale of each of those products to make additional annual contingent payments to BI or BI's designated affiliates at a rate of up to 5 per cent. of the amount by which combined net sales of both products for the applicable year exceed US$500 million; and

(iv) in the event that the key product referred to in (i) above does not receive approval from the US FDA and Hikma or one of its affiliates does not introduce into interstate commerce an authorized generic version of the product, in each case on or before 24 December 2017, BI or one or more of its designated affiliates shall pay to Hikma or one or more of Hikma's designated affiliates an aggregate amount equal to US$30 million, provided that such payment is not payable if Hikma was at any time in material breach of its obligations under the Acquisition Agreement to support such product and such breach could reasonably be expected to result in the US FDA's delay in granting or failure to grant approval of such product on or before 24 December 2017.

1.6 Indemnification

The Acquisition Agreement contains customary limitations on liability and indemnification provisions.

1.7 Related arrangements

Alongside the Acquisition Agreement, Hikma will enter into (i) supply agreements for the continued manufacture of certain products of BI and its affiliates, (ii) quality assurance agreements, (iii) a transition services agreement and (iv) the Shareholders' Agreement (see paragraph 1.9 below).

Hikma's aggregate liability under the supply agreements, in a given calendar year, is limited to a maximum amount equal to US$300 million, except as to Hikma's liability for: (i) any intentional acts or omissions, including without limitation fraudulent misrepresentation; (ii) gross negligence; (iii) infringement or misappropriation of any patent, industrial design, copyright, or any other intellectual property or proprietary rights of BI and its affiliates; and (iv) breach of Hikma's obligations regarding BI's confidential information.

1.8 Nominated Director

As announced on 24 December 2015, from Closing BI will have the right to nominate a director to the Board of Hikma. BI's right to nominate a director to the Board of Hikma will be contained in the Shareholders' Agreement and is further described in paragraph 1.9 below.

1.9 Shareholders' Agreement

Hikma and BII will at Closing enter into an agreement (the "**Shareholders' Agreement**") for the purpose of governing BII's and its affiliates' rights and obligations with respect to the Consideration Shares.

The Shareholders' Agreement will provide that:

- subject to customary exceptions and an exception for accepting a general offer (or giving an irrevocable undertaking to accept an offer) by a third-party offeror for the acquisition of the whole of the issued share capital of Hikma made in accordance with the City Code, BII will not be permitted to (and will procure that its affiliates do not) dispose of any Hikma Shares at any time from Closing until 1 January 2017. BII and its affiliates will be permitted to dispose of up to 24,000,000 Hikma Shares (as may be automatically adjusted on a proportionate basis under the Shareholders' Agreement to take into account any sub-division or stock split, consolidation or reverse stock split, or bonus issue in respect of Hikma Shares, or other transaction having a similar effect with respect to the Hikma Shares to one of those events) between 1 January 2017 and 1 January 2018, with the remainder being locked-up until after 1 January 2018;
- Hikma will have a right of first refusal to acquire all or part of any Hikma Shares (other than ROFR Excluded Hikma Shares) that BII or its affiliates propose to dispose of from time to time, at a price equal to the average closing price of a Hikma Share for the five business days prior to BII's notification to Hikma of its intention to dispose of such shares. BII and its affiliates will be permitted to dispose of any Hikma Share not purchased by Hikma in the wider market subject to orderly markets provisions;
- BII and its affiliates will be subject to standstill provisions preventing them from, among other things, acquiring Hikma Shares or making or announcing an offer for Hikma Shares. The standstill provisions will permit BII and its affiliates to hold up to 19.9 per cent. of Hikma's total issued share capital from time to time. They will cease to apply if: (1) Darhold Limited's shareholding falls below 57,000,000 Hikma Shares (as may be automatically adjusted on a proportionate basis under the Shareholders' Agreement to take into account any sub-division or stock split, consolidation or reverse stock split, or bonus issue in respect of Hikma Shares, or other transaction having a similar effect with respect to the Hikma Shares to one of those events) or Darhold Limited ceases to be the largest shareholder in Hikma; or (2) a third-party offeror announces a firm intention to make an offer for the entire issued share capital of Hikma, which offer has been recommended by the Hikma Board (in which case BII will be permitted to announce a firm intention to make an offer for the entire issued share capital of Hikma within 28 days);
- BII irrevocably agrees and undertakes not to exercise (and to procure its affiliates do not exercise) any voting rights attaching to Hikma Shares held by BII and its affiliates at any Hikma shareholder meeting, to the extent they exceed 28,500,000 voting rights (having been issued 40,000,000 Consideration Shares at Closing). BII will also be permitted to exercise voting rights attached to Hikma Shares acquired from third parties in accordance with the standstill provisions, up to a maximum of 7,500,000 voting rights or 3.3 per cent. of the exercisable voting rights outstanding in Hikma at the relevant time. In no circumstances will BII and its affiliates be permitted to exercise voting rights in excess of 15.8 per cent. of the exercisable voting rights outstanding in Hikma at the relevant time; and
- BII will have a continuing right to propose the appointment of one non-executive director from time to time to the Board (the "**Nominated Director**") for so long as BII and its affiliates hold Hikma Shares that constitute 10 per cent. or more of Hikma's total issued share capital, provided that BII consults with the Board in advance in relation to the identity and suitability of the Nominated Director and that the Nominated Director is approved in writing by the Board (acting reasonably and in good faith). BII's initial Nominated Director to be appointed to the Board with effect from Closing shall be Dr Jochen Gann.

2. Financing of the Acquisition

Hikma proposes to finance the Acquisition through a combination of cash, utilisation of bank facilities and the issuance of the Consideration Shares to BI.

PART VI

OPERATING AND FINANCIAL REVIEW RELATING TO HIKMA

The following discussion of Hikma's financial condition and results of operations should be read in conjunction with the historical financial information on Hikma and the notes related thereto incorporated by reference into Part VII (Historical Financial Information relating to Hikma). The historical financial information referred to in this discussion has been prepared in accordance with IFRS as explained in Part VII (Historical Financial Information relating to Hikma) of this document.

The following discussion of Hikma's results of operations and financial condition contains forward-looking statements. Hikma's actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those referred to below and/or discussed elsewhere in this document, the Risk Factors on pages 19 to 40 (inclusive), the Important Information on page 42 and Part XII (Additional Information) of this document.

1. Documents incorporated by reference

Certain sections, as set out below, of the audited historical financial information of Hikma for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 and the unaudited financial information for the six months ended 30 June 2014 and 30 June 2015 are incorporated by reference into this document.

The following cross-reference list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

1.1 Audited historical financial information for the financial year ended 31 December 2012

The page numbers below refer to the relevant pages of the audited historical financial information of Hikma for the financial year ended 31 December 2012:

Page Number(s)	*Section*
4-5	Chairman's Statement
6-7	Business Model
8-9	Group At A Glance
10-16	Chief Executive Officer's Review
17-20	Key Performance Indicators
20-40	Business and Financial Review
41-53	Sustainability

1.2 Audited historical financial information for the financial year ended 31 December 2013

The page numbers below refer to the relevant pages of the audited historical financial information of Hikma for the financial year ended 31 December 2013:

Page Number(s)	*Section*
6-7	Chairman's Statement
8	Business Model
9	Our Strategy For Growth
10-11	Group At A Glance
12-19	Chief Executive Officer's Review
20-41	Business and Financial Review
42-49	Sustainability

1.3 Audited historical financial information for the financial year ended 31 December 2014

The page numbers below refer to the relevant pages of the audited historical financial information of Hikma for the financial year ended 31 December 2014:

Page Number(s)	*Section*
10-11	Chairman and Chief Executive Officer's Introduction
14	Business Model
15	Our Strategy
16-23	Delivering Our Strategy
24-25	Group At A Glance
26-43	Business and Financial Review
44-53	Sustainability

1.4 Unaudited financial information for the six months ended 30 June 2014

The table below refers to the relevant sections of unaudited financial information of Hikma for the six months ended 30 June 2014. The financial information referred to in this paragraph has not been audited:

Section
H1 2014 financial highlights
Statement by Said Darwazah, Chief Executive Officer of Hikma
Group financial highlights
Interim management report
Principal risks and uncertainties

1.5 Unaudited financial information for the six months ended 30 June 2015

The table below refers to the relevant sections of unaudited financial information of Hikma for the six months ended 30 June 2015. The financial information referred to in this paragraph has not been audited:

Section
H1 2015 financial highlights
H1 2015 strategic highlights
H1 2015 business segment highlights
Statement by Said Darwazah, Chief Executive Officer of Hikma
Group financial highlights
Interim management report
Principal risks and uncertainties

2. Capitalisation and indebtedness

The following table sets out the capitalisation of Hikma as at 30 June 2015 which has been extracted without material adjustment from the unaudited financial information for the six months ended 30 June 2015, which is incorporated by reference into this document.

Capitalisation	30 June 2015 (unaudited) (US$ millions)
Shareholders' equity[1]	
Share capital	35
Share premium	281
Own shares	(1)
Other reserves	(100)
Total	**215**

Notes:

(1) Shareholders' equity does not include the retained earnings reserve.

(2) There has been no material change in the capitalisation of Hikma since 30 June 2015.

The following table, extracted from the Group's internal accounting records, shows the Group's unaudited indebtedness (distinguishing between guaranteed[18] and unguaranteed and secured[19] and unsecured indebtedness) as at 31 October 2015.

	31 Oct 2015 (unaudited) (US$ millions)
Guaranteed	(134)
Secured	(5)
Unguaranteed and unsecured	(5)
Guaranteed and secured	(35)
Total current indebtedness	**(179)**
Guaranteed	(573)
Secured	(3)
Unguaranteed and unsecured	(0)
Guaranteed and secured	(1)
Total non-current indebtedness	**(577)**
Total indebtedness[20]	**(756)**

Note: A contingent liability existed at the balance sheet date of 31 October 2015 in respect of external guarantees and letters of credit totalling $39 million. Contingent liabilities are not included in the Group's total indebtedness.

18 The Group guaranteed indebtedness represents debt guaranteed by members of the Group. The Group has no debt guaranteed by third parties.

19 Securities include promissory notes, time deposits, machines, properties, vehicles etc.

20 Total indebtedness excludes obligations under finance leases.

The following table, extracted from the Group's internal accounting records, shows the net financial indebtedness of the Group as at 31 October 2015.

	31 Oct 2015 (unaudited) (US$ millions)
Cash and cash equivalents[21]	504
Liquidity	**504**
Current bank debt	(139)
Current portion of non-current debt	(40)
Current financial indebtedness	**(179)**
Net current financial indebtedness	**325**
Non-current bank loans	(82)
Bonds issued	(496)
Non-current financial indebtedness	**(578)**
Net financial indebtedness[23]	**(253)**

3. Capital Resources

Overview

The Group's liquidity requirements arise primarily from the need to fund its capital expenditure programme, investments to develop its product portfolio, investments in working capital and the development and expansion of its sales, marketing and distribution network in new and existing markets. The Group has primarily financed its operations through its cash flows and amounts available under its credit facilities and other borrowings.

The Group uses short-term credit facilities to finance its working capital needs. These facilities are mostly denominated in the local currencies of the relevant member of the Group. Where the currency of a subsidiary is pegged to US Dollars, facilities can be denominated in US Dollars and accordingly benefit from lower financing cost. Other borrowings include long-term facilities that are used to finance the Group's capital expenditure and acquisitions. These are mostly denominated in US Dollars. However, where capital expenditure is in a country where the currency is not pegged to US Dollars and the expected returns from the relevant project are in the local currency, the relevant facilities are denominated in that currency.

All of the Group's US Dollar-denominated facilities[22] are floating interest rate facilities with the exception of the US$500 million five-year bond issued on 1 April 2015. Facilities denominated in other currencies are split between fixed and floating interest rates. From time to time, the Group enters into Interest Rate Swaps (IRS), in order to mitigate interest-rate risk resulting from its exposure to floating interest rate facilities.

21 Includes $3 million of collateralized and restricted cash.

23 Total indebtedness excludes obligations under finance leases.

22 Excluding obligations under finance leases.

The Group's drawn long-term loans have the following maturity schedule (as at 30 June 2015 and 31 October 2015):

	30 June 2015 (US$ millions)	31 October 2015 (US$ millions)
Under one year	40	40
Under two years	39	29
Under three years	22	21
Under four years	13	13
Under five years	511	513
Thereafter	4	1
Total non-current financial indebtedness[24]	629	617

On 27 October 2015, Hikma entered into a RCF with a number of banks for a total amount of US$1,175 million. The facility will be used for general corporate purposes and to finance the working capital requirements of the Group (including following closing of the Acquisition, the Enlarged Group).

For details of the Group's historical indebtedness, see note 27 of the Group's Financial Statements as at and for the year ended 31 December 2013, notes 23 and 27 of the Group's Financial Statements as at and for the year ended 31 December 2014 and note 14 of the Group's unaudited financial statements as at and for the six months ended 30 June 2015.

Summary of cash flows

	Year ended 31 December 2012 (audited) (US$ millions)	Year ended 31 December 2013 (audited) (US$ millions)	Year ended 31 December 2014 (audited) (US$ millions)	Six months ended 30 June 2014 (unaudited) (US$ millions)	Six months ended 30 June 2015 (unaudited) (US$ millions)
Net cash from operating activities	184	337	425	200	125
Net cash used in investing activities	(101)	(115)	(342)	(59)	(70)
Net cash generated by/(used in) financing activities	4	(229)	30	(28)	159
Cash and cash equivalents at the end of the year	177	168	280	282	490

Net cash from operating activities

Net cash from operating activities was US$184 million in the year ended 31 December 2012, US$337 million in the year ended 31 December 2013, and US$425 million in the year ended 31 December 2014 and US$125 million in the six months ended 30 June 2015. These increases primarily reflect the increase in the Group's operating profits. In the six months ended 30 June 2015 net cash from operating activities was US$125 million compared to $200 million in the six months ended 30 June 2014. The decrease reflects the lower contribution from specific market opportunities in the Generics business.

Net cash used in investing activities

Net cash used in investing activities was US$101 million in the year ended 31 December 2012, US$115 million in the year ended 31 December 2013 and US$342 million in the year ended

24 Including current portion of non-current debt.

31 December 2014. The increase in net cash used in investing activities in the year ended 31 December 2014 compared to the previous years was primarily due to the acquisition of Bedford. Net cash used in investing activities was US$59 million in the six months ended 30 June 2014 and US$ 70million in the six months ended 30 June 2015.

Net cash generated by/(used in) financing activities

In the year ended 31 December 2012, net cash generated by financing activities was US$4 million. Net cash used in financing activities was US$229 million in the year ended 31 December 2013. The increase was primarily due to the termination and prepayment of a long-term facility taken in 2011 to finance the MSI acquisition. Net cash generated by financing activities was US$30 million in the year ended 31 December 2014 as the Group utilized a US$225 million bridge loan to finance its acquisition of Bedford. Part of the increase in cash used in financing activities was offset by a prepayment of part of a syndicated loan taken in 2011 to finance its acquisition of Promopharm. In the six months ended 30 June 2014 the cash used in financing activities was US$28 million and in the six months ended 30 June 2015 the net cash generated by financing activities was US$159 million. The increase in the six months ended 30 June 2015 was due to the issuance of a $500 million bond to refinance the $225 million Bedford bridge loan.

Cash and cash equivalents at the end of the year

The above cash flows resulted in the Group's cash and cash equivalents of US$95 million as at 1 January 2012 increasing to US$177 million, US$168 million and US$280million as at 31 December 2012, 2013 and 2014, respectively. Cash and cash equivalents were US$282 million and US$490 million as at 30 June 2014 and 30 June 2015 respectively.

Capital expenditures

The Group's capital expenditure was US$51 million, US$59 million and US$91 million in the years ended 31 December 2012, 2013 and 2014 respectively, and US$43 million and US$37 million in the six months ended 30 June 2014 and 30 June 2015 respectively. Expenditure by the MENA region[25] was US$60 million during the year ended 31 December 2014 and US$23 million during the six months ended 30 June 2015 and was used to upgrade and maintain the Group's equipment and facilities across a number of markets. Expenditure in the US and Europe was US$31 million during the year ended 31 December 2014 and US$14 million during the six months ended 30 June 2015 and was primarily used to expand the manufacturing capacity and capabilities of the Injectables business and to transfer the manufacturing and laboratories equipment from Ben Venue to Cherry Hill and the Group's three European sites in Portugal, Italy and Germany. The Group finances its capital expenditures through its cash flows and amounts available under long-term credit facilities.

The Group's expenditure on the purchase of intangible assets, which is mostly product related investments and marketing rights, was US$38 million, US$16 million and US$27 million in the years ended 31 December 2012, 2013 and 2014 respectively, and US$13 million and US$16 million in the six months ended 30 June 2014 and 30 June 2015 respectively. Expenditure[26] by the MENA region was US$15 million during the year ended 31 December 2014 and US$5 million during the six months ended 30 June 2015. Expenditure in the US and Europe was US$12 million during the year ended 31 December 2014 and US$11 million during the six months ended 30 June 2015.

25 Including corporate related projects.

26 Expenditure by the MENA region can include products targeted for the US market.

PART VII

HISTORICAL FINANCIAL INFORMATION RELATING TO HIKMA

1. Background

The following are incorporated by reference into this document:

- the consolidated audited historical financial information for the financial year ended 31 December 2012;
- the consolidated audited historical financial information for the financial year ended 31 December 2013;
- the consolidated audited historical financial information for the financial year ended 31 December 2014;
- the consolidated unaudited financial information for the six months ended 30 June 2014; and
- the consolidated unaudited financial information for the six months ended 30 June 2015.

The audit reports for each of the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 were unqualified.

The consolidated audited historical financial information for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 and the unaudited financial information for the six months ended 30 June 2014 and 30 June 2015 were prepared in accordance with IFRS.

2. Cross-reference list

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document. A copy of each of these documents incorporated by reference into this document can be accessed on the Company's website on www.hikma.com.

2.1 IFRS audited historical financial information for the financial year ended 31 December 2012 and the audit report thereon

The page numbers below refer to the relevant pages of the audited historical financial information for the financial year ended 31 December 2012:

Page Number(s)	*Section*
112	Independent auditor's report
113-117	Consolidated financial statements
118-156	Notes to the consolidated financial statements
157-159	Company financial statements
160-164	Notes to the Company financial statements

2.2 IFRS audited historical financial information for the financial year ended 31 December 2013 and the audit report thereon

The page numbers below refer to the relevant pages of the audited historical financial information for the financial year ended 31 December 2013:

Page Number(s)	*Section*
122-124	Independent auditor's report
125-129	Consolidated financial statements
130-167	Notes to the consolidated financial statements
169-170	Company financial statements
171-174	Notes to the Company financial statements

2.3 IFRS audited historical financial information for the financial year ended 31 December 2014 and the audit report thereon

The page numbers below refer to the relevant pages of the audited historical financial information for the financial year ended 31 December 2014:

Page Number(s)	*Section*
116-119	Independent auditor's report
120-124	Consolidated financial statements
125-164	Notes to the consolidated financial statements
165-166	Company financial statements
167-170	Notes to the Company financial statements

2.4 Unaudited financial information for the six months ended 30 June 2014

The table below refers to the relevant sections of the unaudited financial information for the six months ended 30 June 2014:

Section
Independent review report
Condensed consolidated income statement
Condensed consolidated statement of comprehensive income
Condensed consolidated balance sheet
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flow
Notes to the condensed set of financial statements

2.5 Unaudited financial information for the six months ended 30 June 2015

The table below refers to the relevant sections of the unaudited financial information for the six months ended 30 June 2015:

Section
Independent review report
Condensed consolidated income statement
Condensed consolidated statement of comprehensive income
Condensed consolidated balance sheet
Condensed consolidated statement of changes in equity
Condensed consolidated cash flow statement
Notes to the condensed set of financial statements

PART VIII

HISTORICAL FINANCIAL INFORMATION RELATING TO ROXANE

Basis of financial information

The financial information in this Part VIII (*Historical Financial Information relating to Roxane*) is the combined financial information of Roxane for the years ended 31 December 2012, 2013 and 2014.

The Hikma Directors confirm that the combined financial information of Roxane is prepared in a form that is consistent with Hikma's accounting policies in its latest annual accounts.

Deloitte.

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

The Directors and Proposed Director
on behalf of Hikma Pharmaceuticals Public Limited Company
13 Hanover Square
London
W1S 1HL

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
London
E14 5LB

22 January 2016

Dear Sirs

Roxane combined financial Information comprising the combination of Boehringer Ingelheim Roxane, Inc. and Roxane Laboratories Inc. (together, ''Roxane'')

We report on the financial information for the three years ended 31 December 2014 set out in Part VIII (*Historical Financial Information relating to Roxane*) of the combined Class 1 Circular and prospectus relating to the acquisition of Roxane dated 22 January 2016 (the ''**Circular**'') by Hikma Pharmaceuticals Public Limited Company (the ''**Company**''). This financial information has been prepared for inclusion in the Circular in accordance with the basis of presentation as set out on in Note 1 and the accounting policies set out in Note 2 to the financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the ''**Prospectus Directive Regulation**'') and Listing Rule 13.5.21R and is given for the purpose of complying with those requirements and for no other purpose.

Responsibilities

The Directors and the Proposed Director (as defined in the Circular) of the Company are responsible for preparing the financial information on the basis of presentation set out in Note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which may arise as a result of the inclusion of this report in the Circular or arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6) and Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Circular.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance

that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Circular, a true and fair view of the state of affairs of Roxane as at 31 December 2012, 2013 and 2014 and of its profits, losses, cash flows and changes in equity for the three years ended 31 December 2014 in accordance with the basis of presentation set out in Note 1 to the financial information and has been prepared in a form that is consistent with the accounting policies adopted in the Company's latest annual accounts.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this report as part of the Circular and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Circular in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP
Chartered Accountants

Roxane Combined Carve-out Income Statement

For the Years Ended 31 December 2012, 31 December 2013 and 31 December 2014

	Note	2012 $000	2013 $000	2014 $000
Continuing operations				
Revenue		575,571	550,090	**675,665**
Cost of sales		(356,263)	(390,430)	**(473,967)**
Gross profit		219,308	159,660	**201,698**
Sales and marketing		(19,392)	(20,350)	**(22,163)**
General and administrative expenses		(22,500)	(17,493)	**(28,729)**
Research and development expenses		(90,766)	(108,977)	**(117,288)**
Other operating expenses – net	8	(3,411)	(20,696)	**(12,115)**
Total operating expenses		**136,069**	**167,516**	**180,295**
Adjusted operating profit/(loss)		**63,989**	**(7,856)**	**15,403**
Exceptional items:				
– Litigation settlement	4	19,250	—	**—**
– Impairment of property, plant and equipment (net)	4	—	—	**—**
– Sale of intellectual property	4	—	—	**6,000**
Total exceptional items		19,250	—	**6,000**
Operating profit (loss)		83,239	(7,856)	**21,403**
Interest expense to Parent	9	(3,107)	(3,904)	**(4,361)**
Profit/(loss) before tax from continuing operations		80,132	(11,760)	**17,042**
Tax (expense)/benefit	10	(26,659)	7,861	**(5,228)**
Profit/(loss) from continuing operations	6	53,473	(3,899)	**11,814**
(Loss)/profit from discontinued operations, net of tax	11	3,535	(2,520)	**(55)**
Profit/loss and total comprehensive income/ (loss) for the year		57,008	(6,419)	**11,759**

Roxane Combined Carve-out Balance Sheet

At 31 December 2012, 31 December 2013 and 31 December 2014

	Note	2012 $000	2013 $000	2014 $000
Non-current assets				
Property, plant and equipment	12	268,075	288,989	**333,144**
Intangible assets	13	10,000	10,075	**14,075**
Deferred tax assets	14	38,062	31,787	**41,352**
Disposal group assets	11	4,999	3,426	**5,941**
		321,136	**334,277**	**394,512**
Current assets				
Inventories	15	228,153	292,546	**267,459**
Trade and other receivables	16	103,581	88,543	**127,927**
Disposal group assets	11	43,338	14,667	**12,324**
		375,072	**395,756**	**407,710**
Total assets		**696,208**	**730,033**	**802,222**
Current liabilities				
Short-term loan payable to Parent	21	—	202,367	**202,062**
Payable to Affiliates	21	291,726	157,859	**222,592**
Trade and other payables	17	98,244	75,720	**71,772**
Other current liabilities		6,753	1,635	**1,379**
		396,723	**437,581**	**497,805**
Net current liabilities		**(21,651)**	**(41,825)**	**(90,095)**
Non-current liabilities				
Other non-current liabilities	18	8,322	7,708	**7,914**
		8,322	**7,708**	**7,914**
Total liabilities		**405,045**	**445,289**	**505,719**
Net assets		**291,163**	**284,744**	**296,503**
Equity				
Total Invested Capital		**291,163**	**284,744**	**296,503**

Roxane Combined Carve-out Statement of Changes in Equity
For the Year Ended 31 December 2014

	Invested capital $000
Balance at 1 January 2012	234,155
Profit for the year	57,008
Balance at 31 December 2012 and 1 January 2013	291,163
Loss for the year	(6,419)
Balance at 31 December 2013 and 1 January 2014	284,744
Profit for the year	11,759
Balance at 31 December 2014	**296,503**

Roxane Combined Carve-out Cash Flow Statement

For the Years Ended 31 December 2012, 31 December 2013 and 31 December 2014

	2012 $000	2013 $000	2014 $000
Operating activities			
Profit/(loss) before tax from continuing operations	80,132	(11,760)	**17,042**
Profit/(loss) before tax from discontinued operations	5,668	(4,033)	**(88)**
Profit/ (loss) before tax	85,800	(15,793)	**16,954**
Adjustments for:			
Depreciation, amortisation, and impairment of property, plant and equipment	47,457	32,246	**31,417**
Loss on disposal of property, plant and equipment	634	4,904	**1,638**
Gain from litigation settlement	(19,250)	—	**—**
Movement on provisions	5,252	(21,297)	**449**
Interest to parent	3,107	3,904	**4,361**
Other items, net	39	(469)	**(1,247)**
Cash flow before working capital	123,039	3,495	**53,572**
Change in trade and other receivables and other assets	(7,649)	15,038	**(45,384)**
Change in inventories	(93,090)	(35,722)	**27,430**
Change in trade and other payables and other liabilities	15,420	(6,406)	**(12,636)**
Cash generated/(used) in operating activities	37,720	(23,595)	**22,982**
Income taxes (paid)/ recovered	(45,676)	15,649	**(14,760)**
Net cash generated/(used) in operating activities	(7,956)	(7,946)	**8,222**
Investing activities			
Purchases of property, plant and equipment	(34,310)	(56,345)	**(72,654)**
Purchases of licences	—	(75)	**(4,001)**
Proceeds from sale of intellectual property	—	—	**6,000**
Net cash used in investing activities	(34,310)	(56,420)	**(70,655)**
Financing activities			
Payable to affiliates	42,266	64,366	**62,433**
Net cash provided by financing activities	42,266	64,366	**62,433**
Net Increase (decrease) in cash and cash equivalents	—	—	**—**
Cash and cash equivalents at beginning of year	—	—	**—**
Cash and cash equivalents at end of year	—	—	**—**

Notes to the Combined Carve-out Financial Information

1. General Information and Basis of Presentation

Roxane is primarily engaged in the research and development, manufacture, marketing and distribution of generic pharmaceutical products in the US market and in the manufacture of certain branded pharmaceutical products for resale, mainly by its related parties. Roxane is located in the U.S., with its principal business offices located at 2001 Arlington Ln., Columbus, OH. Roxane's key products are primarily sold through pharmaceutical wholesalers, retail chain pharmacies and hospital group purchasing organisations within the U.S. Historically, Roxane did not operate as a separate, standalone entity and is comprised of the following two legal entities, both of which are located in Columbus, Ohio.

