PRELIMINARY AUDITED GROUP RESULTS AND CASH DIVIDEND DECLARATION

for the year ended 30 June **2015**

adcock ingram
adding value to life

INTRODUCTION

The Board of Directors (Board) has pleasure in presenting the Group's audited results for the year ended 30 June 2015. The Board is particularly mindful of the relevance of these results, being the first consecutive twelve-month trading period to be reported on, since the general business restructure was commenced in 2014.

Apart from the financial implications arising from the review process, the Group's comparative 2014 performance unfortunately includes the adverse consequences of certain internal issues and judgements during that period, the consequences of an unforgiving market and generally, a volatile and challenging South African economy.

It was therefore, not unexpected that the outcome of the aforesaid review process, would have resulted in material write-offs and impairments, both to certain of the Group's tangible and intangible assets in all of the geographies, and broadly across all business sectors.

The aforesaid summary accordingly seeks to provide some context to the relatively positive turnaround trading performance for the year under review, substantially triggered through more focused leadership, a regenerated culture of productivity and divisional responsibility, all contributing towards better customer relations, more effective cost control, improved manufacture and a focus on service delivery of the Group's leading, time honoured product range, from whence Adcock Ingram gained its long standing reputation and for which the Group is well known.

For a better appreciation of the Group's relative performance against a more meaningful comparable period, in addition to the statutory disclosure of the last reported period of nine months to 30 June 2014, a reviewed set of comparative figures has been provided for the twelve months ended 30 June 2014.

FINANCIAL PERFORMANCE

TURNOVER AND PROFITS

While turnover at R5 528 million is only 6.5% higher than the comparative twelve-month period, given the discontinuation of certain uneconomic product lines during the year, the percentage increase in turnover of comparable products year on year is substantially better. These sale values were supported by Single Exit Price (SEP) increases during the relevant period. The impact of increased throughput, improved factory efficiencies, cost engineering applications and savings on raw material cost, resulted in an increase in the gross profit percentage for the year under review from 33% in 2014 to 38% in this year. The effect of this, revealed itself in a significant improvement in trading profit of 119% from R206.2 million in 2014 to R451.0 million in the current year.

NON-TRADING EXPENSES

Notwithstanding management's best efforts to identify assets and investments for impairment, during the 2014 review and the extent of such impairment, given the continuing disappointing performance of the Cosme business in India, it was deemed prudent to impair the investment value by a further R74.4 million in this year. A total amount of R106.3 million is recorded as non-trading expenses (2014: R1 004 million) and this includes corporate activity costs of R13.7 million and share based payments of R15.1 million.

TAX AND HEADLINE EARNINGS

The high effective tax rate is a consequence of the non-recognition of deferred tax assets on the foreign loss-making entities, and the non-deductibility for tax purposes of certain impairments and other expenditure.

Headline earnings for the year amounted to R270.4 million (2014: loss of R170.0 million). This translates into headline earnings per share of 160.1 cents (2014: loss of 100.8 cents).

CASH FLOWS

Cash generated from operations was R598.1 million (2014: R398.1 million) despite working capital increasing by R126.4 million (2014: R81.0 million). This cash flow improvement has enabled the Group to reduce net debt by just short of R400 million during the year.

DISTRIBUTION

Given the unknown outcome of the initial Group review in 2014, the restructure and reorganisation, the Board resolved to suspend all distributions until the state of the Company's affairs became clearer. We are pleased to report, the Board has declared a final dividend of 81 cents per share for the year ended 30 June 2015 out of income reserves.

BUSINESS OVERVIEW

SOUTHERN AFRICA

This segment encompasses all of the business units in the Southern African region, namely, OTC, Prescription, Consumer and Hospital.

OTC turnover of R1 454 million (2014: R1 248 million) is 16.6% ahead of the comparable period, supported by renewed focus and more aggressive marketing. This business unit, which focuses on pharmacy in the pain, colds and flu, and anti-histamine therapeutic areas, posted an improvement in market share, with double-digit growth in the majority of its top ten brands. Gross margin as a percentage of sales improved with better volumes in the Clayville factory, cost engineering projects, efficiencies from raw material procurement and the sales mix of products, which supported the increase of almost 60% in trading profit to R260.7 million (2014: R164.3 million).

