



Group annual results and cash dividend declaration


FOR THE YEAR ENDED 30 JUNE 2018

Continuing operations


TURNOVER
▲ **10%**


GROSS PROFIT
▲ **14%**


TRADING PROFIT
▲ **20%**


HEPS
▲ **26%**


DIVIDEND
▲ **24%**


B-BBEE
Level 3

INTRODUCTION

The Board of Directors (Board) is very pleased with the excellent earnings growth achieved by the Group in the past financial year, considering the price-regulated environment in which it operates and difficult economic environment in South Africa. The results were achieved through continued investment in well established brands, improved factory efficiencies, and relentless focus on customer service and product quality.

REGULATORY IN SOUTH AFRICA

The National Health Insurance Bill, Medical Schemes Amendment Bill and Health Market Inquiry Report have all recently been issued. The Company is supportive of initiatives that broaden access to healthcare in South Africa and do not threaten the sustainability of the local pharmaceutical manufacturing industry. Adcock Ingram will continue to engage government through the industry bodies in that regard. The Company is a well-diversified Consumer, OTC, Prescription and Hospital pharmaceutical business with an extensive and affordable product portfolio that is able to take advantage of the opportunities which may emanate from implementation of National Health Insurance.

PROSPECTS

The Board expects trading conditions to remain difficult with constrained consumer spend and high levels of unemployment, but is confident in the equity and resilience of the broad portfolio of brands in the Group. The recent decline in the value of the Rand is of concern and against this background cost-control will be a focus in the year ahead.

Adcock Ingram is engaging constructively with the National Department of Health through the Pricing Committee on whether any short-term relief on SEP will be available.

The Board remains committed in seeking additional affordable brands to augment its range of products and defend its position in the market. Expanding the non-regulated portfolio to limit the impact of the exchange rate and SEP environment remains a focus in this regard.

FINANCIAL RESULTS	Change	Audited ¹ 2018 R'000	Audited 2017 R'000
Continuing operations			
Revenue	10%	6 562 865	5 957 700
Gross profit	14%	2 566 020	2 242 283
Trading profit	20%	866 377	724 423
Operating profit	21%	819 482	677 295
Total assets		6 270 725	5 562 973
		Cents	Cents
Headline earnings per share	26%	387,7	308,9
Basic earnings per share	24%	383,6	308,9
Net asset value per share		2 281,9	2 034,0
Interim dividend per share		86,0	63,0
Final dividend per share		86,0	76,0

¹ Total and continuing operations

CASH DIVIDEND

The Board has declared a final gross dividend out of income reserves of 86 cents per share in respect of the year ended 30 June 2018. The South African dividend tax ("DT") rate is 20% and the net dividend payable to shareholders who are not exempt from DT is 68.80 cents per share. Adcock Ingram currently has 175 748 048 ordinary shares in issue of which 149 905 089 qualify for ordinary dividends. The income tax reference number is 9528/919/15/3.

The salient dates for the distribution are detailed below:

Last date to trade <i>cum</i> distribution	Tuesday, 25 September 2018
Shares trade <i>ex</i> distribution	Wednesday, 26 September 2018
Record date	Friday, 28 September 2018
Payment date	Monday, 1 October 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 26 September 2018 and Friday, 28 September 2018, both dates inclusive.

By order of the Board

CD Raphiri **AG Hall** **D Neethling**
Chairman *Chief Executive Officer* *Chief Financial Officer*

28 August 2018

Adcock Ingram Holdings Limited (Incorporated in the Republic of South Africa) (Registration number 2007/016236/06) Share code: AIP ISIN: ZAE000123436 ("Adcock Ingram" or "the Company" or "the Group") **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 Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196. PO Box 61051, Marshalltown, 2107 **Auditors** Ernst & Young Inc. 102 Rivonia Road, Sandton, 2146 **Sponsor** Rand Merchant Bank, 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