– RLI performs research and development for generic drug products and their respective sales and marketing in the U.S. market.

– BIRI is the manufacturing entity for the generic products sold by RLI. BIRI also manufactures brand products for resale by Boehringer Ingelheim Pharmaceuticals, Inc. ("**BIPI**"), BII, and on behalf of an external customer. In addition, BIRI handles certain distribution activities for BIPI and BII.

RLI and BIRI are wholly owned on a direct basis by BI, a subsidiary of Boehringer Ingelheim USA Corporation ("**BI USA**" or the "**Parent**"). The Parent is a U.S. subsidiary of BII. The ultimate holding company is C.H. Boehringer Sohn AG & Co. KG.

Principles of combination and basis of presentation

The accompanying combined carve-out financial information (the "financial information") has been prepared to present the financial condition, results of operations and cash flows of Roxane, the combination of operations of RLI and BIRI. This financial information has been prepared from the Parent's historical accounting records using the historical results of operations and historical cost bases of the assets and liabilities of Roxane. The financial information is presented on a standalone basis as if Roxane's operations had been conducted independently from the Parent.

The combined carve-out statements of operations include all revenues and costs directly attributable to Roxane, including a charge or allocation of the costs for certain functions and support services performed by the Parent on behalf of Roxane. Details of transactions with Roxane's Parent have been set out further in Note 21, Related Parties. These functions and services include, but are not limited to, information technology support, human resources, legal, finance and accounting, insurance and self-insurance and other shared services or administrative support. These expenses have been allocated on a pro rata basis of net revenues, headcount or other measures. In addition, certain variances resulting from production including idle capacity, production variances and other expenses have been recharged by Roxane to BIPI and BII pursuant to a Contract Manufacturing and Distribution Agreement between BIRI and BIPI and a Toll Manufacturing Agreement between BIRI and BII. The expense and cost allocations have been determined on a basis that management considers to be a reasonable reflection of the utilisation of services provided to or the benefit received by Roxane during the periods presented and applied consistently by Roxane during the periods presented.

Therefore, the historical results of operations, financial position, and cash flows of Roxane may not be indicative of what they would have been had Roxane operated as a separate standalone entity, and may not be indicative of what Roxane's results of operations, financial position and cash flows may be in the future. All transactions between RLI and BIRI have been eliminated in the accompanying financial information.

The Parent uses a centralised approach to cash management and financing of its operations. Accordingly, Roxane participates in a cash pooling arrangement with the Parent as the pool leader.

Roxane's cash is swept into accounts maintained by the Parent on a daily basis. Therefore, the cash and cash equivalents held by the Parent at the corporate level were not allocated to Roxane for any of the periods presented. Cash transfers to and from the centralised accounts maintained by the Parent are accounted for through Payable to Affiliates in the accompanying combined carve-out balance sheets.

As of 31 December 2014, Roxane had an interest-bearing loan payable to its Parent of US$200 million. The loan, due on 15 March 2015, is recorded as "Short-term loan payable to Parent" in the accompanying combined carve-out balance sheet. Interest expense in connection with this loan

is recorded as ''Interest expense to Parent'' in the accompanying combined carve-out statements of operations. All other transactions between Roxane and the Parent and BII are recorded as ''Payable to Affiliates'' in the accompanying combined carve-out financial information.

For the purposes of the financial information, Roxane's combined equity, share premium and retained earnings is presented under a single line item, Invested Capital.

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

IFRS 9	Financial instruments
IFRS 14	Regulatory deferral accounts
IAS 16 and IAS 38 (amendments)	Property, plant and equipment and intangible asset
IAS 16 and IAS 41 (amendments)	Property, plant and equipment and agriculture
IFRS 15	Revenue from contracts with customers
IAS 19 (amendments)	Employee benefits
IAS 1 (amendments)	Disclosure initiative
IFRS 10, IFRS 12 and IAS 28 (amendments)	Investment Entities: Applying the Consolidation Exception
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IAS 27 (amendments)	Equity Method in Separate Financial Statements
IFRS 11 (amendments)	Accounting for Acquisitions of Interests in Joint Operations
Annual Improvements to IFRSs: 2012-2014 Cycle	Various topics

Management does not expect that the adoption of the Standards and Interpretations listed above will have a material impact on this financial information.

2. Significant accounting policies

Basis of accounting

The preparation of the historical information of Roxane has been performed by Hikma solely for inclusion in this document.

The combined carve-out financial information has been prepared in accordance with the requirements of the Prospective Directive regulation and the UK Listing Rules and in accordance with the General Information and basis of presentation. The General Information and basis of presentation describes how the financial information has been prepared in accordance with IFRS except as disclosed below.

IFRS does not provide for the preparation of combined historical information and, accordingly, in preparing the combined historical information certain accounting conventions commonly used for the preparation of historical information for inclusion in investment circulars as described in the Annexure to SIR 2000, Investment Reporting Standard applicable to public reporting engagement on historical financial information used by the UK Auditing Practiced Board, have been applied.

The application of these conventions results in the following material departures from IFRS:

- The historical information is prepared on a combined basis and has been prepared by applying relevant principles underlying the consolidation procedures of IFRS 10, Consolidated Financial Statements. The assets, liabilities and the statement of comprehensive income of entities comprising Roxane have been aggregated. All transactions and balances between entities included within the combined historical financial information have been eliminated; and
- As part of the stock purchase agreement there are certain assets, rights and property (including IP Rights, Governmental Authorisations, Healthcare Regulatory Authorisations and inventory) that are excluded from the business being acquired. All assets and liabilities associated with excluded assets have been classified as ''Disposal group assets'' and all transactions for the excluded assets classified as Discontinued Operations. While this does not meet the strict definition established by IFRS 5 for discontinued operations presentation,

the excluded assets and associated transactions have been removed from continuing operations as it is important for the users of the combined carve-out financial information to have a clear view of the continuing business acquired by Hikma. Additional disclosures are provided in Note 11. All other notes to the financial information include amounts for continuing operations, unless otherwise mentioned.

In all other respects the historical financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") as issued by the International Accounting Standards Board ("**IASB**"). The combined carve-out financial information has also been prepared in accordance with IFRSs adopted for use in the European Union and, therefore, comply with Article 4 of the EU IAS Regulation.

The combined carve-out financial information has been prepared under the historical cost convention. Where there is more than one recognition measure, presentation or disclosure option available under IFRS, the information has been presented in accordance with the application adopted by Hikma's latest annual financial statements for the year ended 31 December 2014.

The combined carve-out financial information is presented in US dollars and all values are rounded to the nearest thousand (US$000), except when otherwise indicated.

Going concern

The consolidated carve-out financial information has been prepared on the going-concern basis. The preparation of consolidated financial information requires management to make judgments, estimates and assumptions that affect whether and how policies are applied and affect the reported amounts of assets and liabilities, income and expenses. Judgments made by management in the application of adopted IFRS that have a significant effect on the consolidated financial information and estimates with a significant risk of material adjustment in the next year are discussed in accounting policy ''Critical accounting judgments and key sources of estimation uncertainty''.

Intangible assets

An intangible asset is recognised if:

i. It is identifiable;

ii. It is probable that the expected future economic benefits that are attributable to the asset will flow to Roxane; and

iii. The cost of the asset can be measured reliably.

The probability of expected future economic benefits is assessed using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Judgement is used to assess the degree of certainty attached to the flow of future economic benefits that are attributable to the use of the asset on the basis of the evidence available at the time of initial recognition, giving greater weight to external evidence.

Expenditures on research and development activities are charged to the combined carve-out income statement, except only when the criteria for recognising an intangible asset are met, which is usually when approval from the relevant regulatory authority is considered probable.

Product files, under-licensed products, under-licence agreements and product dossiers are amortised over their useful lives from the date of acquisition. Intangible assets recognised from development activities are amortised over their useful economic life.

Foreign currencies

The individual financial statements of each Roxane company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the combined carve-out financial information, the results and financial position of each Roxane company have accordingly been expressed in U.S. Dollars.

Revenue recognition

Revenue is recognised in the combined carve-out income statement when goods or services are supplied or made available to external customers against orders received and when title and risk of loss have passed.

Revenue represents the amounts receivable after the deduction of discounts, value added tax, other sales taxes, allowances given, provisions for chargebacks and accruals for estimated future rebates and returns. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in light of contractual and historical information.

Except for the rebates under the Medicaid, Medicare and Tricare and certain other administrative fee related provisions, accounts receivable are presented net of allowances relating to the above provisions.

Chargebacks

The provision for chargebacks is a significant and complex estimate used in the recognition of revenue. Roxane sells its products directly to wholesale distributors, generic distributors, retail pharmacy chains and mail-order pharmacies. Roxane also sells its products indirectly to independent pharmacies, managed care organisations, hospitals, and group purchasing organisations, collectively referred to as ''indirect customers''. Roxane enters into agreements with its indirect customers to establish pricing for certain products. The indirect customers then independently select a wholesaler from which they purchase the products at agreed-upon prices. Roxane will provide credit to the wholesaler for the difference between the agreed-upon price with the indirect customer and the wholesaler's invoice price. This credit is called a chargeback. The provision for chargebacks is based on historical sell-through levels by Roxane's wholesale customers to the indirect customers and estimated wholesaler inventory levels. As sales are made to large wholesale customers, Roxane continually monitors the reserve for chargebacks and makes adjustments when it believes that actual chargebacks may differ from estimated reserves.

Returns

Consistent with industry practice, Roxane maintains a return policy that allows customers to return products within a specified period prior and subsequent to the expiration date. Provisions for returns are recognised in the period in which the underlying sales are recognised as a reduction of sales revenue. Roxane's estimate of the provision for returns is based upon historical experience, representing management's best estimate. While such experience has allowed for reasonable estimations in the past, history may not always be an accurate indicator of future returns. The Group continually monitors the provisions for returns and makes adjustments when it believes that actual product returns may differ from established reserves.

Rebates

Rebates are granted to healthcare authorities and under contractual arrangements with certain customers. Products sold in the US are covered by various programmes (such as Medicaid) under which products are sold at a discount.

Roxane estimates its provision for rebates based on current contractual terms and conditions as well as historical experience, changes to business practices and credit terms. While such experience has allowed for reasonable estimations in the past, history may not always be an accurate indicator of future rebate liabilities. Roxane continually monitors the provisions for rebates and makes adjustments when it believes that actual rebates may differ from established reserves. All rebates are recognised in the period in which the underlying sales are recognised as a reduction of sales revenue.

Price adjustments

Price adjustments, also known as ''shelf stock adjustments'', are credits issued to reflect decreases in the selling prices of Roxane's products that customers have remaining in their inventories at the time of the price reduction. Decreases in selling prices are discretionary decisions made by Roxane management to reflect competitive market conditions. Amounts recorded for estimated shelf stock adjustments are based upon specified terms with direct customers, estimated declines in market prices and estimates of inventory held by customers. Roxane regularly monitors these and other factors and re-evaluates the reserve as additional information becomes available.

Operating profit

Operating profit is stated after charging exceptional items but before interest expense to Parent.

Exceptional items

Roxane presents adjusted earnings by making adjustments for costs and profits which management believes to be exceptional in nature by virtue of their size or incidence or have a distortive effect on earnings. Such items would include costs associated with one-off gains and losses.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the combined carve-out income statement in the period in which they are incurred.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the operating lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the related contribution. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where Roxane's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Roxane's employees participate in the Parent's defined benefit pension plan and other post-retirement healthcare plan ("**Plans**"). These Plans cover the employees of the U.S. subsidiaries of the Parent, including the employees of Roxane. As the actuarial and investment risks related to post-employment benefits for Roxane employees under the Parent's Defined Benefit Pension Plan reside with the Parent, the post-employment benefit plans have been accounted for as defined contribution plans for the purposes of the combined carve-out financial information. Therefore, no assets or liabilities relative to those retirement plans have been included in the combined carve-out financial information. The pension and other post-retirement expenses were allocated to Roxane based on service cost for plan participants, which was determined to be a reasonable methodology for such allocation.

Tax

Roxane provides for income tax according to the laws and regulations prevailing in the countries where Roxane operates. Furthermore, Roxane computes and records deferred tax assets and liabilities according to IAS 12 'Income Taxes'.

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the combined carve-out income information because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Roxane's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not

recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the combined carve-out income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Roxane intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment have been stated at cost on acquisition and are depreciated on a straight-line basis except for land at the following depreciation rates:

Buildings	5%
Leasehold improvements	20% to 33%, or the lease term if it is shorter
Computers and software	20% to 33%
Machinery	10% to 20%

Any additional costs that extend the useful life of property, plant and equipment are capitalised. Whenever the recoverable amount of an asset is impaired, the carrying value is reduced to the recoverable amount and the impairment loss is taken to the combined carve-out income statement. Projects under construction are carried at cost, less any recognised impairment loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the combined carve-out income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Purchased products are stated at acquisition cost including all additional attributable costs incurred in bringing each product to its present location and condition. The cost of own-manufactured products comprises direct materials and, where applicable, direct labour costs and any overheads that have been incurred in bringing the inventories to their present location and condition. In the balance sheet, inventory is primarily valued using the first in, first out (FIFO) method, and this value is used to determine the cost of sales in the combined carve-out income statement. Net realisable value represents the estimated selling price reflective of sales deductions, in the ordinary course of business, less all estimated costs necessary to make the sale. Provisions are made for inventories with net realisable value lower than cost.

Financial instruments

Financial assets and liabilities are recognised on the Roxane combined carve-out balance sheet when Roxane becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date, where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus

transaction costs, except for those financial assets classified as at fair value through the consolidated income statement, which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'trade and other receivables'. Trade and other receivables are measured at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less and are subject to an insignificant risk of changes in value.

Fair value of financial instruments

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Management classifies items that are recognised at fair value based on the level of inputs used in their fair value determination as described below:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs that are observable for the asset or liability; and

Level 3: Inputs that are not based on observable market data.

The Group has no material fair value financial assets and liabilities.

Provisions

Provisions are recognised when Roxane has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, Roxane reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, Roxane estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the combined carve-out income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the combined carve-out income statement.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of Roxane's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management believes that the following accounting policies that involve management judgements and estimates are the most critical to understanding and evaluating Roxane's financial results.

Revenue recognition

Roxane's revenue recognition policies require management to make a number of estimates, with the most significant relating to chargebacks, product returns, rebates and price adjustments (see Note 2) which vary by product arrangements and buying groups.

Contingent liabilities

The promotion, marketing and sale of pharmaceutical products and medical devices is highly regulated and the operations of market participants, such as Roxane, are closely supervised by regulatory authorities and law enforcement agencies, including the FDA and the Department of Justice. As a result, Roxane 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. Often this litigation is subject to substantial uncertainties, and therefore the probability of a loss, if any, being incurred or an estimate of the amount of any loss is difficult to ascertain.

Consequently, it is often not practicable to make a reasonable estimate of the possible financial effect, if any, that could arise from the ultimate resolution of legal proceedings. In such cases, where Roxane believes that disclosure is required, information regarding the nature and facts of the case is disclosed.

4. Exceptional items

Exceptional items are disclosed separately in the combined carve-out income statement to assist in the understanding of Roxane's underlying performance.

	For the year ended 31 December		
	2012 $000	**2013 $000**	**2014 $000**
Litigation settlement	19,250	—	—
Impairment of property, plant and equipment (net)	—	—	—
Sale of intellectual property	—	—	**6,000**
Exceptional items included in operating profit	19,250	—	**6,000**
Tax effect	(6,391)	—	**(1,848)**
Impact on profit for the year	12,859	—	**4,152**

Sale of intellectual property

In December 2014, Roxane sold all intellectual property rights and obligations to its ownership relating to an abbreviated new drug application for Azathioprine Tablets USP, 50 mg ("**Product**") to Buckeye Pharmaceuticals, LLC. The aggregate consideration included a one-time payment of US$6.0 million to be paid at closing ("**Closing Payment**"), milestone payments based on technology transfer and achieving sales targets, and royalty payment based on sales. The up-front Closing Payment of US$6.0 million was recognised as "Other operating income" during the year ended 31 December 2014.

Under the terms of the asset sale agreement, Roxane may receive technology transfer milestone payments up to an aggregate amount of US$5.0 million and sales milestones up to an aggregate amount of US$10.0 million. In addition, Roxane is entitled to royalty payments during the years 2015 to 2019 based on annual sales targets. The receipt of these substantive milestones and royalty income is uncertain and contingent on the achievement of a specified level of annual net sales by the buyer, and therefore, no income has been recognised by Roxane during the year ended 31 December 2014 in relation to these milestone payments.

Litigation settlement

In November of 2012, Roxane reached a settlement in the antitrust litigation filed against a counterparty relating to its efforts to delay approval of Roxane's generic Fluticasone Propionate Nasal Spray. Under the terms of the settlement, Roxane received an amount of US$19.3 million (US$13.0 million, net of tax).

Impairment of property, plant and equipment (net)

Also in 2012, Roxane recorded an impairment charge during the year ended 31 December 2012 to property, plant & equipment of US$14.8 million (of which US$3.5 million relates to the Spiriva production line presented in discontinued operations). These impairment amounts have been recharged to BIPI and BII. As such the net impact on profit for the year is nil. Further details on the recharge of costs are included in Note 21, Related parties. See Note 12, Property, plant and equipment for further details.

5. Segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of Roxane that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to the segments and to assess their performance. Roxane is engaged in a single business activity of generic pharmaceutical products in the US market and does not have

multiple operating segments. The pharmaceutical business consists of the research and development of products, which are then manufactured, marketed and distributed. All of these functional activities take place centrally on an integrated basis. These functions are not managed separately.

Four of the largest customers of Roxane each represented greater than 10 per cent. of the revenues and accounts receivable from third parties during 2014, 2013 and 2012. These customers represented 78 per cent. of sales in 2014 (2013: 75 per cent., 2012: 72 per cent.).

6. Profit/(loss) for the year from continuing operations

Profit for the year has been arrived at after charging/ (crediting):

	2012 US$000	2013 US$000	2014 US$000
Research and development costs	90,766	108,977	**117,288**
Loss on disposal of property, plant and equipment	634	2,065	**1,638**
Depreciation and impairment of property, plant and equipment	47,457	32,246	**31,417**
Litigation settlement	(19,250)	—	**—**
Inventories:			
Cost of inventories recognised as an expense	341,116	362,212	**435,440**
Write-down of inventories	19,114	27,564	**37,010**
Staff costs (see Note 7)	130,008	135,813	**149,255**

7. Staff costs

The average monthly number of employees (including Executive Directors) was:

	2012	2013	2014
Production	922	991	**1,043**
Sales and marketing	21	22	**24**
Research and development	118	138	**155**
General and administrative	63	36	**36**
	1,124	**1,187**	**1,258**

	2012 US$000	2013 US$000	2014 US$000
Car and housing allowance	651	663	**538**
Health insurance	11,978	12,924	**14,017**
Other costs and employee benefits	9,625	9,591	**10,258**
Post-employment benefits	9,272	12,467	**14,535**
Social security costs	6,730	6,780	**7,449**
Wages, salaries and bonuses	91,752	93,388	**102,458**
	130,008	135,813	**149,255**

8. Other operating expenses – net

	2012 US$000	2013 US$000	2014 US$000
Other operating expense	(22,661)	(20,696)	**(18,115)**
Other operating income	19,250	—	**6,000**
	(3,411)	(20,696)	**(12,115)**

Other operating expenses consist mainly of inventory valuation reserves, freight out, and losses on the disposal of fixed assets.

Other operating income consists of revenue resulting from income received from a litigation settlement in 2012 and the sale of the Azathioprine rights in 2014 (See Note 4 for more details).

9. Interest expense to Parent

Interest expense relates to two balances. The first is in connection with the interest-bearing loan payable to the Parent entity amounting to US$200 million with an interest rate of 1.302 per cent. per annum payable annually. In addition to interest expense on the loan payable, Roxane incurred interest expense on the net amount Payable to affiliate (See Note 21 for more details).

10. Tax

During the periods presented in the combined carve-out financial information, Roxane was included in the tax grouping of the Parent entities except for state and local jurisdictions where separate reporting is required. The income tax provision (benefit) included in this financial information has been calculated using the separate return basis, as if the Roxane entities filed separate tax returns. The provision for taxes on income from continuing operations consists of:

The provision for taxes on income consists of:

	2012 US$000	2013 US$000	2014 US$000
Current tax expense / (benefit):			
Current year	43,244	(12,040)	**14,543**
Adjustment in respect of prior years	299	(2,096)	**250**
	43,543	(14,136)	**14,793**
Deferred tax expense / (benefit) (Note 14)	(16,884)	6,275	**(9,565)**
Income tax expense (benefit) from continuing operations	26,659	(7,861)	**5,228**

A comparison of the U.S. statutory rate of 35 per cent. and the effective rate from continuing operations for the years ended 31 December 2012, 2013, and 2014 are as follows (tax rates in percentages):

	2012	2013	2014
Profit/(loss) before tax from income of continuing operations (US$000)	80,132	(11,760)	**17,042**
Income tax provision at U.S. federal statutory rate	35.0%	35.0%	**35.0%**
U.S. state and local taxes	1.2%	1.1%	**1.0%**
Tax credits	0.0%	37.5%	**(7.3%)**
U.S. manufacturing deduction	(5.1%)	0.0%	**(4.6%)**
All other	2.1%	(6.8%)	**6.7%**
Effective tax rate from continuing operations	33.2%	66.8%	**30.8%**

For income from continuing operations, the effective income tax rate for 2014 was 30.8 per cent. compared to 66.8 per cent. for 2013. The decrease in the effective income tax rate was primarily

due to the decrease in tax benefit from the U.S. Research & Development (R&D) tax credit. The R&D tax credit was reinstated into law in January 2013 and was extended for two years retroactive to 1 January 2012. The benefit of the 2013 and 2012 R&D tax credit is reflected in the 2013 financial results. The tax benefits from the R&D tax credit resulted in an increase to the effective income tax rate in 2013 due to the loss in income before income taxes.