Prescription turnover of R1 813 million (2014: R1 860 million) is 2.6% behind the comparable period, this the result of a reduction in the low margin ARV and tender portfolios, and repatriation of certain products to multinational partners. Gross margin improvements arose from better than expected production recoveries and a stringent control over foreign raw material and finished goods procurement. This resulted in a trading profit of R148.1 million well ahead of the comparative figure of R95.0 million.

Consumer turnover of R629 million (2014: R584 million) is 7.8% ahead of the comparable period with Panado, Bioplus and Compral all posting healthy growth. However the performance of the complementary and personal care portfolios within this business unit was disappointing. Trading profit nevertheless improved by 25% to R79.3 million (2014: R63.5 million).

Hospital turnover increased by 9.7% to R1 127 million (2014: R1 028 million) in an increasingly competitive environment. Medicine delivery sales, mainly large-volume parenterals have been the biggest contributor to this improvement. The business unit's profitability was restored during the period under review with a trading profit of R32.8 million having been achieved. Notwithstanding the change-of-control clause in the Baxter agreements, the association between the parties remains sound, with the long-standing commercial relationship having been strengthened and Baxter providing additional support to the business.

REST OF AFRICA

While the Group's presence in Zimbabwe, Kenya and Ghana individually and collectively constitutes a small percentage of the Group's assets, business in each of these destinations remains a challenge and preoccupation of management, far greater in time than their relative size should dictate. During the year under review, although the results suggest a positive turn of direction, these businesses still incurred losses of R13.2 million (2014: R29.0 million).

INDIA

The Group's Cosme Pharma business in India was acquired in early 2013 for R822 million. This related industry purchase was justified at the time by the perceived potential growth prospects of a pharma sales and distribution business, with quality, good margin products in a vast marketplace.

As time has evolved, management has recognised the difficulties of operating an enterprise in such a competitive pharmaceutical market, which, in relative terms is sub scale, requiring inter alia, significant further investment. While management have a good understanding of the operational demands of the business and have introduced strategies for improvement and remedial direction, the overhead to sales ratios remain the principal challenge.

In the 2014 financial year, given the losses incurred, after the obligatory internal intangible asset amortisation, the Cosme Pharma investment was impaired by an amount of R278 million. The trading loss of R56.8 million, incurred in the current financial year, similarly after the aforesaid asset amortisation, dictated that a further impairment of R74.4 million would be appropriate.

The Board, after much deliberation, has resolved to dispose of Cosme Pharma and a formal sale process will soon be commenced for this purpose. While there is no certainty on the short term sale prospects, nor the extent of any sale proceeds likely to be received, management will continue to manage the business as before and seek to protect the consensus fair value at 30 June 2015, reviewed and determined by management and confirmed by the external auditors.

PROSPECTS

There is no useful purpose in the Board reflecting on the various past corporate actions and events that have unfavourably impacted on the Company's more recent annual commercialism and market rating, save to submit, that as a result of these past circumstances, a refocused senior management team, together with the recently structured divisional management, fully understand what needs to be done to restore the Group to its former status in the industry. They have already diligently demonstrated their commitment to that objective and have practically put the Group on a profit path which will hopefully continue as efficiencies and markets improve.

Considering the economic conditions and uncertainties in South Africa at this time and elsewhere, the currency erosion, an erratic electricity supply and an unpredictable market, the Board are satisfied with the direction and progress achieved during the past year. The Board remains optimistic on the Group's medium term prospects, which view is tempered by the recent material devaluation of the Rand.

DIVIDEND

The Board has declared a final gross dividend out of income reserves of 81 cents per share in respect of the year ended 30 June 2015. The South African dividend tax ("DT") rate is 15% and the net dividend payable to shareholders who are not exempt from DT is 68.85 cents per share. Adcock Ingram currently has 175 741 348 ordinary shares in issue and its income tax reference number is 9528/919/15/3.