The effective income tax rate for 2013 was 66.8 per cent. compared to 33.2 per cent. in 2012. This increase in the effective tax rate was related to the inclusion of the 2013 and 2012 R&D tax credit in the 2013 financial results. The tax benefits from the R&D tax credit resulted in an increase to the effective income tax rate in 2013 due to the loss in income before income taxes.

11. Discontinued operations

On 28 July 2015, BII announced the agreement of the sale of Roxane to Hikma, which is discussed in more detail in Note 26. Certain products that were historically manufactured, packaged, and distributed by Roxane were specifically excluded from the sale, as were certain warehousing and distribution facilities which will be retained by the Parent. The assets related to the products and services not being sold to Hikma have been presented as a disposal group. The revenues and expenses related to the products and services not being sold to Hikma have been classified as discontinued operations for all years presented.

	Balance sheet for the years ended 31 December		
	2012 US$000	**2013 US$000**	**2014 US$000**
Assets			
Total current assets (inventories, net)	43,338	14,667	**12,324**
Property, plant and equipment, net	4,999	3,426	**5,941**
Total assets	**48,337**	**18,093**	**18,265**
Total liabilities	—	—	**—**
Net assets from discontinued products and operations	**48,337**	**18,093**	**18,265**

	Income statement for the years ended 31 December		
	2012 US$000	**2013 US$000**	**2014 US$000**
Total revenues	100,852	59,650	**25,965**
Cost of goods sold	(95,194)	(60,228)	**(24,835)**
Gross profit	5,658	(578)	**1,130**
Research and development	10	182	**68**
Selling, general and administrative	—	—	**(145)**
Operating income/(expense)	5,668	(396)	**1,053**
Other expenses	—	(3,637)	**(1,141)**
(Loss)/Income before tax	5,668	(4,033)	**(88)**
Tax (expense)/benefit	(2,133)	1,513	**33**
Net (Loss)/income	3,535	(2,520)	**(55)**

	Statement of cash flow for the year ended 31 December		
	2012 US$000	2013 US$000	2014 US$000
Income before taxes	5,668	(4,033)	**(88)**
Operating cash flows:			
Tax expense/(benefit)	2,133	(1,513)	**(33)**
Depreciation	2,891	1,652	**1,872**
Impairment	3,532	—	**—**
Working capital adjustment – inventory	756	28,671	**2,343**
Net operating inflow from operating activities	14,980	24,777	**4,094**
Investing:			
Purchases of property, plant and equipment	—	(80)	**(4,387)**
Financing:			
Financing from affiliate	(14,980)	(24,697)	**293**
Total cash flows	—	—	**—**

12. Property, plant and equipment

	Land and buildings US$000	Machinery and equipment US$000	Fixtures and equipment US$000	Projects under construction US$000	Total US$000
Cost					
Balance at 1 January 2012	**177,124**	**194,778**	**73,107**	**76,309**	**521,318**
Additions	—	95	—	32,262	32,357
Disposals	(59)	(3,880)	(623)	—	(4,562)
Transfers	1,209	6,680	2,734	(10,623)	—
Adjustment	—	(279)	—	—	(279)
Balance at 1 January 2013	**178,274**	**197,394**	**75,218**	**97,948**	**548,834**
Additions	—	128	—	55,894	56,022
Disposals	(9,782)	(5,081)	(1,669)	—	(16,532)
Transfers	41,278	33,419	(14,868)	(82,595)	(22,766)
Adjustment	—	(3,013)	—	228	(2,785)
Balance at 1 January 2014	**209,770**	**222,847**	**58,681**	**71,475**	**562,773**
Additions	—	67	—	78,411	78,478
Disposals	(1,076)	(8,558)	(796)	—	(10,430)
Transfers	11,888	15,325	2,354	(34,091)	(4,524)
Adjustment	—	(99)	—	625	526
Balance at 31 December 2014	**220,582**	**229,582**	**60,239**	**116,420**	**626,823**
Accumulated Depreciation					
Balance at 1 January 2012	**(82,727)**	**(108,793)**	**(52,373)**	**—**	**(243,893)**
Charge for the year	(7,887)	(16,041)	(5,441)	—	(29,369)
Impairment	(805)	(10,050)	(442)	—	(11,297)
Disposals	52	3,269	623	—	3,944
Adjustment	(499)	399	(44)	—	(144)
Balance at 1 January 2013	**(91,866)**	**(131,216)**	**(57,677)**	**—**	**(280,759)**
Charge for the year	(9,341)	(19,032)	(4,980)	—	(33,353)
Disposals	5,454	4,685	1,489	—	11,628
Transfers	492	3,088	20,276	—	23,856
Adjustment	2,013	2,883	(52)	—	4,844
Balance at 1 January 2014	**(93,248)**	**(139,592)**	**(40,944)**	**—**	**(273,784)**
Charge for the year	(9,760)	(19,425)	(4,393)	—	(33,578)
Disposals	932	7,964	796	—	9,692
Transfers	42	3,591	180	—	3,813
Adjustment	107	46	25	—	178
Balance at 31 December 2014	**(101,927)**	**(147,416)**	**(44,336)**	**—**	**(293,679)**
Carrying amount At 31 December 2014	**118,655**	**82,166**	**15,903**	**116,420**	**333,144**
Carrying amount At 31 December 2013	**116,522**	**83,255**	**17,737**	**71,475**	**288,989**
Carrying amount At 31 December 2012	**86,408**	**66,178**	**17,541**	**97,948**	**268,075**

As at 31 December 2014, Roxane entered into contractual commitments for the acquisition of property, plant and equipment amounting to US$76.9 million (2013: US$31 million and 2012: US$19 million).

During the years ended 31 December 2014, 2013 and 2012, Roxane recorded depreciation expenses of US$33.6 million, US$33.4 million and US$29.4 million respectively. The Company capitalises interest during the construction period. Interest capitalised was US$0.6 million, US$0.2 million, and US$nil for the years ended 31 December 2014, 2013 and 2012 respectively. During the years ended 31 December 2014, 2013 and 2012, approximately US$4 million, US$4 million and nil respectively of depreciation expense was recharged to BIPI under the related party recharge arrangement described in Note 21.

Assets under construction at 31 December 2014, 2013 and 2012 mainly consisted of projects relating to (1) Expansion of production facilities and laboratories to support organic growth (2) Expansion of building and laboratories for the launch of new product (3) Expansion of chilled water plant to support the site expansion (4) Equipment to support product serialisation and (5) Expansion of stability storage.

Transfers include transfers of assets with other entities under common control of BII.

Roxane estimates the fair value to be generated from the use and ultimate disposition of these assets. If impairment is indicated based on a comparison of the assets' carrying values and the fair value in use, the impairment loss is measured and recorded as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Based on an impairment analysis, Roxane determined that the carrying value of the long-lived assets relating to Spray Dryer, Spiriva, and Filbanserin production lines was not recoverable from their use and disposition. Roxane recorded an impairment charge during the year ended 31 December 2012 to property, plant and equipment of US$14.8 million (of which US$3.5 million relates to the Spiriva production line presented in discontinued operations), writing the book value of the related assets down to their recoverable amount of US$7.4 million. The recoverable amount of the assets was based on their value in use, which was determined by the future cash flows of the assets, discounted at a 5 per cent. rate. Following the impairment, the depreciation on the remaining book value of the assets was accelerated based on the planned discontinuation of the products.

Based on the impairment analysis for other plants, Roxane determined that the carrying amounts of its long-lived assets were recoverable taking into account the fair value from the use and disposition of each asset group over its expected useful life. Roxane's cash flow assumptions were established using historical data and internal estimates developed as part of its long-term planning process. When applicable, as a result of the planned closure of these plants and production facilities, the remaining useful lives of the assets were shortened to reflect the revised expected useful life.

13. Intangible assets

Intangible assets are made up primarily of licences acquired for co-development projects. The development costs associated with the capitalised licences have been expensed as the criteria to capitalise development costs related to these projects have not been met at 31 December 2014. The license intangibles commence amortisation when the related products have achieved commercialisation and will be amortised over the period of the associated product patents.

	2012 US$000	2013 US$000	2014 US$000
Beginning balance:	10,000	10,000	**10,075**
Additions:			
Product-related intangibles	—	—	**4,000**
Purchased computer software	—	75	**—**
Ending balance:	10,000	10,075	**14,075**

14. Deferred tax

The following are the major deferred tax liabilities and assets recognised by Roxane and movements thereon during the current and prior reporting year.

	Tax losses US$000	Other short-term temporary difference US$000	Fixed assets/ Intangible US$000	Total US$000
At 1 January 2012	—	55,154	(33,976)	21,178
Credit to income	—	6,209	10,675	16,884
At 1 January 2013	—	61,363	(23,301)	38,062
Credit/(charge) to income	270	(3,067)	(3,478)	(6,275)
At 1 January 2014	270	58,296	(26,779)	31,787
(Charge)/credit to income	(270)	2,640	7,195	9,565
At 31 December 2014	**—**	**60,936**	**(19,584)**	**41,352**

"Other short-term temporary differences" relate principally to revenue and inventory provisions which are not yet deductible for tax purposes.

As of 31 December 2014, there are no net operating losses or credit carry forwards.

Based on future forecasts of taxable profits, it is management's position that all deferred tax assets will be utilisable.

Certain deferred tax assets and liabilities have been appropriately offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	As of 31 December		
	2012 US$000	2013 US$000	2014 US$000
Deferred tax asset	61,363	58,566	**60,936**
Deferred tax liabilities	(23,301)	(26,779)	**(19,584)**
Net deferred tax asset	38,062	31,787	**41,352**

15. Inventories

	As of 31 December		
	2012 US$000	2013 US$000	2014 US$000
Finished goods	81,972	110,527	**99,294**
Work-in progress	6,219	6,824	**2,821**
Raw materials	134,244	168,671	**158,039**
Spare parts	5,718	6,524	**7,305**
	228,153	292,546	**267,459**

	As at 31 December 2011 US$000	Additions US$000	Utilisation US$000	As at 31 December 2012 US$000
Provisions against inventory	28,938	19,114	(12,719)	35,333

	As at 31 December 2012 US$000	Additions US$000	Utilisation US$000	As at 31 December 2013 US$000
Provisions against inventory	35,333	27,564	(26,650)	36,247

	As at 31 December 2013 US$000	Additions US$000	Utilisation US$000	As at 31 December 2014 US$000
Provisions against inventory	**36,247**	**37,010**	**(37,713)**	**35,544**

Roxane reduces the carrying value of inventories with net book value in excess of market value.

16. Trade and other receivables

	2012 US$000	2013 US$000	2014 US$000
Trade receivables	77,599	87,529	**127,014**
Prepayments and other receivables	25,982	1,014	**913**
	103,581	88,543	**127,927**

Trade receivables are stated net of provisions for chargebacks and doubtful debts as follows:

	As of 31 December 2012 US$000	Additions US$000	Utilisation US$000	As of 31 December 2013 US$000
Chargebacks and other allowances	117,638	859,220	(815,472)	161,386
Doubtful debts	5,112	—	(2,124)	2,988

	As of 31 December 2013 US$000	Additions US$000	Utilisation US$000	As of 31 December 2014 US$000
Chargebacks and other allowances	161,386	1,129,953	(1,102,324)	189,015
Doubtful debts	2,988	607	(454)	3,141

Roxane establishes an allowance for impairment that represents its estimate of losses in respect of specific trade and other receivables, where it is deemed that a receivable may not be recoverable. When the receivable is deemed irrecoverable, the allowance account is written-off against the underlying receivable.

There are no material past due amounts within trade receivables in any of the years presented.

17. Trade and other payables

	2012 US$000	2013 US$000	2014 US$000
Accounts payable	36,984	35,759	**31,362**
Accrued payroll and employee benefits	23,073	20,894	**24,118**
Accrued chargeback and rebates	6,189	6,124	**9,909**
Litigation accruals	20,372	2,918	**502**
Other accrued expenses	11,626	10,025	**5,881**
	98,244	**75,720**	**71,772**

18. Other non-current liabilities

	2012 US$000	2013 US$000	2014 US$000
Long-term deferred compensation	7,448	6,707	**6,761**
Other accrued expenses	874	1,001	**1,153**
	8,322	**7,708**	**7,914**

Other non-current liabilities relate to long-term compensation schemes for senior employees and other accrued expenses.

19. Financial instruments

Financial assets and financial liabilities are recognised on the Roxane's balance sheet when Roxane becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date, where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through the combined carve-out income statement, which are initially measured at fair value.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. See Note 16, Trade and other receivables for further discussion.

Finance liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The financial liabilities of Roxane are comprised of the short term loan payable to the Parent and payable to affiliates balance. See Note 21, Related Parties for further discussion.

20. Contingent liabilities

From time to time, Roxane is subject to claims for damages and/or equitable relief arising in the ordinary course of business. Roxane does not currently have a reasonable basis to estimate the loss, or range of loss, that is reasonably possible with respect to actions disclosed in this note. Roxane records a provision in its financial information to the extent that it concludes that a contingent liability is probable and the amount thereof is estimable. Based upon the status of these cases, management's assessments of the likelihood of damages, and the advice of counsel, no provisions have been made regarding the matters disclosed in this note. Because litigation outcomes and contingencies are unpredictable, and because excessive verdicts can occur, these assessments involve complex judgements about future events and can rely heavily on estimates and assumptions.

Based on currently available information, Roxane believes that none of the proceedings brought against it described below are likely to have a material adverse effect on its financial condition. However, if one or more of such proceedings were to result in final judgements against Roxane, such judgements could be material to its results of operations and cash flow in a given period. In addition, Roxane incurs significant legal fees and related expenses in the course of defending its positions even if the facts and circumstances of a particular litigation do not give rise to a provision in the financial information. In connection with third-party agreements, Roxane may under certain circumstances be required to indemnify, and may be indemnified by, in unspecified amounts, the parties to such agreements against third-party claims. Roxane's agreements with third parties may require Roxane to indemnify them, or require them to indemnify Roxane, for the costs and damages incurred in connection with product liability claims, in specified or unspecified amounts.

Intellectual property matters

From time to time, Roxane seeks to develop generic versions of patent-protected pharmaceuticals for sale prior to patent expiration in various markets. To obtain approval for most generics prior to the expiration of the originator's patents, Roxane must challenge the patents under the procedures set forth in the Hatch-Waxman Act of 1984, as amended. To the extent that Roxane seeks to utilise such patent challenge procedures, Roxane is and expects to be involved in patent litigation regarding the validity, enforceability or infringement of the originator's patents.

Roxane may also be involved in patent litigation involving the extent to which its product or manufacturing process techniques may infringe other originator or third-party patents. Additionally, depending upon a complex analysis of a variety of legal and commercial factors, Roxane may, in certain circumstances, elect to market a generic version even though litigation is still pending. This could be before any court decision is rendered or while an appeal of a lower court decision is pending. To the extent Roxane elects to proceed in this manner, it could face substantial liability for patent infringement if the final court decision is adverse to Roxane.

In patent infringement cases, the patentee could be compensated by no less than a reasonable royalty, and it may also be able in certain circumstances to be compensated for its lost profits. In the case of wilful infringement, the definition of which is subjective, such damages may be increased to up to three times of lost profits for the patentee. As with any litigation, there can be no assurance of the outcomes, which, if adverse, could result in significant impact to Roxane's financial position, results of operations and cash flows.

Product liability matters

Roxane's business inherently exposes it to potential product liability claims; however Roxane has seen a significant decline in these claims since the Supreme Court's decision in Pliva, Inc. v. Mensing, as discussed below. Roxane sells, and will continue to sell, some pharmaceuticals that are not covered by insurance; in addition, it may be subject to claims for which insurance coverage is denied as well as claims that exceed its policy limits. Product liability coverage for pharmaceutical companies is becoming more expensive and increasingly difficult to obtain. As a result, Roxane may not be able to obtain the type and amount of coverage it desires. In June 2011, the United States Supreme Court held, in Pliva, Inc. v. Mensing, one of the metoclopramide cases mentioned below, that federal law pre-empts state law product liability claims brought against generic pharmaceutical manufacturers under a ''failure to warn'' theory. On 24 June 2013, the United States Supreme Court held, in Mutual Pharmaceutical Roxane v. Bartlett that ''design defect'' claims against a generic manufacturer are also pre-empted by federal law because they

are essentially failure to warn claims and therefore are pre-empted on the same grounds as the claims in Mensing.

Roxane believes that these decisions are likely to reduce its aggregate exposure in currently pending product liability lawsuits involving generic products, including those described below, although the extent of such reduction is uncertain at this time. BIRI and RLI have been named as defendants in approximately 400 product liability lawsuits brought against them and other manufacturers by plaintiffs claiming injuries (including allegations of neurological disorders, such as tardive dyskinesia) from the use of metoclopramide (the generic form of Reglan). For over 20 years, the FDA-approved label for metoclopramide has contained warning language about the risk of tardive dyskinesia, and that the risk of developing the disorder increases with duration of treatment and total cumulative dose. In February 2009, the FDA announced that manufacturers of metoclopramide would be required to revise the label, including the addition of a ''black box'' warning about the risk of tardive dyskinesia resulting from long-term usage. The cases of approximately 500 of the plaintiffs have been dismissed or otherwise resolved to date. Roxane expects to be dismissed from at least some of the remaining cases on the basis that some plaintiffs cannot demonstrate that they used Roxane's product.

Competition matters

As part of its generic pharmaceuticals business, Roxane has challenged a number of patents covering branded pharmaceuticals, some of which are among the most widely prescribed and well-known drugs on the market.

Many of Roxane's patent challenges have resulted in litigation relating to Roxane's attempts to market generic versions of such pharmaceuticals under the federal Hatch-Waxman Act. Some of this litigation has been resolved through settlement agreements in which Roxane obtained a licence to market a generic version of the drug, often years before the patents expire. Occasionally, BIRI and RLI have been named as defendants in cases that allege antitrust violations arising from such settlement agreements. Roxane believes that its settlement agreements are lawful and serve to increase competition, and intends to defend them vigorously. However, the plaintiffs in these cases typically allege (1) that Roxane received something of value from the innovator in exchange for an agreement to delay generic entry, and (2) that they would have realised significant savings if there had been no settlement and competition had commenced earlier. These cases seek various forms of injunctive and monetary relief, including damages based on the difference between the brand price and what the generic price allegedly would have been, and disgorgement of profits, trebled under the relevant statutes, plus attorneys' fees and costs. The damages allegedly caused by the alleged delays in generic entry generally depend on the size of the branded market and the length of the alleged delay, and can be substantial, particularly where the alleged delays are lengthy or branded drugs with sales in the billions of dollars are involved.

Other investigations

Roxane from time to time is subject to related litigation and claims brought by employees through either the Equal Employment Opportunity Commission, the Ohio Civil Rights Commission or the State and Federal Court systems. While it is not feasible to predict the outcome of such proceedings, in the opinion of the Directors, either the likelihood of loss is remote or any reasonably possible loss associated with the resolution of such proceedings is not expected to be material to Roxane's financial position, results of operations or cash flows either individually or in the aggregate.

21. Related parties

Contract manufacturing and other support services

In its normal course of business, Roxane engages in transactions involving the sale of certain brand pharmaceutical products to BIPI and BII. In addition, BIRI purchases active pharmaceutical ingredients (''API'') from BII or one of its affiliates. A summary of such transactions is provided below:

Roxane manufactures certain brand pharmaceutical products on a contract basis for resale by BIPI and BII. Revenues related to these sales by Roxane were US$110.8 million, US$92.8 million and US$82.7 million, respectively, for the years ended 31 December 2014, 2013 and 2012. These sales are made by Roxane at standard cost plus a mark-up and include the following components:

a) BIRI manufactures certain branded pharmaceutical products under a contract manufacturing and distribution agreement (''**CMA**'') with BIPI. For the years ended 31 December 2014, 2013 and 2012, revenues recognised by Roxane for sales to BIPI were US$10.1 million, US$7.8 million and US$16.8 million, respectively. For these sales under the CMA, BIRI purchases API from BII or one of its affiliates and manufactures the finished products at its Columbus manufacturing site. The sales to BIPI under the CMA are at a price which includes (i) cost of the API and (ii) BIRI's labour and overhead costs and third party materials with a 10 per cent. mark up;

b) BIRI manufactures certain branded pharmaceutical products under a toll manufacturing agreement (''**TMA**'') with BII. For sales under the TMA, the API and bulk inventory is provided to BIRI by BII or one of its affiliates without transferring title and risk of ownership to BIRI, with the exception of Viramune product which is purchased by BIRI from BI Chemicals;

   The sales to BII under the TMA are at a price which includes BIRI's labour and overhead costs with a 10 per cent. mark up (plus the cost of API only in the case of Viramune product). For the years ended 31 December 2014, 2013 and 2012, revenues recognised by Roxane for sales to BII under the TMA were US$96.5 million, US$64.4 million and US$46.2 million respectively. Out of the total revenues from BII under the TMA, revenues recognised relating to Viramune product were US$18.4 million, US$15.3 million and US$9.6 million, respectively, for the years ended 31 December 2014, 2013 and 2012; and

c) Revenues for BIRI sales to BII that were not covered under the TMA were US$4.2 million, US$20.6 million and US$19.7 million respectively, for the years ended 31 December 2014, 2013 and 2012.

The total of API and bulk product purchased by Roxane in relation to the aforementioned sales, i.e., where the title and risk of ownership was obtained by BIRI, were US$41.9 million, US$23.5 million and US$18.8 million for the years ended 31 December 2014, 2013 and 2012 respectively. The aggregate inventory on hand relating to these purchases were US$33.6 million, US$15.4 million and US$7.7 million as of 31 December 2014, 2013 and 2012 respectively.

Recharge of costs by Roxane to BIPI and BII

Certain costs associated with the manufacture of branded pharmaceutical products (''**Branded Products**'') on their behalf are recharged by BIRI to BIPI and BII. These recharges are made pursuant to a Contract Manufacturing and Distribution Agreement between BIRI and BIPI and a Toll Manufacturing Agreement between BIRI and BII. The nature of the costs recharged and the methodology underlying their determination has been applied consistently during the periods presented. Costs recharged under the agreement include, but are not limited to, idle costs, variances in production, reserve capacity and other expenses in production of branded pharmaceutical products. Other expenses in production include inventory valuation adjustments, inventory write-offs and impairments, accelerated depreciation and gains and losses on the sale of associated property, plant and equipment. Certain of these recharges, including reserve production capacity and other expenses in production, are taken directly from the cost centre level books and records of BIRI.

The rationale for recharging idle and reserve capacity costs dates back to an historic strategic decision whereby BII designated the Columbus manufacturing facility as the second strategic launch site in the global network and then began to invest in preparation for the launch of new Branded Products from 2008-2010, installing the necessary equipment for this purpose. The excess capacity that was created as a result was intended primarily for the benefit of Branded Products with the generics business of Roxane filling unused capacity.

The above circumstances essentially make BIRI a global backup manufacturing site, which is the reason that reserve capacity arises. Therefore, during the periods presented, reserve capacity is 100 per cent. recharged to BIPI and BII. Similarly, a greater portion of idle capacity variances are allocated to the BIPI and BII. Idle capacity costs are recharged on an ''Inverse'' of the yearly absorption costs. Consequently, during the years presented, BIRI generics / multisource received between 20 per cent. and 29 per cent. of remaining idle costs because its production created 71 per cent. to 80 per cent. of the absorption compared to BIPI and BII. Recharging idle capacity costs to BIPI and BII in this manner, which in substance reflects a ''take-or-pay'' arrangement, was considered within BI to be a reasonable method of providing economic compensation to the

multisource business for the historic investments made, and is consistent with the relative profitability of branded and multisource products.

The amounts allocated out relating to these arrangements were US$9.3 million, US$23.9 million and US$45.6 million for the years ended 31 December 2014, 2013 and 2012 respectively, and are included as offset to associated expenses within ''Cost of goods sold'' in the accompanying combined carve-out statements of operations.

Support services provided by Roxane to BIPI and BII

Roxane handles certain distribution activities for BIPI and BII and provides support for the Parent's U.S. operation activities such as demand management, quality services and product launch. The following table presents the costs relating to these services which were recharged by Roxane along with a mark up to BIPI and BII:

	2012 $000	2013 $000	2014 $000
Distribution services	8,594	8,105	**7,917**
Other services	1,999	2,439	**2,322**
	10,593	10,544	**10,239**

Following the Closing Date the Parent will retain the above distribution activities, and Roxane will continue to utilise these services through a transition services agreement.