The salient dates for the distribution are detailed below:

Last date to trade *cum* distribution	Friday, 11 September 2015
Shares trade *ex* distribution	Monday, 14 September 2015
Record date	Friday, 18 September 2015
Payment date	Monday, 21 September 2015

Share certificates may not be dematerialised or rematerialised between Monday, 14 September 2015 and Friday, 18 September 2015, both dates inclusive.

By order of the Board

B Joffe
Chairman
25 August 2015

KB Wakeford
Chief Executive Officer

AG Hall
Deputy Chief Executive and Financial Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	**Audited year ended 30 June 2015 R'000**	Reviewed twelve-month period ended 30 June 2014 R'000	Audited nine-month period ended 30 June 2014 R'000
REVENUE	2	**5 558 926**	5 234 739	3 640 780
TURNOVER	2	**5 528 369**	5 193 070	3 615 287
Cost of sales		**(3 446 714)**	(3 453 594)	(2 475 723)
Gross profit		**2 081 655**	1 739 476	1 139 564
Selling, distribution and marketing expenses		**(1 115 231)**	(998 169)	(727 671)
Drug management and regulatory expenses		**(119 288)**	(110 719)	(81 096)
Fixed and administrative expenses		**(396 153)**	(424 376)	(337 887)
Trading profit/(loss)		**450 983**	206 212	(7 090)
Non-trading expenses	3	**(106 325)**	(1 004 426)	(967 645)
Operating profit/(loss)		**344 658**	(798 214)	(974 735)
Finance income	2	**19 887**	30 344	18 987
Finance costs		**(100 983)**	(131 461)	(98 620)
Dividend income	2	**10 670**	11 325	6 506
Equity-accounted earnings		**65 608**	52 061	31 895
Profit/(Loss) before taxation		**339 840**	(835 945)	(1 015 967)
Taxation		**(141 031)**	7 176	53 811
Profit/(Loss) for the year/period		**198 809**	(828 769)	(962 156)
Other comprehensive income which will subsequently be recycled to profit or loss		**61 722**	(46 806)	51 792
Exchange differences on translation of foreign operations		**61 242**	(34 372)	52 967
Fair value gain on available-for-sale asset, net of tax		**403**	677	350
Movement in cash flow hedge accounting reserve, net of tax		**77**	(13 111)	(1 525)
Other comprehensive income which will not be recycled to profit or loss				
Actuarial loss on post-retirement medical liability		**(442)**	(6 880)	(6 880)
Total comprehensive income for the year/period, net of tax		**260 089**	(882 455)	(917 244)
Profit/(Loss) attributable to:				
Owners of the parent		**197 932**	(832 533)	(965 343)
Non-controlling interests		**877**	3 764	3 187
		198 809	(828 769)	(962 156)
Total comprehensive income attributable to:				
Owners of the parent		**260 419**	(878 707)	(914 826)
Non-controlling interests		**(330)**	(3 748)	(2 418)
		260 089	(882 455)	(917 244)
Basic earnings/(loss) per ordinary share (cents)		**117.2**	(493.7)	(572.3)
Diluted basic earnings/(loss) per ordinary share (cents)		**117.2**	(493.4)	(571.9)
Headline earnings/(loss) per ordinary share (cents)		**160.1**	(100.8)	(179.5)
Diluted headline earnings/(loss) per ordinary share (cents)		**160.1**	(100.8)	(179.3)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to holders of the parent						
	Issued share capital R'000	Share premium R'000	Non-distributable reserves R'000	Retained income R'000	Total attributable to ordinary shareholders R'000	Non-controlling interests R'000	Total R'000
As at 1 July 2013	16 861	524 788	467 433	2 762 300	3 771 382	129 801	3 901 183
Share issue	49	7 263			7 312		7 312
Movement in treasury shares	(32)	(21 131)			(21 163)		(21 163)
Movement in share-based payment reserve			8 825		8 825		8 825
Acquisition of non-controlling interests in Ayrton Drug Manufacturing Limited				(69)	(69)	(174)	(243)
Total comprehensive income			(46 174)	(832 533)	(878 707)	(3 748)	(882 455)
Loss for the year				(832 533)	(832 533)	3 764	(828 769)
Other comprehensive income			(46 174)		(46 174)	(7 512)	(53 686)
Dividends				(145 010)	(145 010)	(7 301)	(152 311)
Share issue expenses incurred by subsidiary			(3 669)		(3 669)		(3 669)
Balance at 30 June 2014 (audited)	**16 878**	**510 920**	**426 415**	**1 784 688**	**2 738 901**	**118 578**	**2 857 479**
Share issue	**10**	**2 018**			**2 028**		**2 028**
Movement in share-based payment reserve			**16 098**		**16 098**		**16 098**
Acquisition of non-controlling interests in Ayrton Drug Manufacturing Limited				**(31)**	**(31)**	**(101)**	**(132)**
Total comprehensive income			**62 487**	**197 932**	**260 419**	**(330)**	**260 089**
Profit for the year				**197 932**	**197 932**	**877**	**198 809**
Other comprehensive income			**62 487**		**62 487**	**(1 207)**	**61 280**
Disposal of non-controlling interest in Bioswiss (Pty) Limited						**(14 101)**	**(14 101)**
Dividends						**(4 537)**	**(4 537)**
Balance at 30 June 2015 (audited)	**16 888**	**512 938**	**505 000**	**1 982 589**	**3 017 415**	**99 509**	**3 116 924**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited 30 June 2015 R'000	Audited 30 June 2014 R'000
ASSETS		
Property, plant and equipment	**1 490 828**	1 554 420
Intangible assets	**743 156**	836 178
Deferred tax	**12 091**	7 959
Other financial assets	**91 106**	138 955
Investment in joint ventures	**279 135**	202 237
Non-current assets	**2 616 316**	2 739 749
Inventories	**1 207 581**	1 106 261
Trade and other receivables	**1 408 728**	1 235 674
Cash and cash equivalents	**147 379**	247 852
Taxation receivable	**77 948**	76 306
Current assets	**2 841 636**	2 666 093
Total assets	**5 457 952**	5 405 842
EQUITY AND LIABILITIES		
Capital and reserves		
Issued share capital	**16 888**	16 878
Share premium	**512 938**	510 920
Non-distributable reserves	**505 000**	426 415
Retained income	**1 982 589**	1 784 688
Total shareholders' funds	**3 017 415**	2 738 901
Non-controlling interests	**99 509**	118 578
Total equity	**3 116 924**	2 857 479
Long-term borrowings	**513 753**	1 004 861
Post-retirement medical liability	**22 796**	22 034
Deferred tax	**81 854**	21 047
Non-current liabilities	**618 403**	1 047 942
Trade and other payables	**1 328 431**	1 115 563
Bank overdraft	**304 210**	319 613
Short-term borrowings	**13 273**	5 132
Cash-settled options	**6 519**	14 782
Provisions	**70 192**	45 331
Current liabilities	**1 722 625**	1 500 421
Total equity and liabilities	**5 457 952**	5 405 842

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Audited year ended 30 June 2015 R'000	Reviewed twelve-month period ended 30 June 2014 R'000	Audited nine-month period ended 30 June 2014 R'000
Cash flows from operating activities				
Operating profit/(loss)		**344 658**	(798 214)	(974 735)
Non-cash items		**379 892**	1 277 267	1 165 275
Operating profit before working capital changes		**724 550**	479 053	190 540
Working capital changes		**(126 423)**	(80 960)	227 561
Cash generated from operations		**598 127**	398 093	418 101
Finance income, excluding receivable		**14 409**	23 440	17 287
Finance costs, excluding accrual		**(103 871)**	(136 240)	(101 480)
Dividend income		**10 670**	33 992	20 504
Dividends paid		**(4 537)**	(152 311)	(6 746)
Taxation paid		**(87 312)**	(137 662)	(36 869)
Net cash inflow from operating activities		**427 486**	29 312	310 797
Cash flows from investing activities				
Decrease in other financial assets		**37 962**	118	–
Disposal of business		**(2 663)**	–	–
Purchase of property, plant and equipment	– Expansion	**(23 560)**	(35 727)	(12 278)
	– Replacement	**(56 304)**	(128 122)	(83 187)
Proceeds on disposal of property, plant and equipment		**2 243**	407	54
Increase in loans receivable		**–**	(1 183)	–
Net cash outflow from investing activities		**(42 322)**	(164 507)	(95 411)
Cash flows from financing activities				
Acquisition of non-controlling interests in Ayrton Drug Manufacturing Limited		**(132)**	(243)	(241)
Proceeds from issue of share capital		**2 028**	7 311	6 902
Increase in borrowings		**23 915**	1 002 371	1 004 635
Repayment of borrowings		**(506 031)**	(202 980)	(100 000)
Purchase of treasury shares		**–**	(21 162)	–
Share issue expenses incurred by subsidiary		**–**	(3 669)	–
Net cash (outflow)/inflow from financing activities		**(480 220)**	781 628	911 296
Net (decrease)/increase in cash and cash equivalents		**(95 056)**	646 433	1 126 682
Net foreign exchange difference on cash and cash equivalents		**9 986**	3 023	11 958
Cash and cash equivalents at beginning of year/period		**(71 761)**	(721 217)	(1 210 401)
Cash and cash equivalents at end of year/period		**(156 831)**	(71 761)	(71 761)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 **BASIS OF PREPARATION**