Costs allocated by Parent

Roxane receives support from the Parent for certain centralised corporate functions mainly relating to information technology, finance and accounting, insurance, medical, human resources, legal, purchasing, compliance, environment and safety and engineering.

The following table presents the allocated costs recorded in cost of goods sold, research and development and selling, general and administration expenses line items in the accompanying combined carve-out statement of operations:

	2012 US$000	2013 US$000	2014 US$000
Costs of goods sold	24,228	26,432	**29,861**
Research and development	4,438	4,932	**6,164**
Selling, general and administration	2,904	3,218	**3,925**
	31,570	34,582	**39,950**

Management considers that the allocation of the corporate costs, primarily based on average headcount, net revenue, number of personal computers and estimated usage, have been determined on a basis that are appropriate and reasonable.

Short-term loan payable to Parent

On 15 March 2013, BIRI borrowed US$200 million by entering into a 12 month term loan agreement with the Parent. Upon its maturity on 15 March 2014, the loan was replaced with a new 12 month term loan of US$200 million due on 15 March 2015 with an interest rate of 1.302 per cent. per annum payable annually. The term loan is included as ''Short-term loan payable to Parent'' in the accompanying combined carve-out balance sheets.

For the years ended 31 December 2014 and 2013, Roxane recorded an interest expense of US$2.1 million each year in connection with this loan and included in ''Interest expense to Parent'' in the accompanying combined carve-out statements of operations.

On 15 March 2015, this loan was replaced with a new 12 month term loan of US$200 million due on 15 March 2016 with an interest rate of 1.439 per cent. per annum payable annually.

Cash management and financing

Roxane participates in the Parent's centralised cash management and financing programs. Disbursements are made through centralised accounts payable systems which are operated by the Parent. Cash receipts are transferred to centralised accounts, also maintained by the Parent. Accordingly, cash derived from or required for Roxane's operations is applied to or against intercompany allocations.

Due to the nature of the Parent's centralised cash management program, third party costs, separate from the trade payables, may be included in the intercompany payable accounts. These have not been separately disclosed as it is not practicable to determine amounts due to third parties.

Product licences and trade names

Roxane licences two products from BII and pays a royalty fee for their usage. The royalty fee relating to these licences amounted to US$0.9 million, US$0.5 million and US$0.2 million in 2014, 2013 and 2012 respectively and are included in ''Cost of goods sold'' in the accompanying combined carve-out statements of operations.

Roxane has not historically been charged for the usage of the Boehringer Ingelheim trade name during the normal course of its business. Roxane's use of the trade name has been considered a royalty free use of the trade name rights in the accompanying combined carve-out financial information.

Remuneration of key management personnel

The remuneration of the key management personnel (comprising the Executive and Non-Executive Directors and certain of senior management) of Roxane is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2012 US$000	2013 US$000	2014 US$000
Short-term employee benefits	3,176	3,328	**3,282**
Post-employment benefits	527	547	**536**
Other benefits	465	449	**845**
	4,168	**4,324**	**4,663**

Prior to the planned transaction with Hikma, Roxane had the following significant contracts. Some of the contracts will cease while others are currently being re-negotiated.

Contract Name	Counterparties	Purpose
Toll Manufacturing Agreement	Roxane & Boehringer Ingelheim GmbH	Contract manufacturing of export products with a related party
Contract Manufacturing and Distribution Agreement	Between Roxane entities	Contract manufacturing of generics products
Contract Manufacturing and Distribution Agreement	Roxane & Boehringer Ingelheim Pharmaceuticals, Inc.	Contract manufacturing of branded products with a related party
Manufacturing and Service Contract for Commercial Products	Roxane and third party	Contract manufacturing for a third party
Product License, Development and Commercialization Agreement	Roxane and third party	Product development for a third party
Product License, Development and Commercialization Agreement	Roxane and third party	Product development for a third party
Product License, Development and Commercialization Agreement	Roxane and third party	Product development for a third party
BI loan agreement	Roxane & Boehringer Ingelheim USA Corporation	Short-term loan

22. Operating lease arrangements

Roxane leases certain facilities, vehicles and other equipment under various operating lease agreements, which expire at various dates through fiscal 2017. Roxane accounts for the operating leases by recording rent expense on a straight line basis over the expected period of the lease.

	2012 US$000	2013 US$000	2014 US$000
Minimum lease payments under operating leases recognised in profit or loss for the year	1,182	1,194	**1,190**

	2014 US$000
Within one year	**94**
In the two to five years inclusive	**171**
	265

Operating lease payments represent rentals payable by Roxane for certain of its office properties. Leases are negotiated for a term of one to three years.

23. Contractual commitments

Milestone commitments

Roxane is contractually obligated to make potential future development, regulatory and commercial milestone payments in conjunction with two co-development agreements that Roxane has entered into with a third party product development company. As of 31 December 2014, the maximum potential milestone payments relating to these co-development projects are US$34.0 million. These payments are contingent upon the occurrence of certain future events and, given the nature of

these events, it is unclear when, if ever, Roxane may be required to pay such amounts. Further, the timing of any future payment is not reasonably estimable. No amounts have been recorded in the accompanying combined carve-out financial information with respect to Roxane's obligations under such agreements.

In addition, Roxane is obligated to make milestone payments on several projects relating to co-development of API. As of 31 December 2014, the maximum potential milestone payments relating to these co-development projects are US$0.7 million. No amounts have been recorded in the accompanying combined carve-out financial information with respect to Roxane's obligations under such agreements.

Construction Commitments

As of 31 December 2012, 2013, and 2014, Roxane had capital commitments of US$19.0 million, US$31.0 million, and US$76.9 million respectively, related to outstanding construction and capital projects.

24. Pension and other post-retirement benefit plans

The employees of Roxane participate in a defined benefit pension plan and other post-retirement benefit plans sponsored by the Parent (collectively, the "**Plans**"). These Plans cover the employees of the U.S. subsidiaries of the Parent, including the employees of Roxane.

For the purposes of the combined carve-out financial information, Roxane has accounted for the participation of its employees in the Parent's Plans as defined contribution plans. The amounts of net pension and other post-employment benefit expense allocated to Roxane, based upon the service cost for plan participants, related to these Plans in 2014, 2013 and 2012 was US$10.3 million, US$8.6 million and US$5.3 million, respectively. As of 31 December 2014, 2013 and 2012, there are no required contributions due and outstanding as the related costs were settled through the intercompany accounts. Therefore, no assets or liabilities relative to those retirement plans have been included in the combined carve-out financial information. The Parent also maintains a defined contribution savings plan, in which the employees of the U.S. subsidiaries of the Parent, including Roxane's employees, participate. The Parent's defined contribution savings plan matches a percentage of each employee's contributions up to a maximum of 5 per cent. of salary, consistent with the provisions of the plan for which the employee is eligible. During 2014, 2013 and 2012, Roxane received an allocation of the total cost based upon a percentage of salaries totalling US$4.2 million, US$3.9 million and US$4.0 million respectively.

25. Long term incentive plan

Certain executives of Roxane participate in a long-term incentive compensation plan sponsored by BII to provide cash compensation to certain executives. Individual grants contain specific financial and other performance goals and vest over varying time periods. Annually, a specific number of long-term compensation points in form of grants are provided to the plan participant, which is based upon active service rendered in the full calendar year in which the plan participation is granted. Boehringer Ingelheim Value Added (BIVA), as defined in the Long Term Incentive Plan, is the performance indicator and the basis for plan allocations. Annual plan allocations are based on fixed allocations of annual BIVA and discretionary additional allocations. Each grant has a deferring period of five years. The value of each grant is based on the average plan allocation during the five year period of each grant. Cash payments per grant are made after the completion of the five year period.

Roxane recognised US$1.5 million, US$0.7 million and US$1.0 million in long-term incentive compensation.

26. Subsequent events

Roxane has evaluated events and transactions for potential recognition or disclosure through to 22 January 2015, the date the combined carve-out financial information was available to be issued.

On 28 July 2015, BI, a wholly owned subsidiary of the Parent, entered into the Acquisition Agreement with Eurohealth (U.S.A.), Inc., a corporation registered in Delaware and jointly and severally with Hikma (the "**Buyer**") related to the sale of all of the issued and outstanding shares of capital stock of RLI and BIRI which are owned by BI, for gross consideration of US$1.18 billion in cash (the "**Cash Consideration**") and 40,000,000 Consideration Shares to be issued to BI (or a

nominee of BI that is an affiliate of BI) pursuant to the terms of the Acquisition Agreement (the "**Share Consideration**" and together with the "**Cash Consideration**", the "**Purchase Price**").

The Purchase Price at the Closing Date is subject to the following adjustments, pursuant to the terms of the Acquisition Agreement:

(a) if the net working capital, as defined in the Acquisition Agreement, delivered on the closing date exceeds US$415 million, an increase to the Purchase Price on a dollar-for-dollar basis in the amount of such excess, or if the net working capital delivered on the closing date is less than US$375 million, a decrease to the Purchase Price in the amount of such deficit;

(b) if net indebtedness, as defined in the Acquisition Agreement, delivered on the closing date is negative, an increase to the Purchase Price on a dollar-for-dollar basis by the amount equal to the absolute value of the net indebtedness, or if net indebtedness delivered on the closing date is positive, a decrease to the Purchase Price by the amount equal to the net indebtedness;

(c) increase by the amount of the actual expenditure by the Seller (or any affiliate thereof) during the period from 28 July 2015, the date of the Acquisition Agreement, until the Closing Date, with respect to capital expenditure and investments related to co-development projects; and

(d) if the Target 2014 EBITDA, as defined in the Acquisition Agreement, exceeds the Final 2014 EBITDA, as also defined, (the "**EBITDA Shortfall**") by more than US$9 million, then the Cash Consideration component of the Purchase Price shall be reduced by an amount of cash equal to the product of (i) the EBITDA Band Shortfall, and (ii) the Multiplier, as defined, (the "**EBITDA Purchase Price Reduction**"); provided that in no event shall the EBITDA Purchase Price Reduction be greater than US$100 million.

Additionally, the Purchase Price is subject to potential milestone payments totalling US$125 million subject to US FDA approval to the Buyer of products from co-development agreements and certain contingent and exclusivity payments relating to the sales and royalty payments once these are launched for a period of 10 years pursuant to the terms of the Acquisition Agreement. The transaction is subject to the fulfilment of conditions, as defined in the Acquisition Agreement, by the Buyer and Seller. The Acquisition Agreement may be terminated and the acquisition abandoned at any time prior to the transaction closing pursuant to the termination events, as defined in the Agreement.

In April 2015, BIRI entered into an agreement with the Stonehenge Company for the sale of certain real estate ("**Real Estate**") located at 330 Oak Street, Columbus, Ohio, for the purchase price of US$0.5 million. Pursuant to the sale agreement, the property existing improvements located on the Real Estate were demolished by Roxane in August 2015, and the sale was completed on 9 December 2015. The land was held on Roxane's books for US$0.2 million, resulting in a US$0.3 million gain.

PART IX

UNAUDITED PRO-FORMA FINANCIAL INFORMATION

SECTION A: Unaudited pro-forma financial information of the Enlarged Group

The unaudited pro-forma income statement and pro-forma net assets statement of the Enlarged Group set out below have been prepared on the basis of the notes below, and in accordance with Annex II to the Prospectus Rules, to illustrate the impact of the Acquisition on the income statement of the Hikma Group for the year ended 31 December 2014 as if it had taken place on 1 January 2014, and on the net assets of the Hikma Group as at 30 June 2015 as if it had taken place at that date.

The unaudited pro-forma financial information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation. It does not, therefore, represent the Enlarged Group's actual financial position or results.

The unaudited pro-forma financial information does not constitute financial statements within the meaning of section 434 of the Companies Act. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part IX.

(A) Unaudited pro-forma income statement for the year ended 31 December 2014

	Hikma Group (US$m)	Roxane (US$m)	Roxane adjustments (US$m)	Financing (US$m)	Acquisition adjustments (US$m)	Pro-forma total (US$m)
Note	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	
Revenue	1,489	676	—	—	—	2,165
Cost of sales	(638)	(474)	—	—	—	(1,112)
Gross profit	**851**	**202**	—	—	—	**1,053**
Sales and marketing expenses	(171)	(22)	—	—	—	(193)
General and administrative expenses	(185)	(29)	—	—	(36)	(250)
R&D expenses	(55)	(117)	—	—	—	(172)
Other operating expenses (net)	(38)	(12)	—	—	—	(50)
Total operating expenses	**(449)**	**(180)**	—	—	**(36)**	**(665)**
Adjusted operating profit	**427**	**16**	**—**	**—**	**—**	**443**
Exceptional items:						
Acquisition-related costs	(11)	—	—	—	(36)	(47)
Sale of intellectual property	—	6	—	—	—	6
Intangible amortisation	(14)	—	—	—	—	(14)
Operating profit	**402**	**22**	**—**	**—**	**(36)**	**388**
Share of results of associated companies	(6)	—	—	—	—	(6)
Finance income	4	—	—	(1)	—	3
Finance expense	(38)	(4)	4	(23)	—	(61)
Profit before tax from continuing operations	**362**	**18**	**4**	**(24)**	**(36)**	**324**
Tax	(80)	(5)	(1)	5	—	(81)
Profit for the year	**282**	**13**	**3**	**(19)**	**(36)**	**243**

Notes:

(1) The financial information relating to Hikma has been extracted without material adjustment from the audited financial information for the year ended 31 December 2014, which is incorporated by reference in Part VII (*Historical Financial Information relating to Hikma*).

(2) The Roxane financial information is taken from the audited financial information of Roxane for the financial year ended 31 December 2014 set out in Part VIII (*Historical Financial Information relating to Roxane*).

(3) This adjustment relates to the elimination of interest expense on balances payable to affiliates of US$223 million and a short-term loan payable to BI of US$202 million and their related tax benefit (applying Roxane's effective tax rate of 30.8 per cent.), as the Acquisition is structured on a cash-free, debt-free basis and this loan will not be a liability for Hikma.

(4) Under the terms of the Acquisition, on Closing Hikma will pay gross consideration of approximately US$1.18 billion in cash. In accordance with the Acquisition Agreement, this is subject to post-Closing cash adjustments to reflect (i) the net working capital of Roxane at Closing and (ii) capital expenditure for the period between 28 July 2015 (the date of the announcement of the Acquisition) and the Closing Date relating to two key products acquired pursuant to the Acquisition. As these adjustments relate to a future event, they have not been included in this pro-forma. The cash consideration will be financed through a combination of cash and debt. The financing adjustment reflects:

   1. The interest cost on the US$1,175 million new RCF, US$880 million of which is expected to be utilised and which bears interest at 3 month LIBOR plus 1.85 per cent.. This results in US$20 million in interest expense on the RCF, in addition there is US$2 million in amortised upfront fees for the RCF and US$1 million in commitment fees on the unutilised portion of the RCF.
   2. Finance income has been reduced by US$1 million due to interest income foregone from deposits of excess cash during the year; as cash of US$300 million will be used to finance part of the cash consideration.
   3. The tax benefit related to the above net finance cost adjustments calculated using an effective tax rate of 20 per cent., which reflects Hikma's effective tax rate for the six months ended 30 June 2015.

(5) Acquisition adjustments relate to the estimated Acquisition cost of US$36 million.

(6) No adjustments have been made to reflect the trading results of Hikma or Roxane since 31 December 2014.

(B) Unaudited pro-forma statement of net assets of the Enlarged Group as at 30 June 2015

Note	Hikma Group 30 June 2015 (US$m) (1)	Roxane 31 December 2014 (US$m) (2)	Financing (US$m) (3)	Acquisition adjustments (US$m) (4)	Pro-forma total (US$m)
Non-current assets					
Intangible assets	585	14	—	1,646	2,245
Property, plant and equipment	504	333	—	—	837
Investment in associates and joint ventures	14	—	—	—	14
Deferred tax assets	64	41	—	—	105
Financial and other non-current assets	43	—	—	—	43
	1,210	**388**	**—**	**1,646**	**3,244**
Current assets					
Inventories	280	267	—	—	547
Income tax asset	16	—	—	—	16
Trade and other receivables	484	128	—	—	612
Collateralised and restricted cash	5	—	—	—	5
Cash and cash equivalents	490	—	(6)	(338)	146
Other current assets	22	—	—	—	22
	1,297	**395**	**(6)**	**(338)**	**1,348**
Total assets	**2,507**	**783**	**(6)**	**1,308**	**4,592**
Current liabilities					
Bank overdrafts and loans	165	—	—	—	165
Obligations under finance leases	1	—	—	—	1
Trade and other payables	234	72	—	—	306
Income tax provision	64	—	—	—	64
Other provisions	25	—	—	—	25
Other current liabilities	107	1	—	—	108
	596	**73**	—	—	**669**
Net current assets	**701**	**322**	**(6)**	**(338)**	**679**
Non-current liabilities					
Long-term financial debts	589	—	876	—	1,465
Obligations under finance leases	23	—	—	—	23
Deferred tax liabilities	23	—	—	—	23
Derivative financial instruments	1	—	—	—	1
Other non-current liabilities	1	8	—	—	9
	637	**8**	**876**	**—**	**1,521**
Total liabilities	**1,233**	**81**	**876**	**—**	**2,190**
Net assets	**1,274**	**702**	**(882)**	**1,308**	**2,402**

(1) The Hikma Group financial information has been extracted without material adjustment from the unaudited financial information for the six months ended 30 June 2015, which is incorporated by reference in Part VII (*Historical Financial Information relating to Hikma*).

(2) The financial information of Roxane in the table below reflects the audited financial information of Roxane for the financial year ended 31 December 2014 set out in Part VIII (*Historical Financial Information relating to Roxane*), adjusted for the following:

1. Removal of balances payable to affiliates of US$223 million and a short term loan payable to BI of US$202 million, as the Acquisition is structured on a cash-free, debt-free basis; and
2. Removal of disposal group assets which represent assets related to products and services excluded from the Acquisition, as well as certain warehousing and distribution facilities that will be retained by BI.

The table below illustrates the adjustments made to Roxane historical net assets.

Note	Roxane 31 December 2014 (US$m) (a)	Adjustments (US$m) (b)	Adjustments (US$m) (c)	Roxane 31 December 2014 (US$m) (Adjusted)
Non-current assets				
Intangible assets	14	—	—	14
Property, plant and equipment	333	—	—	333
Deferred tax assets	41	—	—	41
Disposal group assets	6	—	(6)	—
	394	—	(6)	388
Current assets				
Inventories	267	—	—	267
Trade and other receivables	128	—	—	128
Disposal group assets	12	—	(12)	—
	407	—	**(12)**	**395**
Total assets	**801**	—	**(18)**	**783**
Current liabilities				
Short term loan payable to Parent entity	202	(202)	—	—
Payable to affiliate	223	(223)	—	—
Trade and other payables	72	—	—	72
Other current liabilities	1	—	—	1
	498	**(425)**	—	**73**
Net current assets / (liabilities)	**(91)**	**425**	**(12)**	**322**
Non-current liabilities				
Other non-current liabilities	8	—	—	8
	8	**—**	—	**8**
Total liabilities	**506**	**(425)**	—	**81**
Net assets	**295**	**425**	**(18)**	**702**

a. The financial information relating to Roxane has been extracted without material adjustment from the audited financial information of Roxane for the financial year ended 31 December 2014 set out in Part VIII (Historical Financial Information relating to Roxane).

b. Elimination of balances payable to BI and its affiliates.

c. Elimination of disposal group assets that are not part of the Acquisition.

(3) Under the terms of the Acquisition, on Closing Hikma will pay gross consideration of approximately US$1.18 billion in cash. The cash consideration will be financed through a combination of cash and debt. The financing adjustment reflects utilisation of the US$1,175 million new RCF, US$880 million of which is expected to be utilised and which bears interest at 3 month LIBOR plus 1.85 per cent.. Accordingly the US$876 million adjustment to Long-term financial debts comprises the US$880 million utilised RCF balance less capitalised financing fees. The adjustment to cash represents the cash used to pay upfront fees related to the RCF.

(4) The Acquisition has been accounted for using the acquisition method of accounting. Any excess consideration above the book value of the net assets acquired has been reflected as goodwill. A fair value exercise will be completed post-Acquisition, therefore no account has been taken of any fair value adjustments that may arise on the Acquisition and no intangible assets and tax consequences have been valued at this stage.

The goodwill has been calculated as follows:

	(US$m)
Cash consideration financed from cash on balance sheet	302
Cash consideration financed from RCF	880
40 million Hikma shares (see below)	1,166
Total consideration	2,348
Roxane net assets	702
Pro-forma goodwill adjustment	**1,646**

For the purpose of calculating the goodwill, the consideration is assumed to be the gross consideration of approximately US$1.18 billion in cash and 40,000,000 Consideration Shares being issued to BI (or a nominee of BI that is an affiliate of BI), based on an issue price for the Consideration Shares of £20.25 per share (being the share price as at 15 January 2016), converted at a USD: GBP exchange rate of 1.44041:1 (being the exchange rate at 15 January 2016). The above calculation does not assume any contingent consideration or liabilities. In addition it does not assume any post-Closing cash adjustments to reflect (i) the net working capital of Roxane at Closing and (ii) capital expenditure for the period between 28 July 2015 (the date of the announcement of the Acquisition) and the Closing Date relating to two key products acquired pursuant to the Acquisition. These adjustments relate to a future event and have not therefore been included in this pro-forma.

The adjustment to cash represents the cash on balance sheet used to finance the difference between the US$1.18 billion cash consideration and the utilised RCF financing of US$880 million, in addition to Acquisition costs of US$36 million.

(5) No adjustment has been made to reflect the trading results of Hikma or Roxane from 30 June 2015 and 31 December 2014, respectively.

Deloitte.

Deloitte LLP
2 New Street Square
London
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SECTION B: Accountant's Report on Pro-Forma Financial Information

The Directors and Proposed Director
on behalf of Hikma Pharmaceuticals Public Limited Company
13 Hanover Square
London
W1S 1HL

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
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E14 5LB

22 January 2016

Dear Sirs

Hikma Pharmaceuticals Public Limited Company (the ''Company'')

We report on the pro-forma financial information (the ''**Pro-Forma Financial Information**'') set out in Part A and Part B of Section A of this Part IX (*Unaudited Pro-Forma Financial Information*) of the combined prospectus and Class 1 circular dated 22 January 2016 (the ''**Circular**''), which has been prepared on the basis described in the notes to the Pro-Forma Financial Information, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period 31 December 2014. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority and by the Commission Regulation (EC) No 809/2004 (the ''**Prospectus Directive Regulation**'') and is given for the purpose of complying with those requirements and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company and the Proposed Director (as defined in the Circular) to prepare the Pro-Forma Financial Information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority and Annex II items 1 to 6 of the Prospectus Directive Regulation.

It is our responsibility to form an opinion as to the proper compilation of the Pro-Forma Financial Information and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, or which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of the report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6) and Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Circular.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro-Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro-Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro-Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

(a) the Pro-Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP
Chartered Accountants

PART X

UK TAXATION

The following statements summarise certain UK tax aspects of the Consideration Shares. They are based on current UK legislation and an understanding of current published practice of HMRC as at the date of this document, both of which may change, possibly with retroactive effect. This Part X (*UK Taxation*) is intended as a general guide and, except where express reference is made to the position of non-UK residents, applies only to Hikma Shareholders who are resident and, if individuals, are domiciled in the UK for tax purposes and to whom ''split-year'' treatment does not apply. They relate only to such Hikma Shareholders who hold their Consideration Shares directly as an investment (other than in an individual savings account) and who are the absolute beneficial owners of those Consideration Shares (and any dividend paid on them). This Part X (*UK Taxation*) does not deal with certain types of Hikma Shareholders, such as persons who hold, acquire or are deemed to hold or acquire Consideration Shares in the course of a trade or by reason of their (or another person's) employment, collective investment schemes and insurance companies.

If you are in any doubt as to your taxation position or if you are resident or otherwise subject to taxation in any jurisdiction other than the UK, you should consult an appropriate professional adviser immediately.

Dividends from Consideration Shares

Withholding taxes

Hikma will not be required to withhold UK tax at source from dividend payments it makes to Hikma Shareholders.

UK resident corporate Hikma Shareholders

Hikma Shareholders within the charge to UK corporation tax which are ''small companies'' for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will not be subject to UK corporation tax on any dividend received from Hikma provided certain conditions are met (including an anti-avoidance condition).