1.1 **Introduction**

The summarised audited preliminary consolidated annual financial statements for the year ended 30 June 2015 have been prepared in compliance with the Listings Requirements of the JSE Limited, International Financial Reporting Standards (IFRS), the requirements of the International Accounting Standards (IAS) 34: Interim financial reporting, SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, No. 71 of 2008.

These summarised preliminary results for the year ended 30 June 2015 for which the directors take full responsibility, have been extracted from the audited consolidated financial statements. Both these summarised preliminary results and the consolidated financial statements for the year ended 30 June 2015 were audited by the independent external auditors, Ernst & Young Inc. and copies of their unqualified audit opinions are available for inspection at the Company's registered office. The results for the twelve months ended 30 June 2014 have been reviewed by Ernst & Young Inc. and a copy of their unqualified review opinion is available for inspection at the Company's registered office.

Mr Andy Hall, Deputy Chief Executive and Financial Director, is responsible for this set of financial results and has supervised the preparation thereof in conjunction with the Financial Executive, Ms Dorette Neethling.

1.2 **Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial period except for the adoption of the following amended IFRS standards and IFRIC interpretations during the year which did not have any effect on the financial performance or position of the Group:

* IAS 32: *Financial Instruments: Presentation: Offsetting of financial assets and financial liabilities;*
* IAS 19: *Defined benefit plans: Employee contributions; and*
* IAS 39: *Novation of derivatives and continuation of hedge accounting.*

		Audited year ended 30 June 2015 R'000	Reviewed twelve-month period ended 30 June 2014 R'000	Audited nine-month period ended 30 June 2014 R'000
2	**REVENUE**			
	Turnover	**5 528 369**	5 193 070	3 615 287
	Finance income	**19 887**	30 344	18 987
	Dividend income	**10 670**	11 325	6 506
		5 558 926	5 234 739	3 640 780
3	**NON-TRADING EXPENSES/(INCOME)**			
	Impairments	**79 783**	843 364	843 364
	– Intangible assets	**74 432**	601 789	601 789
	– Inventories	**(8 375)**	130 966	130 966
	– Property, plant and equipment	**7 390**	69 243	69 243
	– Long-term receivable and non-financial asset	**6 336**	41 366	41 366
	Transaction costs	**13 678**	118 157	91 000
	Retrenchment costs and separation package	**770**	16 505	16 505
	Share-based payment expenses	**15 081**	19 640	10 016
	Scrapping of property, plant and equipment	**2 241**	5 561	5 561
	Lease cancellation expenses	**3 032**	1 199	1 199
	Profit on disposal of business	**(8 260)**	–	–
		106 325	1 004 426	967 645

4 SEGMENT REPORTING

CHANGE IN THE STRUCTURE AND COMPOSITION OF THE REPORTABLE SEGMENTS

In May 2014, Adcock Ingram announced substantive changes to the Group's internal processes and structures. The reorganisation of the business was necessary to create autonomous operating divisions with separate focused strategies to best manage the challenges and opportunities in each of the businesses, while at the same time, facilitating full accountability in each case and allow for better measurement of returns. The new structure came into operation on 1 July 2014 creating a more defined and decentralised structure with focused and specialised commercial divisions in Southern Africa. The structure is ultimately designed to be customer-centric and assist in the recovery of the business.

The Group's reportable segments in Southern Africa are now as follows:

- Over the Counter (OTC) – focuses primarily on brands sold predominantly in the pharmacy market, where the pharmacist plays a role in the product choice;
- Consumer – competes in the Fast Moving Consumer Goods (FMCG) space;
- Prescription – markets products prescribed by medical practitioners; and
- Hospital – supplier of hospital and critical care products, including intravenous solutions, blood collection products and renal dialysis systems.

	Audited year ended 30 June 2015 R'000	Reviewed twelve-month period ended 30 June 2014 R'000	Audited nine-month period ended 30 June 2014 R'000
Turnover			
Southern Africa	**5 022 770**	4 719 144	3 268 441
OTC	**1 454 224**	1 247 689	835 605
Consumer	**628 991**	583 502	327 464
Prescription	**1 812 735**	1 860 382	1 348 422
Hospital	**1 126 820**	1 027 571	756 950
Rest of Africa	**259 196**	250 124	183 130
India	**269 237**	241 878	177 708
	5 551 203	5 211 146	3 629 279
Less: Intercompany sales	**(22 834)**	(18 076)	(13 992)
	5 528 369	5 193 070	3 615 287
Trading and operating profit/(loss)			
Southern Africa	**520 894**	289 889	62 820
OTC	**260 717**	164 255	77 095
Consumer	**79 301**	63 467	(25 280)
Prescription	**148 099**	94 974	45 170
Hospital	**32 777**	(32 808)	(34 165)
Rest of Africa	**(13 161)**	(29 019)	(23 171)
India	**(56 750)**	(54 659)	(46 739)
Trading profit/(loss)	**450 983**	206 211	(7 090)
Less: Non-trading expenses	**(106 325)**	(1 004 425)	(967 645)
Operating profit/(loss)	**344 658**	(798 214)	(974 735)

As at June 2014 the assets and liabilities of the OTC, Consumer and Prescription products were integrated and managed as the Pharmaceutical division in Southern Africa. The Group regarded this as a single primary business segment for statement of financial position purposes. The prior year figures have not been restated as the information is not available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

		Audited year ended 30 June 2015 R'000	Reviewed twelve-month period ended 30 June 2014 R'000	Audited nine-month period ended 30 June 2014 R'000
4.	**SEGMENT REPORT** CONTINUED			
	Total assets			
	Southern Africa	**6 222 533**		7 856 661
	Pharmaceuticals			6 161 715
	OTC	**2 365 968**		
	Consumer	**416 427**		
	Prescription	**1 879 594**		
	Hospital	**1 560 544**		1 694 946
	Other – shared services	**1 194 383**		
	Rest of Africa	**193 171**		195 883
	India	**852 153**		948 507
		8 462 240		9 001 051
	Intercompany eliminations	**(3 004 288)**		(3 595 209)
		5 457 952		5 405 842
5	**INVENTORY**			
	Inventories written down/(reversed) and recognised as an expense/(income) in profit or loss:			
	Cost of sales	**97 800**	109 328	93 170
	Non-trading expenses	**(8 375)**	130 966	130 966
		89 425	240 294	224 136
6	**CAPITAL COMMITMENTS**			
	– contracted	**7 000**		57 278
	– approved, but not contracted	**33 026**		23 880
		40 026		81 158
7	**HEADLINE EARNINGS/(LOSS)**			
	Headline earnings/(loss) is determined as follows:			
	Earnings/(Loss) attributable to owners of Adcock Ingram	**197 932**	(832 533)	(965 343)
	Adjusted for:			
	Impairment of property, plant and equipment	**7 390**	69 243	69 243
	Share of non-controlling interest in the impairment of property, plant and equiptment	**(1 819)**	–	–
	Impairment of intangible assets	**74 432**	601 789	601 789
	Tax effect on impairment of intangible assets	**–**	(15 823)	(15 823)
	Loss on disposal/scrapping of property, plant and equipment	**491**	7 589	7 008
	Tax effect on (profit)/loss on disposal of property, plant and equipment	**(227)**	(280)	405
	Profit on disposal of business	**(8 260)**	–	–
	Adjustments relating to equity-accounted joint ventures	**412**	–	–
	Headline earnings/(loss)	**270 351**	**(170 015)**	**(302 721)**