Other Hikma Shareholders within the charge to UK corporation tax will not be subject to UK corporation tax on dividends received from Hikma so long as the dividends fall within an exempt class and certain conditions are met. For example, dividends paid on shares that are ''ordinary shares'' and are not ''redeemable'' (as those terms are defined for the purposes of Chapter 3 of Part 9A of the Corporation Tax Act 2009), and dividends paid to a company holding less than 10 per cent. of the issued share capital of Hikma, should generally fall within an exempt class. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or if a Hikma Shareholder within the charge to UK corporation tax elects for an otherwise exempt dividend to be taxable, that Hikma Shareholder will be subject to UK corporation tax on dividends received from Hikma at the rate of 20 per cent. with effect from 1 April 2015. The rate of corporation tax will be reduced from 20 per cent. to 19 per cent. for the 2017, 2018 and 2019 financial years and then to 18 per cent. for the 2020 financial year.

UK resident individual Hikma Shareholders

Introduction

Provisions announced in the UK Summer Budget 2015 and contained in the draft clauses of Finance Bill (''**FB 2016**'') published by HM Government on 9 December 2015 will, if passed by Parliament, change the tax treatment of dividends in the hands of shareholders who are individuals where a dividend is paid on or after 6 April 2016.

On that basis, the tax treatment of a dividend paid by the Company to an individual Hikma Shareholder depends on whether the dividend is paid before 6 April 2016 or on or after that date, and this is reflected in the comments that follow.

Tax treatment of dividends paid before 6 April 2016

An individual Hikma Shareholder who is resident for tax purposes in the UK and who receives a cash dividend from Hikma will generally be entitled to a tax credit equal to one-ninth of the amount of the cash dividend received, which tax credit will be equivalent to 10 per cent. of the aggregate

of the dividend received and the tax credit (the gross dividend). Such an individual Hikma Shareholder will be subject to income tax on the gross dividend.

An individual UK resident Hikma Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of 10 per cent., so that the tax credit will satisfy the income tax liability of such a Hikma Shareholder in full. Where the tax credit exceeds the Hikma Shareholder's tax liability, the Hikma Shareholder cannot claim repayment of the tax credit from HMRC.

An individual UK resident Hikma Shareholder who is subject to income tax at the higher rate will be liable to income tax on the gross dividend at the rate of 32.5 per cent. to the extent that such sum, when treated as the top slice of that Hikma Shareholder's income, exceeds the threshold for higher rate income tax. After setting off the 10 per cent. tax credit against part of the Hikma Shareholder's liability, a higher rate tax payer will therefore be liable to account for income tax equal to 22.5 per cent. of the gross dividend (or 25 per cent. of the net cash dividend), to the extent that the gross dividend exceeds the threshold for the higher rate.

An individual UK resident Hikma Shareholder liable to income tax at the additional rate will be subject to income tax on the gross dividend at the rate of 37.5 per cent. of the gross dividend, but will be able to set the UK tax credit off against part of this liability. The effect of this set-off of the UK tax credit is that such a Hikma Shareholder will be liable to account for additional tax equal to 27.5 per cent. of the gross dividend (or approximately 30.6 per cent. of the net cash dividend) to the extent that the gross dividend exceeds the threshold for the additional rate.

Tax treatment of dividends paid from 6 April 2016

Assuming that the draft clauses of FB 2016 are duly enacted, the tax treatment of dividends paid by the Company to individual Hikma Shareholders on or after 6 April 2016 will be as follows.

- Dividends paid by the Company on or after 6 April 2016 will not carry a tax credit.
- All dividends received by an individual Hikma Shareholder from the Company (or from other sources) will form part of the shareholder's total income for income tax purposes and will represent the highest part of that income.
- A nil rate of income tax will apply to the first £5,000 of taxable dividend income received by an individual Hikma Shareholder in a tax year (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income.
- Any dividend income received by an individual Hikma Shareholder in a tax year in excess of the Nil Rate Amount will be taxed at the rates ("**New Dividend Rates**"), as set out below.
- The New Dividend Rates will be applied to the amount of the dividend income actually received by the individual Hikma Shareholder (rather than to a grossed-up amount).
- Any dividend income received by an individual Hikma Shareholder within an ISA will be free of income tax.

Where an individual Hikma Shareholder's taxable dividend income for a tax year exceeds the Nil Rate Amount, the excess amount (the "**Relevant Dividend Income**") will be subject to income tax at the following New Dividend Rates:

- at the rate of 7.5 per cent., to the extent that the Relevant Dividend Income falls within the basic rate income tax band;
- at the rate of 32.5 per cent., to the extent that the Relevant Dividend Income falls within the higher rate income tax band; and
- at the rate of 38.1 per cent., to the extent that the Relevant Dividend Income falls into the additional rate income tax band.

In determining the tax band into which the Relevant Dividend Income falls, the individual Hikma Shareholder's total dividend income for the tax year in question (including the part within the Nil Rate Amount) will, as noted above, be treated as the highest part of their total income for income tax purposes.

No payment of tax credit

Individual UK resident Hikma Shareholders who are not liable to UK income tax in respect of the gross dividends, and other UK resident tax payers who are not liable to UK tax on dividends,

including UK pension funds and charities, will not be entitled to claim repayment of the tax credit (if any) attaching to any dividends paid by Hikma.

Non-UK resident Hikma Shareholders

Hikma Shareholders who are resident outside of the UK for tax purposes will not generally be able to claim repayment from HMRC of any part of any tax credit (if any) attaching to dividends received from Hikma, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such Hikma Shareholder is resident. Such Hikma Shareholders should consult their own tax advisers regarding their tax position.

Where a non-UK resident Hikma Shareholder carries on a trade, profession or vocation in the UK and the dividends are a receipt of that trade or, in the case of corporation tax, the Consideration Shares are held by or for a UK permanent establishment through which a trade is carried on, the Hikma Shareholder may be liable to UK tax on dividends paid by Hikma. In such cases, there will be no entitlement to repayment of any tax credit attaching to the dividends. Such Hikma Shareholders should consult their own tax advisers regarding their tax position.

A Hikma Shareholder resident outside the UK may be subject to taxation on dividend income under local law. A Hikma Shareholder who is not solely resident in the UK for tax purposes should consult his own tax advisers concerning his tax liabilities (in the UK and any other country) on dividends received from Hikma.

Disposal of Consideration Shares

General

A disposal or deemed disposal of Consideration Shares by a Hikma Shareholder who is (at any time in the relevant UK tax year) resident in the UK for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains, depending upon the Hikma Shareholder's circumstances and subject to any available exemption or relief.

UK resident corporate Hikma Shareholders

For a corporate Hikma Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Consideration Shares may give rise to a chargeable gain or an allowable loss for the purposes of UK corporation tax. An indexation allowance on the cost of acquiring the Consideration Shares may be available to reduce the amount of the chargeable gain which would otherwise arise on the disposal.

UK resident individual Hikma Shareholders

For an individual Hikma Shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of Consideration Shares may give rise to a chargeable gain or an allowable loss for the purposes of UK capital gains tax. The rate of UK capital gains tax is 18 per cent. for individuals who are subject to income tax at the basic rate and 28 per cent. for individuals who are subject to income tax at the higher or additional rates. Depending on the individual Hikma Shareholder's personal circumstances, there may be additional reliefs which may apply to reduce the tax rates stated above and the individual Hikma Shareholder should consult with their own tax advisers to see whether these would apply.

An individual Hikma Shareholder is entitled to realise an exempt amount of gains (£11,100 for the 2015/16 tax year) in each tax year without being liable to UK capital gains tax.

Non-UK resident Hikma Shareholders

A Hikma Shareholder (individual or corporate) who is not resident in the UK for tax purposes is generally not subject to UK capital gains tax or UK corporation tax on chargeable gains. However, if such a Hikma Shareholder carries on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a non-UK resident corporate Hikma Shareholder, a permanent establishment) to which the Consideration Shares are attributable, the Hikma Shareholder will be subject to the same rules that apply to UK resident Hikma Shareholders. An individual Hikma Shareholder who is resident outside the UK only temporarily may, under anti-avoidance legislation, still be liable to UK capital gains tax in respect of disposals made during that period of temporary non-residence, when they return to the UK.

A Hikma Shareholder resident outside the UK may be subject to foreign taxation on any gain under local law and should consult his own tax advisers.

Stamp duty and SDRT on transfers of Consideration Shares

General

The allocation, allotment and issue of Consideration Shares will not give rise to stamp duty or SDRT, subject to the exception discussed in more detail below relating to the issue of shares into depository receipt systems and clearance services.

Stamp duty at the rate of 0.5 per cent. (rounded up to the next multiple of £5) of the amount or value of the consideration given will generally be payable on an instrument transferring Consideration Shares. An exemption from stamp duty is available on an instrument transferring Consideration Shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.

A charge to SDRT will also generally arise on an unconditional agreement to transfer Consideration Shares (at the rate of 0.5 per cent. of the amount or value of the consideration payable). However, if within six years of the date of the agreement (or, if the agreement is conditional, the date on which it becomes unconditional) an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will generally be refunded, provided that a claim for payment is made, and any outstanding liability to SDRT will be cancelled.

The purchaser or transferee of the Consideration Shares will generally be responsible for paying such stamp duty or SDRT.

Consideration Shares held through CREST

Paperless transfers of Consideration Shares within CREST will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable (the amount payable being rounded up to the nearest penny). CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Generally no stamp duty or SDRT will arise on a deposit of Consideration Shares into the CREST system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT will arise usually at a rate of 0.5 per cent. of the amount or value of the consideration for the Consideration Shares.

Depositary receipt systems and clearance services

Under current UK legislation, where Consideration Shares are issued or transferred (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services, or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the Consideration Shares (rounded up to the next multiple of £5 in the case of stamp duty). Transfers of shares within a clearance service or depository receipt system will generally not incur an SDRT charge provided that the relevant clearance service or depository receipt system has not made the election described in the paragraph below.

There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an appropriate election which has been approved by HMRC. In these circumstances, the normal rates of stamp duty and SDRT (rather than the higher rate regime referred to above) will generally apply to any issue or transfer of Consideration Shares into the clearance service and to any transactions in Consideration Shares held within the clearance service.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer of Consideration Shares held within such a service or system, will strictly be payable by the operator of the clearance service or depositary receipt system or its nominee, as the case may be, but in practice will generally be reimbursed by participants in the clearance service or depositary receipt system.

Following a judicial decision in 2012, HMRC has confirmed that it will no longer seek to apply the 1.5 per cent. SDRT charge when shares are first issued into a clearance service or depositary receipt system. The application of the 1.5 per cent. charge may also be affected in other circumstances (although HMRC has confirmed that it will still seek to apply the 1.5 per cent. SDRT charge to transfers of shares into a clearance service or depositary receipt arrangement unless

they are integral to the raising of new capital). Accordingly, specific professional advice should be sought before paying the 1.5 per cent. stamp duty or SDRT charge in any circumstances.

PART XI

DIRECTORS, SENIOR MANAGEMENT, MEMBERS AND ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND EMPLOYEES

1. Persons responsible

Hikma, the Directors, whose names appear on this page 145, and the Proposed Director, whose name appears on page 151, accept responsibility for the information contained in this document. To the best of the knowledge of Hikma, the Directors and the Proposed Director (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

Name	***Position***
Mr. Said Darwazah	*Chairman and Chief Executive Officer*
Mr. Mazen Darwazah	*Executive Vice-Chairman, President and Chief Executive Officer of MENA and Emerging Markets*
Mr. Robert Pickering	*Senior Independent Director*
Mr. Mohammed "Ali" Al-Husry	*Non-Executive Director*
Mr. Michael Ashton	*Independent Non-Executive Director*
Mr. Breffni Byrne	*Independent Non-Executive Director*
Dr. Ronald Goode	*Independent Non-Executive Director*
Mr. Patrick Butler	*Independent Non-Executive Director*
Dr. Pamela Kirby	*Independent Non-Executive Director*

The business address of each of the Directors is 13 Hanover Square, London W1S 1HL.

Mr. Said Darwazah and Mr. Mazen Darwazah are brothers.

3. Directors' profiles

Set out below are profiles of each of the current Directors, which set out their relevant management expertise and experience.

Mr. Said Darwazah
Chairman and Chief Executive

Mr. Darwazah has served as Chief Executive since July 2007 and Chairman since May 2014. Mr. Darwazah was Chairman and Chief Executive of Hikma's group holding company from 1994 to 2003 and Minister of Health for the Hashemite Kingdom of Jordan from 2003 to 2006.

During his 33 years at Hikma, Mr. Darwazah has undertaken several executive roles which have provided him with extensive experience in each functional area of Hikma's global generic pharmaceuticals business and in the broader strategic leadership of an international and entrepreneurial organisation. Mr. Darwazah has led the development of the Group strategy, the Injectables business in Europe and the MENA region and acquisitions including West-Ward Pharmaceuticals and Baxter's injectable business. Under Mr. Darwazah's leadership, Hikma's facilities in the US, Jordan and Portugal received US FDA approval, the leading international pharmaceutical regulatory standard.

Mr. Darwazah has a degree in industrial engineering from Purdue University and an MBA from INSEAD.

Mr. Darwazah holds various public and charitable positions. He is the Chairman of the Queen Rania Foundation, a major charitable project, and a Director of Endeavour Jordan, a charitable organisation that assists in the development of entrepreneurs, and a Trustee of Jordan River Foundation, a charitable organisation that aims to empower Jordanian society. Mr. Darwazah is also Chairman of the Jordanian University of Science and Technology and a trustee of the American University of Beirut. He is a member of the Central Bank of Jordan Board. He is also Chairman of the Dead Sea Touristic and Real Estate Investments.

Committee memberships: Executive Committee

Mr. Mazen Darwazah
Executive Vice Chairman

Mr. Darwazah was appointed Group Executive Vice Chairman and MENA Chief Executive in 2005 and became President and Chief Executive of MENA and Emerging Markets in 2014. During his 29 years' service at Hikma he has held an extensive range of positions within the Group starting as a medical representative and working in different capacities including Chairman and Chief Executive of Hikma Pharmaceuticals Limited, a major group operational and holding company.

Mr. Darwazah is responsible for the strategic and operational direction of the MENA business. He is also responsible for the expansion of the Group into emerging markets outside of the MENA region, global alliances, business relationships, CSR and business integrity.

Mr. Darwazah holds a BA in Business Administration from the Lebanese American University and an AMP from INSEAD. He has served as the President of the Jordanian Association of Manufacturers of Pharmaceuticals and Medical Appliances.

Mr. Darwazah holds various public and charitable positions. Mr. Darwazah is the Chairman of the Jordan International Insurance Company and Vice Chairman of the Capital Bank of Jordan. Mr. Darwazah is also a trustee of the St Louis College of Pharmacy and Birzeit University. He is on the advisory Board for the Lebanese American University, Lebanon, and the Buck Institute for Education, San Francisco.

Committee memberships: Executive Committee; Nomination Committee; Compliance, Responsibility and Ethics Committee

Mr. Robert Pickering
Senior Independent Director, Chair of the Nomination Committee

Mr. Pickering joined the Board as a Non-Executive Director in September 2011 and became Senior Independent Director in May 2014. Mr. Pickering spent 23 years at Cazenove and Co., becoming the first Chief Executive of Cazenove Group PLC in 2001. He subsequently served as Chief Executive of JP Morgan Cazenove, until his retirement in 2008. He has extensive experience of capital raising, mergers and acquisitions and of the relationship between quoted companies and investors.

Mr. Pickering is a qualified solicitor with a law degree from Lincoln College, Oxford.

Mr. Pickering is a Non-Executive Director of Neptune Investment Management Limited, a fund management company. He is also Non-Executive Director of CLSA UK, a branch of CLSA Limited, an independent brokerage and investment group and Itau BBA International PLC, the investment bank of the Itaú Unibanco group. He is Chairman of the Trustees of Lincoln College Oxford 2027 Trust.

Committee memberships: Audit Committee; Remuneration Committee and Nomination Committee

Mr. Mohammed ''Ali'' Al-Husry
Non-Executive Director

Mr. Al-Husry joined Hikma as Director of Hikma Pharma Limited in 1981 and has held various directorships within the Group. Mr. Al-Husry brings great financial experience to the Board as well as an in-depth knowledge of the MENA region and Hikma Pharmaceuticals. Mr. Al-Husry was a founder of The Capital Bank of Jordan, which offers commercial and investment banking services, and served as Chief Executive of the Bank until 2007.

Mr. Al-Husry has a degree in Mechanical Engineering from the University of Southern California and an MBA from INSEAD.

Mr. Al-Husry is Chairman of Endeavor Jordan, a not for profit organisation that assists in the development of entrepreneurs and a Director of the Microfund for Women, which provides microfinance to low-income female entrepreneurs. He is also a trustee for the Jordanian University of Science and Technology. Additionally, Mr. Al-Husry is a Director of the Capital Bank of Jordan.

Committee memberships: None

Mr. Michael Ashton
Independent Non-Executive Director, Chair of the Remuneration Committee

Mr. Ashton has over 30 years' experience in the pharmaceutical industry, holding senior executive positions with Pfizer and Merck. Mr. Ashton was Chief Executive of SkyePharma PLC from November 1998 to March 2006 and prior to that was Chairman, President and Chief Executive of Faulding Inc.. He has held a number of non-executive and advisory positions across the pharmaceutical industry.

Mr. Ashton has a Bachelor of Pharmacy degree from Sydney University, and an MBA degree from Rutgers University, New Jersey.

Mr. Ashton is a Non-Executive Director at Transition Therapeutics, a therapeutics biopharmaceutical company. He is also Chairman of Komixx Entertainment Limited, a children's educational organisation.

Committee memberships: Audit Committee; Remuneration Committee and Nomination Committee

Mr. Breffni Byrne
Independent Non-Executive Director

Mr. Byrne is a chartered accountant with over 30 years of experience in public practice, including significant international responsibilities. Mr. Byrne was chairman of the Audit Committee of Hikma from 2005 and 2015. Mr. Byrne served as the Managing Partner of the Audit and Business Advisory practice of Arthur Andersen in Ireland and as Director of Risk Management of Andersen's audit practice in the Middle East, India, Africa and the Nordic countries. Mr. Byrne has extensive experience in financial reporting, international operations, corporate governance and general financial and commercial matters. Mr. Byrne is a former Non-Executive Director of Irish Life and Permanent PLC and Coillte Teoranta, the Irish state-owned forestry company. Mr. Byrne was Chairman of Aviva's Life Assurance and General Insurance operations in Ireland and Chairman of Investec Securities Holdings Limited (formerly NCB Stockbrokers Limited). Mr. Byrne is considered by the Board to have recent and relevant financial experience.

Mr. Byrne holds a Masters degree in Economic Science from University College Dublin and is a chartered accountant.

Mr. Byrne is Chairman of Tedcastles Holdings, an oil distribution company. Mr. Byrne is also a Non-Executive Director of Citibank Europe PLC, Hillingdon Investment Company and CPL Resources PLC, a human resources company. Mr. Byrne has been a member of the Audit Committee of all of the above companies, in most cases being the Chairman.

Committee memberships: Audit Committee; Remuneration Committee and Compliance, Responsibility and Ethics Committee

Dr. Ronald Goode
Independent Non-Executive Director, Chair of the Compliance, Responsibility and Ethics Committee

Dr. Goode has spent over 30 years in the international pharmaceutical industry, including roles as President of International Operations at Searle and Vice President of Clinical and Scientific Affairs at Pfizer. Dr. Goode's extensive experience includes leading companies as Chief Executive and acting as an adviser to companies in the pharmaceutical industry. Dr. Goode also advises companies involved in nanotechnology and in the information technology business sectors.

Dr. Goode was formerly President and Chief Executive of Unimed Pharmaceuticals, Inc. and eXegenics Inc.. Dr. Goode was a Trustee of Thunderbird School of Global Management, which was ranked by the Financial Times as the premier international business school.

Dr. Goode has a PhD from the University of Georgia and a MS and BS from the University of Memphis.

Dr. Goode is the Chairman of the Goode Group, advisers to the pharmaceutical industry. Dr. Goode is a Director of Mercy Ships International, a medical services charity. Dr. Goode is a Senior Business Advisor to The Kinsella Group, an investment banking company. He is also a member of the Scientific Advisory Board to the North Texas Enterprise Center for Medical Technology. Additionally he is a member of the Advisors' Board for Private Access Inc., a medical software developer.

Committee memberships: Audit Committee; Remuneration Committee and Compliance, Responsibility and Ethics Committee

Mr. Patrick Butler
Independent Non-Executive Director, Chair of the Audit Committee

Mr. Butler is a former Senior Director at Mckinsey & Co. During his 25 years at McKinsey, he focused on advising large corporations in the EU, US and MENA on strategic, acquisition and organisational issues. Mr. Butler has extensive experience in strategy implementation, integrating acquisitions, performance improvement and a range of finance functions including treasury and risk management. Mr. Butler is considered to have recent and relevant financial experience.

Prior to Mckinsey, Mr. Butler qualified as a chartered accountant with the audit and tax practice of Arthur Andersen. He has a first-class honours degree in Commerce and a postgraduate diploma in Accounting and Corporate Finance from University College Dublin.

Mr. Butler is a partner of The Resolution Group, a financial services investment and restructuring group. He is a Non-Executive Director of the Bank of Ireland, Res Media Limited and British Business Bank Investments Limited. He is also a Governor of the British Film Institute and a trustee of the Resolution Foundation.

Committee memberships: Audit Committee; Nomination Committee and Compliance, Responsibility and Ethics Committee

Dr. Pamela Kirby
Independent Non-Executive Director

Dr. Kirby was Chief Executive of Quintiles Transnational Corp and has held senior executive positions in F Hoffmann-La Roche Ltd and AstraZeneca plc. Dr. Kirby has chaired Scynexis Inc and was Senior Independent Director of Informa plc. Dr. Kirby has previously held Non-Executive Director positions with Smith & Nephew PLC, Novo Nordisk A/S, Curalogic A/S and Oscient Pharmaceuticals Corp.

Dr. Kirby holds a first-class Bachelor of Science degree in Pharmacology and a PhD in Clinical Pharmacology from the University of London.

Dr. Kirby is a Non-Executive Director of DCC plc, Victrex plc and Reckitt Benckiser Group PLC.

Committee memberships: Audit Committee; Remuneration Committee and Compliance, Responsibility and Ethics Committee

4. Directors' other directorships

Mr. Said Darwazah
Chairman and Chief Executive

Mr. Darwazah holds or has held in the past five years the following directorships, in addition to his directorships of the Hikma Group. He has not been a partner in any partnerships during the past five years.

Company	Status (Current/Previous)
Capital Bank of Jordan	Previous
Central Bank of Jordan	Current
Darhold Limited	Current

Mr. Mazen Darwazah
Executive Vice Chairman

Mr. Darwazah holds or has held in the past five years the following directorships, in addition to his directorships of the Hikma Group. He has not been a partner in any partnerships during the past five years.

Company	Status (Current/Previous)
Capital Bank of Jordan	Current
Darhold Limited	Current
Jordan International Insurance Company	Current

Mr. Robert Pickering
Senior Independent Director, Chair of the Nomination Committee

Mr. Pickering holds or has held in the past five years the following directorships, in addition to his directorships of the Hikma Group. He has not been a partner in any partnerships during the past five years.

Company	Status (Current/Previous)
CLSA (UK)	Current
Itau BBA International PLC	Current
Neptune Investment Management Limited	Current

Mr. Mohammed ''Ali'' Al-Husry
Non-Executive Director

Mr. Al-Husry holds or has held in the past five years the following directorships, in addition to his directorships of the Hikma Group. He has not been a partner in any partnerships during the past five years.

Company	Status (Current/Previous)
Capital Bank of Jordan	Current
Darhold Limited	Current
Microfund for Women	Current

Mr. Michael Ashton
Independent Non-Executive Director, Chair of the Remuneration Committee

Mr. Ashton holds or has held in the past five years the following directorships, in addition to his directorships of the Hikma Group. He has not been a partner in any partnerships during the past five years.

Company	Status (Current/Previous)
Komixx Entertainment Limited	Current
Proximagen Group PLC	Previous
PuriCore PLC	Previous
Transition Therapeutics Inc.	Current

Mr. Breffni Byrne
Independent Non-Executive Director

Mr. Byrne holds or has held in the past five years the following directorships, in addition to his directorships of the Hikma Group. He has not been a partner in any partnerships during the past five years.

Company	Status (Current/Previous)
Aviva Insurance Europe SE	Previous
Aviva Life & Pensions Ireland Limited	Previous
Aviva Life International Limited	Previous
Ark Life Insurance Company Limited	Previous
Citibank Europe PLC	Current
Coillte Teoranta/The Irish Forestry Board	Previous
CPL Resources PLC	Current
Hillingdon Investment Company	Current
Investec Capital & Investments (Ireland) Limited	Previous
Investec Securities Holdings Ireland Limited	Previous
Irish Life Assurance PLC	Previous
Irish Life and Permanent PLC	Previous
Neontar Limited	Previous
Tedcastles Holdings	Current

Dr. Ronald Goode
Independent Non-Executive Director, Chair of the Compliance, Responsibility and Ethics Committee

Dr. Goode holds or has held in the past five years the following directorships, in addition to his directorships of the Hikma Group. With the exception of private family trusts, he has not been a partner in any partnerships during the past five years.