		Audited year ended 30 June 2015 Number of shares	Reviewed twelve-month period ended 30 June 2014 Number of shares	Audited nine-month period ended 30 June 2014 Number of shares
8	**SHARE CAPITAL**			
	Number of shares in issue	**201 685**		201 589
	Number of A and B shares held by the BEE participants	**(25 944)**		(25 944)
	Number of ordinary shares held by the BEE participants	**(2 571)**		(2 571)
	Number of ordinary shares held by Group company	**(4 285)**		(4 285)
	Net shares in issue	**168 885**		168 789
	Headline earnings and basic earnings per share are based on:			
	Weighted average number of shares	**168 834**	168 628	168 679
	Diluted weighted average number of shares	**168 841**	168 737	168 788

9 **SUBSEQUENT EVENTS**

On 10 July 2015, shareholders approved the following resolution at a general meeting:

- the release of the dividend acquired ordinary shares held by Blue Falcon Trading 69 (Pty) Limited and the Mpho ea Bophelo Trust;
- the repurchase at a nominal value, and the cancellation, of each of the A ordinary and B ordinary shares in their entirety; and
- the cancellation of the existing BEE scheme.

At a scheme meeting on 10 July 2015, shareholders approved the following resolution:

- the implementation of a new BEE scheme.

Following the release of the restrictions contained in the existing BEE transaction over the divided acquired ordinary shares, The Bidvest Group Limited agreed to acquire in aggregate 2 571 000 Adcock Ingram dividend acquired ordinary shares at R52.00 per share, from Blue Falcon Trading 69 (Pty) Limited and Mpho ea Bophelo Trust

Corporate information

ADCOCK INGRAM HOLDINGS LIMITED

Incorporated in the Republic of South Africa
Registration number 2007/016236/06
Income tax number 9528/919/15/3
Share code: AIP ISIN: ZAE000123436
("Adcock Ingram" or "the Company" or "the Group")

Directors

Mr B Joffe (Non-executive Chairman)

Mr K Wakeford (Chief Executive Officer)

Mr A Hall (Deputy Chief Executive and Financial Director)

Prof M Haus (Independent Non-executive Director)

Dr T Lesoli (Independent Non-executive Director)

Mr M Makwana (Independent Non-executive Director)

Dr A Mokgokong (Non-executive Director)

Mr R Morar (Non-executive Director)

Mr L Ralphs (Non-executive Director)

Mr C Raphiri (Lead Independent Non-executive Director)

Mr M Sacks (Independent Non-executive Director)

Dr R Stewart (Independent Non-executive Director)

Company secretary

NE Simelane

Registered office

1 New Road, Midrand, 1682

Postal address

Private Bag X69, Bryanston, 2021

Transfer secretaries

Computershare Investor Services Proprietary Limited

70 Marshall Street, Johannesburg, 2001

PO Box 61051, Marshalltown, 2107

Auditors

Ernst & Young Inc.

102 Rivonia Road, Sandton, 2146

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196

Bankers

Nedbank Limited, 135 Rivonia Road, Sandown, Sandton, 2146

Rand Merchant Bank, 1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196

Forward-looking statements

Adcock Ingram may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return and cost reductions. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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