Company	Status (Current/Previous)
Cytonics Corporation	Previous
Goode Group	Current
Mercy Ships International	Current
Wound Management Technologies Inc.	Previous

Mr. Patrick Butler
Independent Non-Executive Director, Chair of the Audit Committee

Mr. Butler holds or has held in the past five years the following directorships, in addition to his directorships of the Hikma Group.

Company	Status (Current/Previous)
Bank of Ireland	Current
British Business Bank Investments Limited	Current
Res Media Limited	Current

Mr. Butler is or has in the past five years been a partner in the following partnerships.

Company	Status (Current/Previous)
Resolution Group	Current
McKinsey & Co	Previous

Dr. Pamela Kirby
Independent Non-Executive Director

Dr. Kirby holds or has held in the past five years the following directorships, in addition to her directorships of the Hikma Group. She has not been a partner in any partnerships during the past five years.

Company	Status (Current/Previous)
DCC PLC	Current
Informa PLC	Previous
Novo Nordisk A/S	Previous
Scynexis Inc.	Previous
Simmons and Simmons LLP	Previous
Smith & Nephew PLC	Previous
Reckitt Benckiser Group PLC	Current
Victrex PLC	Current

5. Directors' confirmations

None of the Directors or the Proposed Director as at the date of this document has, during the last five years, been:

(A) convicted in relation to an offence of fraud;

(B) associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of a senior manager of any company;

(C) subject to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); or

(D) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

Mr. Said Darwazah, Mr. Mazen Darwazah and Mr. Mohammed ''Ali'' Al-Husry are all directors of Darhold Limited. Darhold Limited holds a 29.06 per cent. interest in the Company's issued share capital. There is no other potential conflict of interest between any of the Directors' duties to Hikma or the Hikma Group and their private interests and/or other duties. No Director has a material interest in any significant contract with Hikma or any of its subsidiaries.

The Proposed Director has been proposed by BII to be a director of Hikma from Closing. The Proposed Director is Global Head of Corporate Finance / M&A and Corporate Vice President at Boehringer Ingelheim GmbH, which is an affiliate of BI. Following closing of the Acquisition and Admission, BI (or a nominee of BI that is an affiliate of BI) will in aggregate hold 40 million Hikma Shares, representing approximately 16.71 per cent. of the Enlarged Group (excluding treasury shares). There is no other potential conflict of interest between any of the Proposed Director's duties to Hikma or the Hikma Group and his private interests and/or other duties. The Proposed Director does not have a material interest in any significant contract with Hikma or any of its subsidiaries.

None of the Directors or the Proposed Director was selected as a result of any arrangement or understanding with a major customer, supplier or any other person having a business connection with the Hikma Group.

Under the 2014 Executive Incentive Plan, there is a requirement in respect of each grant for 50 per cent. of the total shares received (under elements B and C) to be subject to a holding period so that the shares may not be sold or encumbered until the fifth anniversary of grant.

Save as set out above, there are no restrictions agreed by any Director or Proposed Director on the disposal within a certain time of their holdings in Hikma.

6. Profile of the Proposed Director

Dr. Jochen Gann has been proposed by BII to be a director of Hikma from Closing.

Dr. Jochen Gann is Global Head of Corporate Finance / M&A and Corporate Vice President at Boehringer Ingelheim GmbH. In his M&A role he leads Boehringer Ingelheim's mergers and acquisitions activities across all businesses. He is also responsible for Business Development & Licensing (Strategic Transaction and Alliance Management) for Boehringer's prescription medicine division. In addition, in his role as Corporate Treasurer he is responsible for the group's financing, asset management, risk management, and liquidity and credit management activities as well as the corporate banking strategy. Dr. Gann is also managing director of the Corporate Venture Fund.

Dr. Gann has held several senior roles at Boehringer Ingelheim including Head of Controlling Subsidiaries and Head of Tax. Prior to joining Boehringer Ingelheim in 2007, Dr. Gann held the positions of Head of Corporate Treasury at Cognis GmbH, Managing Director at Degussa Bank GmbH, Head of Treasury Controlling at Hoechst AG and Consultant at Metzler, Germany.

Dr. Gann holds a Doctorate Degree (International Finance) from University of Hohenheim, Germany and a Master's Degree in Business Administration and Science from University of Karlsruhe, Germany.

Dr. Gann currently holds a number of board positions at companies of the Boehringer Ingelheim group. He is also currently Chairman of the Finance committee at Verband Der Chemischen Industrie e. V., Germany and a Member of the Advisory Board KfW IPEX-Bank GmbH, Germany.

Committee memberships: None

Dr. Gann holds or has held the following board positions. He has not been a partner in any partnerships during the past five years.

Company	**Status (Current/Previous)**
BIOTHERAX biochemisch-pharmazeutische GmbH	Previous
Optikmaschinen AG, Germany	Previous
Pharmaton S.A.	Previous
Ginsana S.A.	Previous
Boehringer Ingelheim (China) Investment Co., Ltd	Current
Boehringer Ingelheim International Trading (Shanghai) Co., Ltd.	Current
Boehringer Ingelheim Shanghai Pharmaceuticals Co. Ltd.	Current
Boehringer Ingelheim Finanzierungs GmbH	Current
Boehringer Ingelheim Venture Fund GmbH	Current

Company	Status (Current/Previous)
Boehringer Ingelheim India Private Limited	Current
PT Boehringer Ingelheim Indonesia	Current
Pharma Investment ULC	Current
Boehringer Ingelheim Venture Fund USA, Inc.	Current
VERBAND DER CHEMISCHEN INDUSTRIE e. V.	Current
KfW IPEX-Bank GmbH	Current

7. Interests of the Directors and Proposed Director

As at 20 January 2016 (being the latest practicable date prior to the publication of this document), the interests (all of which are beneficial) of the Hikma Directors, their immediate families and (so far as is known to them or could with reasonable diligence be ascertained by them) persons connected (within the meaning of section 252 of the Companies Act) with the Hikma Directors and the Proposed Director in the issued share capital of Hikma, including: (i) those arising pursuant to transactions notified to Hikma pursuant to DTR 3.1.2R; or (ii) those of connected persons of the Hikma Directors or the Proposed Director, which would, if such connected person were a Hikma Director or Proposed Director, be required to be disclosed under (i) above, together with such interests as are expected to subsist immediately following Admission are set out in the following table.

	As at 20 January 2016		Interests immediately following Admission[27]	
	Number of Hikma Shares	Percentage of issued share capital of Hikma	Number of Hikma Shares	Percentage of issued share capital of Enlarged Group
Hikma Directors				
Mr. Said Darwazah	13,106,647	6.5735%	13,106,647	5.4751%
Mr. Mazen Darwazah	7,175,833	3.5990%	7,175,833	2.9976%
Mr. Robert Pickering	7,500	0.0038%	7,500	0.0031%
Mr. Breffni Byrne	10,000	0.0050%	10,000	0.0042%
Mr. Michael Ashton	18,566	0.0093%	18,566	0.0078%
Mr. Mohammed "Ali" Al-Husry	5,770,446	2.8941%	5,770,446	2.4105%
Dr. Ronald Goode	10,000	0.0050%	10,000	0.0042%
Mr. Patrick Butler	1,375	0.0007%	1,375	0.0006%
Dr. Pamela Kirby	3,317	0.0017%	3,317	0.0014%
Proposed Director				
Dr. Jochen Gann	0	0.0000%	0	0.0000%

Mr. Said Darwazah, Mr. Mazen Darwazah and Mr. Ali Al-Husry are shareholders and directors of Darhold Limited. Darhold Limited holds 57,933,028 Hikma Shares.

27 Figures are calculated assuming that the interests in Hikma of the Hikma Directors and of the Proposed Director as at close of business on 20 January 2016 do not change, that 40,000,000 Hikma Shares are issued in connection with Acquisition, and that no further issues of Ordinary Shares occur between publication of this document and Admission.

Details of options and awards over the Hikma Shares held by the Hikma Directors are set out below. Those options and awards are not included in the interests of the Hikma Directors shown in the table above.

Director	Shares (maximum)	Plan	Type of interest	Exercise price	Date of award	Date of vesting
Said Darwazah	102,000	2005 Long Term Incentive Plan	Conditional award	Nil	16-May-13	16-May-16
	63,000	2005 Long Term Incentive Plan	Conditional award	Nil	16-May-14	16-May-17
	41,000	2014 Executive Incentive Plan	Conditional award	Nil	15-May-15	15-May-17
	27,000	2014 Executive Incentive Plan	Conditional award	Nil	15-May-15	15-May-18
Total	**233,000**					

Director	Shares (maximum)	Plan	Type of interest	Exercise price	Date of award	Date of vesting
Mazen Darwazah	53,000	2005 Long Term Incentive Plan	Conditional award	Nil	16-May-13	16-May-16
	46,000	2005 Long Term Incentive Plan	Conditional award	Nil	16-May-14	16-May-17
	30,000	2014 Executive Incentive Plan	Conditional award	Nil	15-May-15	15-May-17
	20,000	2014 Executive Incentive Plan	Conditional award	Nil	15-May-15	15-May-18
Total	**149,000**					

8. Remuneration of the Hikma Directors and the Proposed Director

This section provides information on the remuneration arrangements for the Hikma Directors. It is expected that the remuneration for Hikma Directors will be reviewed by the remuneration committee of the Enlarged Group following the Closing Date but that, until such time, the current remuneration arrangements of each Hikma Director will continue to apply. There are no amounts set aside or accrued by the Group or its subsidiaries to provide pension, retirement or similar benefits to the Hikma Directors.

Executive Directors

	Said Darwazah		Mazen Darwazah	
	2013	**2014**	**2013**	**2014**
Salary	US$802,500	US$842,265	US$539,280	US$620,172
Bonus	US$1,605,000	US$1,263,398	US$1,078,000	US$930,258
Share vesting	US$1,528,000	US$2,085,993	US$1,019,000	US$1,390,662
Pensions	US$10,800	US$11,335	US$10,000	US$11,500
Other Benefits	US$10,536	US$11,000	US$0	US$0
Total	US$3,956,836	US$4,213,990	US$2,646,280	US$2,952,592

Non-Executive Directors

Name	**Position**	**2013**			**2014**		
		Total fee £'000	**Taxable Travel Benefits £'000**	**Total £'000**	**Total fee £'000**	**Taxable Travel Benefits £'000**	**Total £'000**
Robert Pickering	Senior Independent Director	83.5	2.2	85.7	91.6	2.2	93.8
Breffni Byrne	Audit Committee Chairman	98.5	10.4	108.9	102.5	4.3	106.8
Michael Ashton	Remuneration Committee Chairman	91.0	12.3	103.3	95.0	8.1	103.1
Ali Al-Husry	Non-Executive Director	76.0	0.0	76.0	80.0	0.0	80.0
Ronald Goode	CRE Committee Chairman	91.0	12.8	103.8	95.0	7.6	102.6
Patrick Butler	Audit Committee Chairman Designate	0.0	0.0	0.0	58.3	0.0	58.3
Dr. Pamela Kirby	Independent Director	0.0	0.0	0.0	7.3	0.0	7.3
Samih Darwazah	Chairman (retired)	157.5	0.0	157.5	91.7	0.0	91.7
Sir David Rowe-Ham	Senior Independent Director (retired)	91.0	0.0	91.0	43.5	0.0	43.5

Proposed Director

It is anticipated that the remuneration for the Proposed Director will be in line with the remuneration policy approved by Shareholders at Hikma's annual general meeting in 2014.

9. Executive Directors' service contracts and emoluments

9.1 The following Directors have service contracts with Hikma on the following terms:

Name	Company notice period	Contract date	Unexpired term of contract	Date of expiration of current term	Remuneration Paid	Benefits Payable on Termination
Mr. Said Darwazah	12 months	1 July 2007	Rolling contract	None	See section 6 of this Part XI	12 months' current salary and benefits
Mr. Mazen Darwazah	12 months	25 May 2006	Rolling contract	None	See section 6 of this Part XI	12 months' current salary and benefits

9.2 Save as disclosed in paragraph 9.1 above, there are no existing service contracts between any executive Director and any member of the Group which provide for benefits upon termination of employment.

10. Non-executive Directors' service contracts and fees

10.1 The non-executive Directors of Hikma have letters of appointment with Hikma, not service contracts. It is envisaged that each initial appointment period is for 36 months.

Name	Date of appointment	Notice payment	Date of Expiration of Current Term	Remuneration Paid	Benefits Payable on Termination
Mr. Robert Pickering	1 September 2011	1 month	1 September 2017	See section 6 of this Part XI	Nil
Mr. Michael Ashton	14 October 2005	1 month	14 October 2017	See section 6 of this Part XI	Nil
Mr. Mohammed "Ali" Al-Husry	14 October 2005	1 month	14 October 2017	See section 6 of this Part XI	Nil
Mr. Breffni Byrne	14 October 2005	1 month	14 October 2017	See section 6 of this Part XI	Nil
Dr. Ronald Goode	12 December 2006	1 month	12 December 2018	See section 6 of this Part XI	Nil
Mr. Patrick Butler	1 April 2014	1 month	1 April 2017	See section 6 of this Part XI	Nil
Dr Pamela Kirby	1 December 2014	1 month	1 December 2017	See section 6 of this Part XI	Nil

10.2 Save as disclosed in paragraph 10.1 above, there are no existing service contracts between any non-executive Director and any member of the Hikma Group which provide for benefits upon termination of appointment.

11. Proposed Director's letter of appointment

The Proposed Director will be engaged pursuant to a letter of appointment with Hikma, the particulars of which will be similar to those of the existing non-executive Hikma Directors.

12. Corporate governance

The Board is committed to meeting the standards of good corporate governance set out in the UK Corporate Governance Code (the "**Code**") and the Markets Law of the Dubai Financial Services Authority.

The Code recommends that at least half the members of the board of directors (excluding the chairman) of a public limited company incorporated in the UK should be independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

The Board acknowledges that Mr. Said Darwazah's combined Chairman and Chief Executive position is not in compliance with the Code, but has fully consulted with Shareholders. The Board also recognises that three Non-Executive Directors serving in excess of nine years requires explanation under the Code but considers that this has not affected their independence and has detailed the rationale for its departure from the Code in its Annual Report as required by the Code. As at the date of this document, the Group is otherwise in full compliance with the Code.

12.1 Board Committees

Nomination Committee

The Nomination Committee currently consists of Mr. Michael Ashton, Mr. Robert Pickering, Mr. Patrick Butler and Mr. Mazen Darwazah, three of whom are independent Non-Executive Directors. The Chairman of the Nomination Committee is Mr. Robert Pickering. The Nomination Committee meets at least four times a year and its duties include:

- succession planning, including the progressive refreshing of the Board;
- ensuring that all appointments to the Board are made on an objective basis;
- corporate governance arrangements across the Group;
- ensuring that candidates have sufficient time to devote to their prospective responsibilities; and
- reviewing the appropriateness of the size, structure and composition of the Board.

Remuneration Committee

The Remuneration Committee currently consists of Mr. Michael Ashton, Mr. Breffni Byrne, Mr. Ronald Goode, Dr. Robert Pickering and Dr. Pamela Kirby, all of whom are independent Non-Executive Directors. The Chairman of the Remuneration Committee is Mr. Michael Ashton. The Remuneration Committee meets at least four times a year and its duties include:

- setting and developing the Group's remuneration policy and overseeing its application;
- setting the remuneration of the Executive Directors and Chairman;
- recommending the remuneration of the Senior Management; and
- reviewing performance and ensuring the Group's remuneration structures mean that the interests of management and shareholders are aligned.

Audit Committee

The Audit Committee currently consists of Mr. Patrick Butler, Mr. Breffni Byrne, Mr. Michael Ashton, Dr. Ronald Goode, Mr. Robert Pickering and Dr. Pamela Kirby. Mr. Patrick Butler is considered by the Board to have recent and relevant financial experience and is Chairman of the Audit Committee. The Audit Committee meets at least eight times a year and its duties include:

- assisting the Board in discharging its responsibilities with regard to financial reporting, external audit, internal audit, internal control, corporate governance and risk management;
- reviewing the Group's annual financial statements;
- reviewing and monitoring all audit and non-audit work undertaken by external auditors;
- advising on the appointment, reappointment and removal of external auditors;
- reviewing the effectiveness of the Group's internal audit activities; and
- operating the Group's policies on monitoring Directors' conflicts of interest.

Compliance, Responsibility and Ethics Committee

The Compliance, Responsibility and Ethics Committee (the "**CREC**") currently consists of Dr. Ronald Goode, Mr. Mazen Darwazah, Mr. Breffni Byrne, Mr. Patrick Butler and Dr. Pamela Kirby. Dr. Ronald Goode is the Chairman of the CREC. The CREC meets at least five times a year and its duties include:

- setting the overall strategy for the Group's response to bribery and corruption risks;
- approving the contents of all of the business' policies in areas where ethical judgements are important;

- overseeing the Group's ABC compliance programme, together with the Group policies on ethics and business conduct and ensuring that they operate adequately and effectively;
- reviewing the Group's policy on corporate responsibility at group level;
- overseeing the development of the Group's Code of Conduct; and
- overseeing the Group's speak-up process for employees to raise concerns and, where relevant, oversee the investigation.

13. Employees

As at 30 June 2015, the Group had 7,242 full-time employees. Of these, 1,798 were in Jordan, 1,102 in the United States, 419 in Portugal and 3,923 in other countries.

The following table shows the number of the Group's full-time employees as at 30 June 2015, subdivided by departments and geographical region:

Country	Production/ Logistics	R&D	Sales & Marketing	Management and General Administration	Others	Total
MENA region and emerging markets	2,629	187	1,969	622	117	5,523
United States	888	68	57	60	29	1,102
Europe	523	4	31	52	6	617
Total	**4,040**	**259**	**2,057**	**734**	**152**	**7,242**

14. Hikma Share Schemes

Hikma operates four share schemes for the benefit of certain employees being the 2004 Stock Option Plan (the "**2004 SOP**"), the 2005 Long Term Incentive Plan (the "**2005 LTIP**"), the 2009 Management Incentive Plan (the "**2009 MIP**") and the 2014 Executive Incentive Plan (the "**2014 EIP**"). No further grants or awards will be made under the 2004 SOP or the 2005 LTIP. There are no other arrangements for involving employees in the share capital of Hikma.

2004 SOP

The 2004 SOP was open to executive directors and employees of the Group. Under the 2004 SOP, options were awarded to qualifying employees on the basis of their anticipated contribution to the development of the Group. The exercise of options granted under the 2004 SOP was not dependent on any performance criteria. However, vesting and exercise of all options under the 2004 SOP was conditional on the successful listing of the Company's shares on the London Stock Exchange. As at 20 January 2016 (being the latest practicable date prior to the publication of this document), there were options outstanding in relation to a total of 12,500 Ordinary Shares under the 2004 SOP.

2005 LTIP

The 2005 LTIP was approved by shareholders at the 2006 Annual General Meeting. The 2005 LTIP was used to incentivise executive directors and senior management through the grant of nil-cost options and conditional awards with performance conditions that were measured over a period of three years. The performance conditions related to comparative total shareholder return, revenue growth, earnings per share growth and return on invested capital. The maximum award level was 300 per cent. of salary. As at 20 January 2016 (being the latest practicable date prior to the publication of this document), there were options outstanding in relation to a total of 990,586 Ordinary Shares under the 2005 LTIP.

2009 MIP

The 2009 MIP was approved by shareholders at the 2010 Annual General Meeting. Under the 2009 MIP, the Company makes grants of nil-cost options and conditional awards to management across the Group below executive management level. Awards are subject to the satisfaction of individual and group performance targets. The maximum award level is 50 per cent. of salary. As at 20 January 2016 (being the latest practicable date prior to the publication of this document), there were options outstanding in relation to a total of 367,762 Ordinary Shares under the 2009 MIP.

2014 EIP

The 2014 EIP was approved by shareholders at the 2014 AGM and is the sole incentive arrangement for executive directors. It replaced the group bonus plan and the 2005 LTIP. The EIP is composed of three elements:

	Maximum award % of salary	**Pay-out mechanism**	**Vesting period**	**Risks after award**	**Additional requirements**
A	150%	Cash bonus	Immediate	None	None
B	150%	Deferred shares	2 years	• Forfeiture/clawback • Share price • Employed	50% of the total share award is subject to a holding period after vesting. These shares may not be sold until five years after grant.
C	100%	Restricted shares	3 years	• Clawback • Share price • Employed	

The level of award made under the EIP depends on the achievement of performance conditions relating to profit before tax, strategic and operational targets and personal targets. As at 20 January 2016 (being the latest practicable date prior to the publication of this document), there were options outstanding in relation to a total of 456,808 Ordinary Shares under the 2014 EIP.

15. Pensions

The Hikma Pharmaceuticals Defined Contribution Retirement Benefit Plan, also called the Provident Fund (the "**Benefit Plan**"), is provided for the benefit of employees located in Jordan. Under the Benefit Plan, the Group matches employee contributions, which are fixed at a maximum 5 per cent. of applicable salary. Participants are entitled to 30 per cent. of the Group's contributions to the Benefit Plan after three years of employment with the Group, and an additional 10 per cent. in each subsequent year. The participant's interest in the Group's contribution fully vests after ten years of employment.

Employees and former employees in the UK participate in the Hikma Pharmaceuticals Public Limited Company Group Personal Pension Scheme, which is provided by Aegon through Scottish Equitable PLC. It is a defined contribution scheme where investment discretion rests with the participants. There are no other pension schemes provided by the Company in the UK.

Hikma also established a tax deferred 401(k) savings plan in the US under which the Group matches 40 per cent. of the employees' deferral within the limits set by the IRS.

PART XII

ADDITIONAL INFORMATION

1. Company Details

The Company was incorporated in England and Wales on 8 September 2005, with registered number 05557934, as a public limited company under the Companies Act 1985, with the name Hikma Pharma Public Limited Company. Its name was changed on 19 September 2005 to Hikma Pharmaceuticals PLC and on 28 October 2005 to Hikma Pharmaceuticals Public Limited Company. Its registered office is 13 Hanover Square, London W1S 1HL, and its telephone number is +44 (0) 20 7399 2760.

The principal legislation under which the Company operates, and pursuant to which the Consideration Shares will be created, is the Companies Act 2006 and the regulations made thereunder.

The Directors and their respective positions are set out in Part XI (*Directors, Senior Management, Members and Administrative, Management and Supervisory Bodies and Employees*) of this document. The business address of each of the Directors is 13 Hanover Square, London W1S 1HL.

2. Information on the share capital

2.1 Issued share capital

The Hikma Articles do not include an authorised share capital. The issued and fully paid share capital of Hikma as at close of business on 20 January 2016 (being the latest practicable date prior to the publication of this document) consists of 199,385,501 Ordinary Shares of 10 pence each. There are nil Ordinary Shares of 10 pence each that are issued and not fully paid. Hikma's Employee Benefit Trust holds 40,831 Ordinary Shares. There are nil convertible securities issued by Hikma. Hikma holds no treasury shares.

As at 20 January 2016 (being the latest practicable date prior to the publication of this document), the total number of options and awards over Hikma Shares that were outstanding under all of Hikma's share incentive plans was 1,827,656, which, if exercised, would represent 0.92 per cent. of Hikma's issued share capital at that date. The number of its own Ordinary Shares which Hikma will be authorised to purchase under its authority from Shareholders (existing and being sought) is dependent on the number of Hikma Shares (other than ROFR Excluded Shares) held by BII and its affiliates from time to time, being 40,000,000 Hikma Shares as at the date of Closing. If Hikma were to purchase its own Ordinary Shares to the fullest possible extent of its authority from Shareholders (existing and being sought) at the date of Closing, the total number of options and awards over Hikma Shares that are outstanding under all of Hikma's share incentive plans could potentially represent 1.03 per cent. of the issued share capital of Hikma.

2.2 History of ordinary share capital

As at 1 January 2012, the first day covered by the historical financial information incorporated by reference in this document, Hikma's issued share capital amounted to 195,851,307 Ordinary Shares, with a nominal value of 10 pence each. Since 1 January 2012, during the period covered by the historical financial information incorporated by reference in this document, the following changes have occurred in relation to the issued share capital of Hikma:

(A) During 2012, Hikma issued 1,185,200 Ordinary Shares, with a nominal value of 10 pence each, solely pursuant to the exercise of options under the Hikma Share Schemes. As at 31 December 2012, Hikma's issued share capital amounted to 197,036,507 Ordinary Shares, with a nominal value of 10 pence each.

(B) During 2013, Hikma issued 1,007,821 Ordinary Shares, with a nominal value of 10 pence each, solely pursuant to the exercise of options under the Hikma Share Schemes. As at 31 December 2013, Hikma's issued share capital amounted to 198,044,328 Ordinary Shares, with a nominal value of 10 pence each.

(C) During 2014, Hikma issued 587,711 Ordinary Shares, with a nominal value of 10 pence each, solely pursuant to the exercise of options under the Hikma Share Schemes. As at 31 December 2014, Hikma's issued share capital amounted to 198,632,039 Ordinary Shares, with a nominal value of 10 pence each.

(D) During 2015, Hikma issued 753,079 Ordinary Shares, with a nominal value of 10 pence each, solely pursuant to the exercise of options under the Hikma Share Schemes. As at 31 December 2015, Hikma's issued share capital amounted to 199,385,118 Ordinary Shares, with a nominal value of 10 pence each.

(E) During 2016, Hikma has thus far issued 383 Ordinary Shares, with a nominal value of 10 pence each, solely pursuant to the exercise of options under the Hikma Share Schemes. As at 20 January 2016, Hikma's issued share capital amounted to 199,385,501 Ordinary Shares, with a nominal value of 10 pence each.

2.3 Issued ordinary share capital immediately following the issue and allotment of the Consideration Shares

Assuming no further issues or cancellations of Ordinary Shares after 20 January 2016 (being the latest practicable date prior to the publication of this document), immediately following the issue and allotment of the Consideration Shares, Hikma will have in issue 239,385,501 fully paid shares of 10 pence each.

2.4 Dilution on issue and allotment of the Consideration Shares

If closing of the Acquisition occurs, it will result in the issue of 40,000,000 Consideration Shares to BI (or a nominee of BI that is an affiliate of BI), which would result in BI (or the relevant nominee) holding approximately 16.71 per cent. of the Enlarged Group. If Closing occurs, Shareholders will suffer an immediate dilution as a result of the Acquisition, following which they will hold approximately 83.29 per cent. of the issued share capital of Hikma.

3. Major shareholders

3.1 As at 20 January 2016 (being the latest practicable date prior to the publication of this document), Hikma had been notified in accordance with DTR5 of the Disclosure and Transparency Rules of the following interests in its Ordinary Shares:

	Number of Shares	Percentage interest of issued ordinary share capital
Darhold Limited[(1)]	57,933,028	29.06%
The Capital Group Companies, Inc	15,899,676	7.98%
Fidelity Management Research LLC	9,791,950	4.91%

(1) Mr. Said Darwazah, Mr. Mazen Darwazah and Mr. Ali Al-Husry are shareholders and directors of Darhold Limited. Mr. Said Darwazah, Mr. Mazen Darwazah and Mr. Ali Al-Husry are all members of the Board of Directors of Hikma. The late Mr. Samih Darwazah was a former non-executive Chairman of Hikma who resigned in May 2014.

3.2 Save as disclosed above, Hikma is not aware of any person who, as at 20 January 2016 (being the latest practicable date prior to the publication of this document), directly or indirectly, has a holding which is notifiable under English law.

3.3 Save as disclosed above, Hikma, the Hikma Directors and the Proposed Director are not aware of any persons who, as at 20 January 2016 (being the latest practicable date prior to the publication of this document), directly or indirectly, jointly or severally, exercise or could exercise control over Hikma nor are they aware of any arrangements the operation of which may at a subsequent date result in a change of control of Hikma.

3.4 None of the Hikma Shareholders referred to in this Part XII (*Additional Information*) has different voting rights from any other holder of Hikma Shares in respect of any Hikma Shares held by them.

4. Related party transactions

Other than as disclosed in the financial information incorporated by reference into this document for the years ended 31 December 2012, 2013 and 2014, as well as the unaudited financial information for the six months ended 30 June 2015, there are no related party transactions by Hikma or members of the Hikma Group that were entered into during the years ended 31 December 2012, 2013 and 2014 or the six months ended 30 June 2015.

Labatec Pharma is a related party of the Group because Mr Said Darwazah and Mr Mazen Darwazah have a significant interest it. During the period between 30 June 2015 and 20 January 2016 (being the latest practicable date prior to the publication of this document), the Group total sales to Labatec Pharma amounted to $811,929. As at 20 January 2016 (being the latest practicable date prior to the publication of this document), the amount owed from Labatec Pharma to the Group was $176,539.

There have been no additional related party transactions by Hikma or members of the Hikma Group that were entered into during the period between 30 June 2015 and 20 January 2016 (being the latest practicable date prior to the publication of this document).

Further detail regarding related party transactions disclosed in the financial information incorporated by reference into document can be found on pages 155, 165 and 162 of the audited financial information of Hikma for the financial years ended 31 December 2012, 2013 and 2014 respectively. Additional detail can be found under the heading 'Related party balances' in the unaudited financial information of Hikma for the six months ended 30 June 2015.

5. Summary of the Hikma Articles

The Hikma Articles are available for inspection at the address specified in paragraph 18 below. Hikma's Memorandum of Association no longer sets out the objects of Hikma, and its objects are unrestricted save to the extent otherwise provided in the Hikma Articles.

The Hikma Articles contain provisions, amongst others, to the following effect:

5.1 Limited liability

The liability of Hikma's members is limited to the amount, if any, unpaid on the shares in Hikma respectively held by them.

5.2 Share rights

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such rights (including preferred, deferred or other special rights) or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine).

Subject to applicable law, any shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder. The terms and conditions and manner of redemption may be determined by the Directors provided that this is done before the shares are allotted.

The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held, be deemed not to be abrogated or varied by the creation or issue of further shares ranking *pari passu* therewith.

5.3 Voting rights

Subject to any special terms as to voting upon which any shares may for the time being be held and to any other provision of the Articles, members shall be entitled to vote at a general meeting whether on a show of hands or on a poll as provided by applicable law. For this purpose, where a proxy is given discretion as to how to vote on a show of hands, this shall be treated as an instruction by the relevant member to vote in the way that the proxy elects to exercise that discretion.

5.4 Restrictions

No member shall, unless the Directors otherwise determine, be entitled, in respect of any share in the capital of the Company held by him, to be present or to vote on any question, either in person or by proxy, at any general meeting, or separate general meeting of the holders of any class of shares of the Company, or to be reckoned in a quorum, if any call or other sum presently payable by him to the Company in respect of such share remains unpaid.

5.5 Dividends and other distributions

Subject to applicable law and the rights of the holders of any shares entitled to any priority, preference or special privileges, and to the terms of issue of any shares, Hikma may by way of ordinary resolution at a general meeting declare a dividend to be paid. Such dividend shall not exceed the amount recommended by the Directors and shall be paid to the members in proportion to the amounts paid up or credited as paid up on the shares held by them.

The Directors may also from time to time pay to the members, or any class of members, such interim dividends as appear to the Directors to be justified by the financial position of Hikma. The Directors may also pay half yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate.

Subject to the rights attaching to the shares, or the terms of issue of the shares, no dividend or other monies payable on or in respect of a share shall bear interest against Hikma.

5.6 Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class or any of such rights may, subject to applicable law be abrogated or varied with the consent in writing of the holders of at least three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held, be deemed not to be abrogated or varied by the creation or issue of further shares ranking *pari passu* therewith.

5.7 Transfer of shares

All transfers of certificated shares are to be in writing in the usual form or in any other form permitted by applicable law or approved by the Directors. The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, if the shares transferred are not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register of members of Hikma in respect of such shares.

Uncertificated shares may be transferred by means of a relevant system (such as CREST) in accordance with such system's rules and the provisions of the Regulations (as defined in the Articles). Unless otherwise determined by the Directors and permitted by the Regulations (as defined in the Articles), no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made other than by a written instrument by virtue of the Regulations (as defined in the Articles).

The Directors may, in their absolute discretion, refuse to register any transfer of share which is not a fully-paid share provided that, where any such shares are admitted to the Official List or admitted to AIM such discretion may not be exercised in a way which the FCA or the LSE regards as preventing dealings in the shares of the relevant class or classes from taking place on an open and proper basis. The Directors may likewise refuse to register any transfer of a share, whether fully-paid or not, in favour of more than four persons jointly.

5.8 Sub-division of share capital

Any resolution authorising Hikma to sub-divide its shares or any of them may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

5.9 General meetings

The Directors may from time to time make such arrangements as they shall in their absolute discretion consider to be appropriate for the purpose of controlling or regulating attendance at any general meeting. The entitlement of any member or proxy to attend any general meeting shall be subject to any such arrangements as may for the time being be in force whether stated in the relevant notice of the general meeting or notified to the members concerned subsequently.

Each Director shall be entitled to attend and speak at any general meeting of Hikma. The Chairman may invite any person to attend and speak at any general meeting of Hikma where he considers that this will assist in the deliberations of the meeting.

5.10 Hikma Directors

Number of Directors

Unless and until Hikma in a general meeting shall otherwise determine, the number of Directors shall not be more than 15 nor less than three. The Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of Directors.

Directors' shareholding qualification

A Director shall not be required to hold any shares in Hikma.

Directors' fees

The Directors shall be paid fees for their services as Directors such sums (if any) as the Directors may from time to time determine (not exceeding in the aggregate an annual sum (excluding amounts payable under any other provision of the Articles) of £1,000,000 or such larger amount as the Company may determine by ordinary resolution) and the Directors shall divide such remuneration between them as they agree or, failing agreement, equally.

Powers

The business of Hikma shall be managed by the Directors who may exercise all such powers of Hikma as are not required to be exercised by Hikma in a general meeting, subject to the provisions of the Articles and applicable law (and to such directions as may be given by Hikma in a general meeting by special resolution).

Pensions

The Directors may exercise all the powers of Hikma to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of Hikma, its subsidiaries or companies with which it is associated in business and to the relatives and dependants of any such persons, and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds (whether contributory or non-contributory) for the benefit of such persons or any of them or any class of them, and so that any Director or former Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit.

Borrowing powers and debentures

Subject to the provisions of the Articles, the Directors may exercise all the powers of Hikma to borrow money, and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to applicable law, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of Hikma or any third party.

The Directors shall restrict the borrowings of Hikma and exercise all voting and other rights or powers of control exercisable by Hikma in relation to its subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all monies borrowed by the Group and for the time being owing to persons outside the Group shall not at any time, without the previous sanction of an ordinary resolution of Hikma in general meeting exceed a sum equal to three times the aggregate of the amount paid up on the issued share capital of Hikma, and the total of the capital and revenue reserves of the Group in each case, whether or not such amounts are available for distribution, all as shown in the latest audited consolidated balance sheet of the Group but after various adjustments set out in the Articles.

Conflicts of interest

The Directors may, subject to the quorum and voting requirements set out in the Articles, authorise any matter which would otherwise involve a Director breaching his duty under applicable law to avoid conflicts of interest.

Restrictions on voting

A Director shall not vote or be counted in the quorum on a resolution of the Board concerning his own appointment as the holder of any office or place of profit with Hikma or any other company in which Hikma is interested, including fixing or varying the terms or the termination of his own appointment.

Disqualification

The office of a Director shall be vacated if the Director:

(A) becomes bankrupt or insolvent or makes any arrangement or composition with his creditors generally;

(B) becomes prohibited by law from acting as a Director;

(C) is, or may be, suffering from mental disorder;

(D) resigns;

(E) is absent from meetings of the Directors for a period of six months without leave and the Directors resolve that his office is vacated; or

(F) is requested in writing by all of the other Directors that he resign his office.

Rotation of Directors

At every annual general meeting, there shall retire from office any Director who shall have been a Director at each of the preceding two annual general meetings and who was not appointed or re-appointed by the Company in general meeting at, or since, either such meeting. A retiring Director shall be eligible for re-appointment.

Proceedings of the Directors

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business.

Until otherwise determined, two Directors shall constitute a quorum.

Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.

5.11 Disclosure of shareholdings

The Disclosure and Transparency Rules require members to notify Hikma if the voting rights attached to shares held by them (subject to some exceptions) reach, exceed or fall below 3 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. Pursuant to the Companies Act 2006, Hikma may also send a notice to any person whom it knows or believes to be interested in its shares, requiring such person to confirm whether he or she has such an interest and, if so, details of that interest. Under the Articles and English law, if a member fails to supply the information requested in the notice or provides information that is false in a material particular, the board may serve a restriction notice on such person stating that the member may not attend or vote at any general meeting or class meeting in respect of some or all of his or her shares.

6. Property, plants and equipment

Please see paragraph 8 of Part II (*Information on Hikma*) of this document for information relating to property, plants and equipment.

7. Principal subsidiaries and associated undertakings

A list of Hikma's significant subsidiaries as at the date of this document can be found at paragraph 4 of Part II (*Information on Hikma*) of this document.

8. Hikma material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Hikma Group: (a) in the two years immediately preceding the date of this document; or (b) at any time which contain provisions under which any member of the Hikma Group has any obligation or entitlement which is material to the Hikma Group as at the date of this document:

8.1 Acquisition Agreement and ancillary documents

A description of the principal terms of the Acquisition Agreement and ancillary documents is set out in paragraph 1 of Part V (*Terms of the Acquisition*) of this document.

8.2 Purchase of certain assets and manufacturing site of Bedford Laboratories

Under the terms of an asset purchase agreement dated 28 May 2014, Ben Venue agreed to sell certain assets of Bedford Laboratories, Ben Venue's US generic injectables business to the Company, for a total consideration of up to US$300 million. The asset purchase agreement is governed by the law of the State of New York and completion took place on 15 July 2014.

Under the terms of an asset purchase agreement dated 24 July 2014, Ben Venue agreed to sell the Bedford Laboratories manufacturing facility located in Bedford, Ohio and certain equipment, machinery and assets contained therein or related thereto, to West-Ward Injectables, Inc. and Hikma MENA Holdings, Inc. (each a subsidiary of Hikma) for a nominal consideration. The asset purchase agreement is governed by the law of the State of New York and completion took place on 17 September 2014.

8.3 Loan facility agreement

The Company, as borrower, entered into a US$50 million loan facility agreement dated 23 April 2014 with the European Bank of Reconstruction and Development as lender. The purpose of the loan is to support the Company's future capital expenditure in Jordan, Morocco and Tunisia. The loan is to be repaid in instalments, with the final instalment due on 31 March 2019.

8.4 Facility agreement

The Company, as borrower, entered into a one year, US$225 million facility agreement dated 7 July 2014 with Citibank N.A., London Branch, and HSBC Bank Middle East Limited, as arrangers. The purpose of the loan was to fund the purchase price due to Ben Venue at closing in relation to the acquisition of certain assets of Bedford Laboratories. The loan was repaid in full on 14 April 2015.

8.5 Revolving credit facility

The Company, as borrower, entered into a three year US$650 million revolving credit facility agreement dated 24 December 2014 with Arab Bank PLC, Wholesale Banking Branch, Kingdom of Bahrain, Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank N.A., London Branch, Deutsche Bank Luxembourg S.A., HSBC Bank Middle East Limited, Mizuho Bank, Ltd and National Bank of Abu Dhabi PJSC, London Branch, as arrangers, and Citibank International Limited, as agent. The facility was to be used for general corporate purposes and to finance the working capital requirements of the Group. The facility was cancelled in full on 17 November 2015.

8.6 Revolving credit facility

The Company, as borrower, entered into a US$1,175 million revolving credit facility agreement dated 27 October 2015 with Arab Bank PLC, Wholesale Banking Branch, Kingdom of Bahrain, Bank of America Merrill Lynch International Limited, Citibank N.A., London Branch, Commerzbank Aktiengesellschaft, London Branch, Emirates NSD PJSC, London Branch, HSBC Bank Middle East Limited, Mizuho Bank, Ltd, National Bank of Abu Dhabi PJSC, London Branch, National Bank of Kuwait International plc and National Bank of Kuwait S.A.K., Bahrain Branch, as arrangers and Citibank International Limited as agent. The facility will be used for general corporate purposes and to finance the working capital requirements of the Group (including following closing of the Acquisition, the Enlarged Group). The facility will terminate on 24 December 2018, subject to the possibility of extending the termination date to 24 December 2019 with lender approval. The facility also includes an accordion feature, allowing the total commitments to be increased up to US$1,500 million subject to banks agreeing to provide such additional commitments.

8.7 Subscription agreement relating to US$500 million 4.250 per cent. Guaranteed Notes due 2020

Hikma entered into a subscription agreement on 8 April 2015 with Barclays Bank PLC, Citigroup Global Markets Limited, HSBC Bank PLC and National Bank of Abu Dhabi PJSC (the "**Joint Lead Managers**") as joint lead managers ("the **Subscription Agreement**"). Upon the terms and subject to the conditions contained in the Subscription Agreement, the Joint Lead Managers jointly and

severally agreed to subscribe and pay for US$500 million 4.250 per cent. Guaranteed Notes due 2020 of Hikma (the "**Notes**") at the issue price of 99.471 per cent. of their principal amount. Hikma agreed to pay each Joint Lead Manager a gross underwriting fee in connection with the issue of the Notes. The proceeds were partly used to refinance existing debt, including the facility agreement referred to in paragraph 8.4 above, and the remainder will be used for general corporate purposes.

9. Roxane material contracts

The following contract (not being a contract entered into in the ordinary course of business) has been entered into by Roxane: (a) in the two years immediately preceding the date of this document and is, or may be, material to Roxane as at the date of this document; or (b) at any time which contains provisions under which Roxane has any obligation or entitlement which is material to Roxane as at the date of this document:

BIRI, as borrower, entered into a Loan Agreement dated 15 March 2015 (the "**Intercompany Loan**") with Boehringer Ingelheim USA Corporation, as lender, for a fixed term loan of US$200 million. The Intercompany Loan matures on 15 March 2016, and has a fixed interest rate of 1.439 per cent. per annum. Prior to Closing, and pursuant to the Acquisition Agreement, the Intercompany Loan will be settled or cancelled.

10. R&D, patents and licences

R&D is very important to the Group's future growth. The Group's corporate R&D function aims to increase the number of filings that the Group submits to regulatory authorities in the United States, the MENA region and Europe.

The R&D function is responsible for formulating the product development strategy, including product formulation, process development and bioequivalence study design for the whole product pipeline covering:

- generic solid, semi-solid, liquid and injectable pharmaceutical products;
- optimising and upgrading manufacturing techniques; and
- development activities related to the manufacture of selected APIs for in-house development.

Historically, the Group conducted most of its R&D activities at its facility in Jordan due to the availability of educated local talent, including pharmacists, engineers and chemists. Coupled with lower overhead costs, this provided the incentive to centralise the Group's research activities in Jordan. More recently, due to regulatory considerations and in order to expedite submissions, the Group has set up R&D operations across other countries in the MENA region, including, Algeria, Egypt, Tunisia, Saudi Arabia, Morocco and Sudan. This has helped to reduce the product submission/approval cycle through parallel submissions at the Group's local R&D centres. Jordan still remains the centre of the Group's R&D activities.

As at 30 June 2015, the Group's R&D function included 259 professionals and scientists with expertise in areas such as pharmaceutical formulation, analytical chemistry and drug delivery. Of these employees, 121 are located in Jordan, 68 in the United States, four in Portugal and 66 are in the rest of the MENA region. The total number of R&D professionals in the United States includes 39 former Bedford employees who joined Hikma at the time of the acquisition in 2014. This team is based in the QDC in Bedford, Ohio, USA, and brings R&D expertise and capabilities in generic injectable product development. R&D's product development plan is a team effort involving inputs from sales and marketing, IP, operations and supply chain teams at the Group sites globally. Business development opportunities are also technically evaluated by the R&D team who ensure the successful technical transfer and execution of batch manufacture and scale up at the Group's various sites. The Group's product development cycle involves numerous developmental studies, including formulation prototype development, analytical methodology development/validation and stability studies. Bioequivalence studies are an integral part of any oral dosage form development and submission strategy and are conducted either locally at the US FDA-approved IPRC site in Jordan or in other US FDA-approved contract research organisations in Canada, the United States and India.

Following the Group's acquisition of APM, which included the Sahab site, in 2007, the Group's R&D team has set up and trained a dedicated team for the development of oncology products for the MENA, EU and US markets. The site serves as a fully contained dedicated area for handling

high potency products. Both the Sahab site in Jordan and the Thymoorgan site in Germany provide support with oncology product development, production batches and the commercial supply of products. The Group's on-site teams are instrumental in the technology transfer process from Jordan to Germany.

In conducting its R&D activities, the Group is aware of the intellectual property landscape and operates in strict observance of patent expiry dates in all territories. However, where feasible, the Group has developed technical and legal strategies that have led to the earlier launch of products in various markets.

To the extent the Group does not have the relevant expertise, it outsources the requisite R&D to third parties. For example, the Group recently commissioned the American University of Beirut to conduct research into the possible use of certain plant extracts to cure a number of diseases. The Group is evaluating other opportunities to develop its collaboration with this research institute.

The following table compares the Group's R&D expenses with its revenue for the years indicated.

	Year ended 31 December			
	2012	**2013**	**2014**	**H1 2015**
		(*audited*) (US$ millions, except %)		
Total R&D expenses	34	39	55	20
Ratio of total R&D expenses to sales	3.1%	2.9%	3.7%	2.8%

In the six months ended 30 June 2015, the Group submitted over 100 regulatory filings for registration of pharmaceutical products, which includes the registration of new products (i.e. new pharmaceutical compounds not currently marketed by the Group in a geographical region), the registration of existing products in new countries within a geographical region and the registration of new dosage strengths or forms of existing products. The following table sets out a breakdown of the Group's product filings and pending approvals by each business as at 30 June 2015.

Business	**Filings from 1 January to 30 June 2015**	**Pending approvals as at 30 June 2015**
Branded	62	388
Injectables	61	443
Generics	3	62
Total	**126**	**893**

11. Working capital

Hikma is of the opinion that, taking into account existing available facilities, the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.

Hikma is of the opinion that, taking into account existing available facilities, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.

12. Significant change

As set out in paragraph 9 of Part I (*Letter from the Chairman of Hikma*), in its trading update dated 2 November 2015, Hikma announced that trading in its Generics business was currently below its expectations due to slower than expected growth in colchicine sales.

Save as set out above, there has been no significant change in the trading or financial position of the Hikma Group since 30 June 2015, the date to which the unaudited financial information of Hikma for the six months ended 30 June 2015 was prepared.

There has been no significant change in the financial or trading position of Roxane since 31 December 2014, the date to which Roxane's latest audited financial information was prepared.

13. Legal and arbitration proceedings

13.1 Hikma

Save as disclosed in this paragraph 13.1, there are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which Hikma is aware) during the year preceding the date of this document, which may have, or have had in the recent past, significant effects on the financial position or profitability of Hikma and/or the Hikma Group.

In September 2014, the Group received an approval by the US FDA under Section 505(b)(2) of the US Federal Food Drug and Cosmetic Act for its New Drug Application for colchicine 0.6mg capsules. Following this approval, Takeda brought a suit against the US FDA with respect to its approval of the Group's colchicine product. The Group intervened in that action. The United States District Court for the District of Columbia ruled in favour of US FDA and its approval of the Group's colchicine product. Takeda appealed that decision to the United States Court of Appeals for the District of Columbia. Should the United States Court of Appeals overrule the District Court's order, the US FDA's approval of the Group's colchicine product may be withdrawn. The Group is neither the claimant nor the defendant in this action.

Takeda has also filed suit against the Group alleging that the Group's colchicine product infringes certain of Takeda's patents covering the Colcrys® product. In respect to this case, the District Court of Delaware denied Takeda's motion for preliminary injunction and the US Court of Appeals for the Federal Circuit affirmed the District Court's order, and the injunction pending appeal ordered by the District Court was vacated by the US Court of Appeals for the Federal Circuit. Should a ruling on the merits be issued in favour of Takeda which is not capable of being appealed, there is a risk that the Group may be required to pay certain damages associated with the infringement of those certain Takeda patents. Takeda seeks an unspecified amount of damages to compensate it for the alleged induced infringement of its colchicine-related patents. Any damages awarded to Takeda for induced infringement, such as a reasonable royalty, would have to be tied to actual uses of Mitigare® by patients for patented methods, e.g. to treat acute gout flares. Takeda is not entitled to recover damages to the extent Mitigare® is used according to its US FDA-approved and non-patented indication: to prevent gout.

13.2 Roxane

Save as disclosed in this paragraph 13.2, there are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which Hikma is aware) during the year preceding the date of this document, which may have, or have had in the recent past, significant effects on the financial position or profitability of Roxane.

Roxane has been named in a series of consolidated cases before the Court of Common Pleas, Philadelphia County, Civil Division and the Superior Court of California, County of San Francisco. These cases are brought by plaintiffs who ingested Reglan or the generic product metoclopramide and allege that the drug causes various side-effects, including tardive dyskinesia. Plaintiffs allege, among other claims, that the brand and generic manufacturers failed to warn about the alleged adverse effects of the drug. Roxane manufactured and marketed a syrup form of metoclopramide from 1988-2001, with the last of its product expiring in January 2003.

To date, in the cases before the Court of Common Pleas, Philadelphia County (described above), Roxane has been identified in three individual cases, but, in two of those, the alleged dates of ingestion are for 2007 and 2009, a time period well after Roxane had exited the market (last product expired in 2003) and therefore appear to be in error. The third case does allege use during the time period Roxane was in the market, but the plaintiff has not yet produced pharmacy records supporting the product identification. No discovery or responsive pleadings are required at this time. Notwithstanding the three cases referenced above, in December 2015, plaintiffs' counsel indicated that they intend to dismiss Roxane from all pending complaints without prejudice.

In the cases before the Superior Court of California, County of San Francisco (described above), California, plaintiffs have stipulated that Roxane will be dismissed from cases in which no Roxane product has been identified. As a result of the lack of an affirmative identification of Roxane's product as the product ingested by any California plaintiff, dismissals of all pending cases are anticipated and no discovery or responsive pleadings are required at this time.

Due to insufficient data points in the form of plaintiff claim amounts, verdicts or settlements, claims with respect to such cases are not quantifiable at this time. However, such cases have not had, and Hikma does not expect any such cases to have, significant effects on the financial position or profitability of Roxane.

14. Mandatory takeover bids, squeeze-out rules, sell-out rules and takeover bids

14.1 Mandatory takeover bids

The City Code on Mergers applies to Hikma. Under the City Code, if an acquisition of interests in shares were to increase the aggregate holding of an acquirer and persons acting in concert with it to an interest in shares carrying 30 per cent. or more of the voting rights in Hikma, the acquirer and, depending upon the circumstances, persons acting in concert with it, would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interest in shares by the acquirer or his concert parties during the previous 12 months. A similar obligation to make such a mandatory offer would also arise on the acquisition of an interest in shares by a person holding (together with any persons acting in concert) an interest in shares carrying between 30 per cent. and 50 per cent. of the voting rights in Hikma if the effect of such acquisition were to increase that person's percentage of the voting rights.

14.2 Squeeze-out rules

Under the Companies Act, if a 'takeover offer' (as defined in section 974 of the Companies Act is made for the Hikma Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which the offer relates (the "**Offer Shares**") and not less than 90 per cent. of the voting rights attached to the Offer Shares, within three months of the last day on which its offer can be accepted, it could acquire compulsorily the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding shareholders telling them that it will acquire compulsorily their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to Hikma, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

14.3 Sell-out rules

The Companies Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Hikma Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Hikma Shares to which the offer relates, any holder of Hikma Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Hikma Shares. The offeror is required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his or her rights, the offeror is bound to acquire those Hikma Shares on the terms of the offer or on such other terms as may be agreed.

15. Takeover bids

No public takeover bid has been made in relation to Hikma during the last financial year or the current financial year.

16. Consents

16.1 Citi, whose address is 33 Canada Square, London E14 5LB, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

16.2 Centerview Partners, whose address is 100 Pall Mall, London SW1Y 5NQ, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

16.3 The auditors and reporting accountants of Hikma are Deloitte, whose address is 2 New Street Square, London EC4A 3BZ. Deloitte has given and has not withdrawn its written consent to the inclusion in this document of its accountant's reports in Part VIII (*Historical Financial Information relating to Roxane*) and Part IX (*Unaudited Pro-Forma Financial Information*) of this document in the form and context in which they appear, and has authorised the contents of these reports for the purposes of paragraph 5.5.3(2)(f) of the Prospectus Rules. Deloitte is a member of the Institute of Chartered Accountants of England and Wales.

17. General

17.1 The financial information concerning Hikma contained in this document does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. The consolidated financial statements of Hikma in respect of the three years ended 31 December 2012, 2013 and 2014 incorporated by reference in this document were reported on by Deloitte, the auditors of Hikma, within the meaning of section 495 of the Companies Act for the period of the historical financial information set out in this document. The auditors of Hikma made reports under section 503 of the Companies Act in respect of the three years ended 31 December 2012, 2013 and 2014 incorporated by reference in this document and such reports were unqualified reports within the meaning of sections 836 to 841 of the Companies Act.

17.2 Hikma remains subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash, and the provisions of section 561 of the Companies Act (which confers on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to any further issuances of share capital of Hikma.

17.3 The Hikma Shares are in registered form, are capable of being held in uncertificated form and are admitted to the Official List and are traded on the main market for listed securities of the London Stock Exchange.

17.4 The Consideration Shares will be in registered form and, from Admission, will be capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where Consideration Shares are held in certificated form, share certificates will be sent to the registered members by first-class post. Where Consideration Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Consideration Shares will have the ISIN GB00B0LCW083.

17.5 Hikma will make an appropriate announcement(s) to a Regulatory Information Service if Closing occurs, which is expected to happen, subject to the receipt of applicable anti-trust approvals, by the end of February 2016.

17.6 The aggregate costs and expenses of the Acquisition (exclusive of recoverable VAT) payable by Hikma are estimated to be US$36 million (inclusive of VAT).

18. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY from the date of this document up to and including the date of Admission:

(A) the memorandum and articles of association of Hikma;

(B) the audited financial information of Hikma for the three years ended 31 December 2012, 2013 and 2014 and the unaudited financial information for the six months ended 30 June 2014 and 30 June 2015;

(C) the report by Deloitte set out in Part VIII (*Historical Financial Information relating to Roxane*) of this document, Accountant's Report on Combined Financial Information on Roxane;

(D) the report by Deloitte set out in section B of Part IX (*Unaudited Pro-Forma Financial Information*) of this document, Accountant's Report on Pro-Forma Financial Information;

(E) the consent letters referred to in paragraph 16 above;

(F) the Acquisition Agreement; and

(G) this document and the Form of Proxy.

Copies of the contract between the Company and BII comprising clause 3 of the Shareholders' Agreement and all ancillary provisions thereto providing for the purchase by the Company of Ordinary Shares will be available for inspection by Shareholders of Hikma during normal business hours on any weekday (Saturdays and public holidays excepted) at the registered office of Hikma at 13 Hanover Square, London W1S 1HL from the date of this document up to and including the date of the General Meeting and will also be available at the General Meeting for at least 15 minutes prior to and during that meeting.

PART XIII

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been approved by, filed with or notified to the FCA, and which are available for inspection in accordance with paragraph 18 of Part XII (*Additional Information*) of this document, contain information about Hikma and the Hikma Group which is relevant to this document:

- The audited historical financial information of Hikma for the financial year ended 31 December 2012, together with the audit report in respect of that period and a discussion of Hikma's financial performance;
- The audited historical financial information of Hikma for the financial year ended 31 December 2013, together with the audit report in respect of that period and a discussion of Hikma's financial performance;
- The audited historical financial information of Hikma for the financial year ended 31 December 2014, together with the audit report in respect of that period and a discussion of Hikma's financial performance;
- The unaudited financial information of Hikma for the six months ended 30 June 2014; and
- The unaudited financial information of Hikma for the six months ended 30 June 2015.

The table below sets out the sections of these documents which are incorporated by reference into, and form part of, this document, and only the parts of the documents identified in the table below are incorporated into, and form part of, this document. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

Reference Document	Information incorporated by reference into this document	Page number(s) in reference document
For the year ended 31 December 2012		
Audited historical financial information	Chairman's Statement	4-5
	Strategic Review	6-9
	Chief Executive Officer's Review	10-16
	Key Performance Indicators	17-20
	Business and Financial Review	20-40
	Sustainability	41-53
	Independent auditors' report	112
	Consolidated financial statements	113-117
	Notes to the consolidated financial statements	118-156
	Company financial statements	157-159
	Notes to the Company financial statements	160-164
For the year ended 31 December 2013		
Audited historical financial information	Chairman's Statement	6-7
	Business Model	8
	Our Strategy For Growth	9
	Group At A Glance	10-11
	Chief Executive Officer's Review	12-19
	Business and Financial Review	20-41
	Sustainability	42-49
	Independent auditors' report	122-124
	Consolidated financial statements	125-129
	Notes to the consolidated financial statements	130-167
	Company financial statements	169-170
	Notes to the Company financial statements	171-174

Reference Document	Information incorporated by reference into this document	Page number(s) in reference document
For the year ended 31 December 2014		
Audited historical financial information	Chairman and Chief Executive Officer's Introduction	10-11
	Business Model	14
	Our Strategy	15
	Delivering Our Strategy	16-23
	Group At A Glance	24-25
	Business and Financial Review	26-43
	Sustainability	44-53
	Independent auditors' report	116-119
	Consolidated financial statements	120-124
	Notes to the consolidated financial statements	125-164
	Company financial statements	165-166
	Notes to the Company financial statements	167-170
For the half year ended 30 June 2014		
Unaudited financial information	H1 2014 financial highlights	
	H1 2014 strategic highlights	
	H1 2014 business segment highlights	
	Statement by Said Darwazah, Chief Executive Officer of Hikma	
	Group financial highlights	
	Interim management report	
	Principal risks and uncertainties	
	Independent review report	
	Condensed consolidated income statement	
	Condensed consolidated statement of comprehensive income	
	Condensed consolidated balance sheet	
	Condensed consolidated statement of changes in equity	
	Condensed consolidated cash flow statement	
	Notes to the condensed set of financial statements	
For the half year ended 30 June 2015		
Unaudited financial information	H1 2015 financial highlights	
	H1 2015 strategic highlights	
	H1 2015 business segment highlights	
	Statement by Said Darwazah, Chief Executive Officer of Hikma	
	Group financial highlights	
	Interim management report	
	Principal risks and uncertainties	
	Independent review report	
	Condensed consolidated income statement	
	Condensed consolidated statement of comprehensive income	
	Condensed consolidated balance sheet	
	Condensed consolidated statement of changes in equity	
	Condensed consolidated cash flow statement	
	Notes to the condensed set of financial statements	

DEFINITIONS

The definitions set out below apply throughout this document, unless the context requires otherwise.

"**2004 SOP**"	means the 2004 Stock Option Plan, one of four share schemes operated by Hikma;
"**2005 LTIP**"	means the 2005 Long Term Incentive Plan, one of four share schemes operated by Hikma;
"**2009 MIP**"	means the 2009 Management Incentive Plan, one of four share schemes operated by Hikma;
"**2014 EIP**"	means the 2014 Executive Incentive Plan, one of four share schemes operated by Hikma;
"**Acquisition**"	means the proposed acquisition by Hikma of the entire issued share capital of each of BIRI and RLI from BI;
"**Acquisition Agreement''**	means a stock purchase agreement providing for the Acquisition dated 28 July 2015 between BI and Hikma and Eurohealth (U.S.A.), Inc., as amended;
"**Admission**"	means (i) the admission of the Consideration Shares to the Official List becoming effective in accordance with the Listing Rules, and (ii) the admission of the Consideration Shares to trading on the London Stock Exchange's main market for listed securities, becoming effective in accordance with the Admission and Disclosure Standards;
"**Admission and Disclosure Standards**"	means the "Admission and Disclosure Standards" of the London Stock Exchange containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities, as amended or modified from time to time;
"**Affordable Care Act**"	means the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act;
"**ANDA**"	means abbreviated new drug application;
"**API**"	means active pharmaceutical ingredient;
"**APM**"	means Arab Pharmaceutical Manufacturing Company;
"**Ben Venue**"	means Ben Venue Laboratories, Inc., a corporation under the laws of Delaware whose registered office is at 300 Northfield Road, Bedford, Ohio 44146;
"**BI**"	means Boehringer Ingelheim Corporation, a corporation under the laws of Nevada whose registered office is at 311 S. Division St., Carson City NV 89703-4202;
"**BII**"	means Boehringer Ingelheim International GmbH, a company incorporated in Germany with registered number 21063, whose registered office is at Binger Str. 173, 55216 Ingelheim, Germany;
"**BIRI**"	means Boehringer Ingelheim Roxane Inc., a corporation under the laws of Delaware whose registered office is at 1209 Orange St., Wilmington DE 19801-1120;
"**Board**" or "**Hikma Board**"	means the board of directors of Hikma from time to time;
"**Boehringer Ingelheim Companies**"	means Boehringer Ingelheim Pharmaceuticals, Inc. and BII;
"**Business Day**"	means any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;

"**CNS**"	means the central nervous system, the network of cells throughout the body that carry information (in the form of nerve impulses);
"**certificated**" or "**in certificated form**"	means a share or other security which is not in uncertificated form (that is, not in CREST);
"**cGMP**"	means current good manufacturing practices;
"**Centerview Partners**"	means Centerview Partners UK LLP;
"**Citi**"	means Citigroup Global Markets Limited;
"**City Code**"	means the UK City Code on Takeovers and Mergers, as amended or modified from time to time;
"**Closing**"	means the closing of the Acquisition;
"**Closing Date**"	means the date on which Closing occurs;
"**Companies Act**"	means the Companies Act 2006, as amended, modified or re-enacted from time to time;
"**Consideration Shares**"	means the 40,000,000 ordinary shares of 10 pence each in the capital of Hikma, which are proposed to be issued by Hikma to BI (or a nominee of BI that is an affiliate of BI) pursuant to the Acquisition;
"**CREC**"	means the Compliance, Responsibility and Ethics Committee of the Company;
"**CREST**"	means the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations operated by Euroclear;
"**CREST Manual**"	means the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, as amended or modified from time to time);
"**CREST member**"	means a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
"**CREST Regulations**"	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
"**CREST Shareholders**"	means Shareholders holding Ordinary Shares in CREST;
"**CREST sponsor**"	means a CREST participant admitted to CREST as a CREST sponsor;
"**CREST sponsored member**"	means a CREST member admitted to CREST as a sponsored member;
"**Deloitte**"	means Deloitte LLP;
"**Directors**" or "**Hikma Directors**"	means the directors of Hikma at the date of this document and "director" means one of them;
"**Disclosure and Transparency Rules**" or "**DTRs**"	means the disclosure and transparency rules made by the UK Listing Authority under Part VI of FSMA (as set out in the FCA Handbook), as amended or modified from time to time;
"**DEA**"	means the Drug Enforcement Administration;
"**DoJ**"	means the Department of Justice;
"**EMA**"	means the European Medicines Agency;

"**Enlarged Group**"	means Hikma together with its subsidiaries and subsidiary undertakings, as enlarged by the Acquisition;
"**Enlarged Issued Share Capital**"	means Hikma's issued share capital immediately following Closing;
"**EU**"	means the European Union;
"**euro**" or "**€**"	means the single currency of the member states of the European Union that adopt or have adopted the euro as their lawful currency under the Treaty on the Functioning of the European Union;
"**Euroclear**"	means Euroclear UK & Ireland Limited;
"**FCA**" or "**Financial Conduct Authority**"	means the Financial Conduct Authority of the United Kingdom and, where applicable, includes any successor body or bodies carrying out the functions currently carried out by the Financial Conduct Authority;
"**Form of Proxy**"	means the form of proxy for use at the General Meeting;
"**FSMA**"	means the Financial Services and Markets Act 2000, as amended, modified or re-enacted from time to time
"**General Meeting**"	means the general meeting of the Shareholders convened to consider, and if thought fit, approve the Resolutions, including any adjournment thereof;
"**GCC**"	means the Gulf Cooperation Council;
"**GPO**"	means hospital group purchasing organisation;
"**Hikma**" or the "**Company**"	means Hikma Pharmaceuticals Public Limited Company, a company incorporated in England and Wales with registered number 05557934, whose registered office is at 13 Hanover Square, London W1S 1HL;
"**Hikma Articles**" or "**Articles**"	means the articles of association of Hikma;
"**Hikma Group**" or "**the Group**"	means Hikma together with its subsidiaries and subsidiary undertakings from time to time;
"**Hikma Share Schemes**"	means the 2004 SOP, the 2005 LTIP, the 2009 MIP and the 2014 EIP;
"**Hikma Shares**"	means ordinary shares of 10 pence each in the capital of Hikma, including, where the context requires, the Consideration Shares;
"**HSR Act**"	means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (Public Law 94-435), as amended, modified or re-enacted from time to time;
"**IAB**"	means Industries Pharmaceutiques Ibn Al Baytar;
"**IFRS**"	means the International Financial Reporting Standards as adopted for use by the European Union, as amended or modified from time to time;
"**IMS**"	means IMS Health;
"**JPI**"	means Jazeera Pharmaceutical Industries;
"**Listing Rules**"	means the listing rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended or modified from time to time;
"**London Stock Exchange**" or "**LSE**"	means London Stock Exchange plc or its successor(s);
"**MENA**"	means the Middle East and North Africa;
"**MHRA**"	means Medicines and Healthcare Products Regulatory Agency, an executive agency of the UK Department of Health, founded on 1 April 2003 to replace the MCA (Medicines Control Agency);

"**OECD**"	means the Organization for Economic Co-operation and Development;
"**Official List**"	means the official list of the UK Listing Authority;
"**Ordinary Shares**"	means the Hikma Shares, including, if the context requires, the Consideration Shares;
"**Pounds**" or "**£**" or "**Pounds Sterling**"	means the lawful currency of the United Kingdom;
"**Promopharm**"	means Société de Promotion Pharmaceutique du Maghreb S.A. (Casablanca: PRO);
"**Proposed Director**"	means the person nominated by BII who has agreed to become a director of Hikma upon Closing, being Dr. Jochen Gann;
"**Prospectus Rules**"	means the prospectus rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended or modified from time to time;
"**QDC**"	means the quality and development centre at Ben Venue;
"**Registrar**"	means Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
"**Regulatory Information Service**"	means one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information from listed companies;
"**Resolution**"	means the resolutions to be proposed at the General Meeting;
"**RLI**"	means Roxane Laboratories Inc., a corporation under the laws of Nevada whose registered office is at 311 S. Division St., Carson City NV 89703-4202;
"**ROFR Excluded Hikma Shares**"	means such Hikma Shares as BII and its affiliates acquire from third parties from the date of the Shareholders' Agreement, up to an aggregate number of Hikma Shares representing 3.2 per cent. of Hikma's total issued share capital at the time of their acquisition;
"**Roxane**"	means BIRI and RLI;
"**R&D**"	means research and development;
"**SDRT**"	means stamp duty reserve tax;
"**SEC**"	means the United States Securities and Exchange Commission;
"**Securities Act**"	means the US Securities Act of 1933, as amended;
"**Shareholder(s)**" or "**Hikma Shareholder(s)**"	means holder(s) of the Hikma Shares;
"**Shareholders' Agreement**"	means a shareholders' agreement to be entered into at Closing between Hikma and BII;
"**stock account**"	means an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
"**subsidiary**"	has the meaning given in section 1159 of the Companies Act;
"**subsidiary undertaking**"	has the meaning given in section 1162 of the Companies Act;
"**Takeda**"	means Takeda Pharmaceutical Company Limited;
"**this document**"	means this document dated 22 January 2015, comprising a prospectus and class 1 circular relating to Hikma, the listing of the Consideration Shares on the London Stock Exchange, and the Acquisition (together with any supplements or amendments thereto);

"**UK Corporate Governance Code**" or "**the Code**"	means the UK Corporate Governance Code issued by the Financial Reporting Council in the UK, as amended or modified from time to time;
"**UK Listing Authority**" or "**UKLA**"	means the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of FSMA;
"**uncertificated**" or "**in uncertificated form**"	means a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations, may be transferred by means of CREST;
"**United Kingdom**" or "**UK**"	means the United Kingdom of Great Britain and Northern Ireland;
"**United States**" or "**US**"	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
"**US FDA**"	means the United States Food and Drug Administration;
"**US$**", "**$**" or "**US dollars**"	means the lawful currency of the United States;
"**West-Ward Pharmaceuticals**"	means West-Ward Pharmaceuticals Corp.; and
"**WTO**"	means the World Trade Organisation.

HIKMA PHARMACEUTICALS PUBLIC LIMITED COMPANY

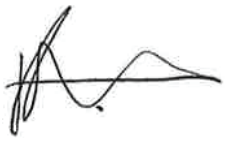
NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Hikma Pharmaceuticals Public Limited Company (the "**Company**") will be held on 19 February 2016 at 9.00a.m. (UK time) at The Westbury, Bond Street, Mayfair, London W1S 2YF for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as ordinary resolutions:

RESOLUTIONS

1. THAT, subject to the passing of resolutions 2 and 3, the proposed acquisition of Boehringer Ingelheim Roxane Inc. and Roxane Laboratories Inc. (the "**Acquisition**") on the terms and subject to the conditions of the Acquisition Agreement (as defined in the combined prospectus and circular of the Company dated 22 January 2016 (the "**Circular**")) and all other agreements and ancillary arrangements contemplated by the Acquisition Agreement or necessary or desirable in connection with the Acquisition be and are hereby approved and the board of directors of the Company (the "**Board**") (or any duly constituted committee thereof) be authorised to: (i) do all such acts and things and execute all such agreements and make such arrangements as may seem to them necessary, expedient or appropriate for the purpose of giving effect to, or otherwise in connection with, the matters comprised in such Acquisition Agreement and the associated ancillary arrangements related thereto; and (ii) agree and make such modifications, variations, revisions, waivers or amendments in relation to any of the foregoing as they may in their absolute discretion think fit.
2. THAT, subject to the passing of resolutions 1 and 3, in addition to and without prejudice to the existing authority conferred by Article 9 of the Company's Articles of Association and by shareholders at the Annual General Meeting held on 14 May 2015, the Board be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company, credited as fully paid, up to an aggregate nominal amount of £4,000,000 in connection with the Acquisition Agreement, such authority to expire on the date which is five years from the date hereof but so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends and the Board may allot shares in the Company in pursuance of such offers and agreements as if the power conferred hereby had not expired.
3. THAT, subject to the passing of resolutions 1 and 2, the Company be generally and unconditionally authorised (including pursuant to section 694 of the Companies Act 2006) to enter into a contract between the Company and Boehringer Ingelheim International GmbH ("**BII**") comprising clause 3 of the Shareholders' Agreement (as defined in the Circular) and all ancillary provisions thereto (the "**Contract**") providing for the purchase by the Company of Ordinary Shares substantially on the terms of the Contract and to purchase Ordinary Shares in accordance with the Contract for a period of five years from the date hereof.

By Order of the Board



Peter Speirs

Company Secretary

Date: 22 January 2016

NOTES TO THE NOTICE OF GENERAL MEETING

1. A shareholder of Hikma entitled to attend and vote at the General Meeting is entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of Hikma. Forms of proxy, if used, must be lodged at Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 9.00a.m. on 17 February 2016. Alternatively, you may record your proxy vote electronically either by utilising the web-based voting facility, www.capitashareportal.com, or the CREST electronic appointment service. The return of a completed proxy form or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.

2. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Hikma's registrars, Capita Asset Services, on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

3. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of Hikma or an attorney for Hikma.

4. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion.

6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of Hikma. Nominated persons are reminded that they should contact the registered holder of their shares (and not Hikma) on matters relating to their investment in Hikma.

8. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by Hikma of the votes they may cast), shareholders must be registered in the register of members of Hikma at 6.00pm on 17 February 2016 (or, in the event of any adjournment, by 6.00pm on the day which is two days before the time of the adjourned General Meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

9. As at 20 January 2016 (being the latest practicable date prior to the publication of this Notice), Hikma's issued share capital consists of 199,385,501 ordinary shares, carrying one vote each. Therefore, the total voting rights in Hikma as at 20 January 2016 are 199,385,501. Hikma does not hold any shares in Treasury.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 9.00a.m. on 17 February 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13. Hikma may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

14. In each case the proxy appointments must be received by Hikma not less than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof.

15. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in Hikma's register of members in respect of the joint holding (the first-named being the most senior).

16. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

17. Any member attending the General Meeting has the right to ask questions. Hikma must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if:

    (A) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information;

    (B) the answer has already been given on a website in the form of an answer to a question; or

    (C) it is undesirable in the interests of Hikma or the good order of the General Meeting that the question be answered.

18. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.hikma.com.

19. Except as provided above, members who have general queries about the General Meeting should use the following means of communication (no other methods of communication will be accepted):

    (A) By contacting Hikma's registrars Capita Asset Services in writing at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephoning the shareholder helpline on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

(B) By contacting Hikma's Secretary in writing at 13 Hanover Square, London W1S 1HL or by telephoning him on +44 (0) 207 399 2772 or by emailing him at peter@hikma.uk.com. Please note that shareholders may not use any electronic address provided in either this document or any related documents (including the proxy form) to communicate with Hikma for any purposes other than those expressly stated.