For immediate release
2 March 2016

CONTINUED STRONG GROWTH WITH EPS UP 21%

Clinigen Group plc (AIM: CLIN, ‘Clinigen’ or ‘the Group’), the global pharmaceuticals and services company, has today published its half year results for the six months ended 31 December 2015.

FINANCIAL SUMMARY

			Growth	
Six months ended 31 December	**2015**	2014	Actual	**Pro forma****
	£m	£m		
Reported gross profit	**40.3**	22.0	83%	
Adjusted gross profit	**44.1**	22.1	100%	**4%**
Adjusted EBITDA	**23.5**	13.5	74%	
Cash generated by operations	**22.1**	11.3	96%	
Adjusted earnings per share	**15.1p**	12.5p	21%	
Dividend per share	**1.3p**	1.1p	18%	

HIGHLIGHTS

- Adjusted gross profit* doubled, reflecting change in scale following acquisitions
- Adjusted EPS* up 21% to 15.1p (2014: 12.5p)
- Interim dividend up 18% to 1.3p (2014: 1.1p)
- £22.1m cash generated from operations, up 96%
- Revitalisation of newer products has driven strong Specialty Pharmaceuticals performance
- All commercial and most of operational integration complete for Idis
- Link Healthcare acquisition builds global footprint, adding capability in Australia, Africa and Asia
- Further extension of Dexrazoxane product line with the acquisition of Totect from Biocodex, opening up the US market for Clinigen (see separate announcement for further details)
- Positioned for good growth in H2, in line with Board expectations

Peter George, Chief Executive Officer of Clinigen, said:

“We have made significant progress towards meeting our strategic objectives as a result of the acquisitions of Idis in April and Link Healthcare in October last year, and our alliance with US Specialty Pharmaceuticals company, Cumberland Pharmaceuticals.

“We are firmly established as the global market leader in the management and supply of unlicensed and clinical trial medicines. We now have the platform to realise considerable organic growth opportunities across a number of markets.

“We have also delivered good organic growth with the revitalisation of the newer products in our Specialty Pharmaceuticals business being a key highlight. The acquisition of Totect from Biocodex announced today further extends our Dexrazoxane product line, opening up the US market to Clinigen.

“Our strategic priorities are focused on completing the integration of both Idis and Link, driving organic growth across all our divisions, and developing the international potential of our Global Access business to take advantage of the growing demand for unlicensed medicines around the world. We will also continue the search for niche hospital only products to add to and strengthen our Specialty Pharmaceuticals division.”

*The adjusted results exclude share based payment costs, amortisation, non-underlying costs and include the 50% share of the unaudited results from the Joint Venture in South Africa.

**Year on year comparisons, referred to as ‘pro forma’ are calculated from the aggregated unaudited results taken from i) six monthly management information for Clinigen and Idis, and ii) for Link Healthcare, the two months ended 31 December 2015 and for the two months ended 31 December 2014.

-Ends-

An analyst briefing will be held at 9:30am on Wednesday, 2 March 2016 at the offices of Instinctif Partners, 65 Gresham Street, London EC2V 7NQ.

An audio replay file will be made available shortly afterwards via the Group’s website: www.clinigengroup.com.

Contact details

Clinigen Group plc Peter George, Group Chief Executive Officer Shaun Chilton, Group Deputy Chief Executive Officer Martin Abell, Group Chief Financial Officer	Tel: +44 (0) 1283 495010
Numis Securities Limited Michael Meade/Freddie Barnfield (Nominated Adviser) James Black/Tom Ballard (Corporate Broking)	Tel: +44 (0) 20 7260 1000
Peel Hunt LLP - Joint Broker James Steel/Dr. Tom Burt	Tel: +44 (0) 20 7418 8900
Instinctif Partners Adrian Duffield/Melanie Toyne-Sewell/Jayne Crook	Tel: +44 (0) 20 7457 2020 Email: clinigen@instinctif.com

About Clinigen Group

Clinigen Group plc (AIM: CLIN) is a global pharmaceutical and services company with a unique combination of businesses focused on providing access to medicines. Its mission is to deliver the right drug to the right patient at the right time.

The Group consists of five synergistic businesses focused in three areas of global medicine supply; clinical trial, unlicensed and licensed medicines.

Clinigen Clinical Trial Services is the global market leader in the management and supply of commercial medicines for clinical trials.

The Group is also the trusted global leader in ethically sourcing and supplying unlicensed medicines to hospital pharmacists and physicians for patients with a high unmet need, through three of its divisions: **Idis Managed Access** runs early access programs for innovative new medicines. **Idis Global Access** and **Link Healthcare** work directly with healthcare professionals to enable compliant access to unlicensed medicines on a global basis and niche essential licensed and generic medicines across Australasia, Africa and Asia (AAA region).

Clinigen Specialty Pharmaceuticals acquires global rights, revitalises and markets its own portfolio of niche hospital commercial products.

For more information, please visit www.clinigengroup.com

OVERVIEW

Summary of results

Clinigen has delivered a good first half performance. Adjusted gross profit* has doubled compared to last year, indicating the step change in scale following the acquisitions of Idis in April 2015 and Link Healthcare in October 2015. Adjusted gross profit on a pro forma basis, viewed as the best indicator of organic growth, was up 4%**.

Adjusted EBITDA* increased by 74% to £23.5m and adjusted profit before tax* increased by 61% to £21.5m. A key highlight is the 12% growth in gross profit from the Specialty Pharmaceuticals ('SP') division driven by the newer products.

The combination of organic growth and the acquisitions has led to a 21% increase in adjusted EPS* to 15.1p. In view of the good trading performance, the Directors are increasing the interim dividend by 18% to 1.3p per share.

Strategic progress

Clinigen provides access to medicines through supply to clinical trials, and the supply of both licensed and unlicensed drugs to physicians around the world. These are the only three ways a drug can be administered to a patient and Clinigen is the only business with the specific capabilities to manage all three routes on a global basis.

Clinigen's aim is to be recognised as the trusted global provider of access to medicines, fulfilling its mission to get the right drug to the right patient at the right time anywhere in the world.

Significant progress with the Group's strategic objectives has been made. Clinigen is now the market leader in Clinical Trial Services ('CTS') and Managed Access ('MA') and has introduced a range of value-add services to the core business in each division.

The acquisition of Link Healthcare addresses the objective of expanding the Group's global footprint. Link Healthcare is a specialist pharmaceutical business focused on supplying both unlicensed and licensed drugs in Australia, Africa and Asia. The business has three key hubs in Australia, South Africa and Singapore, and local operations in Hong Kong, Japan and New Zealand.

Link Healthcare's expertise and distribution capability will accelerate the expansion of the Global Access ('GA') and SP divisions in this key growth region as well as support the MA and CTS businesses. The integration of Link Healthcare is well underway and will be substantially complete by the financial year end.

Also addressing the global footprint, a strategic alliance was agreed with Cumberland Pharmaceuticals, a US based Specialty Pharmaceuticals business. This alliance will build on Clinigen's existing North American relationships by providing complementary support from Cumberland in the development, marketing, promotion and distribution of future products in North America, with Clinigen supporting Cumberland outside North America. It is expected that the first collaboration with Cumberland will be distributing a Clinigen product in the US in the first half of the next financial year.

The integration of the Idis business, acquired in April 2015, is progressing well with all of the commercial and most of the operational integration now largely completed.

SP is making excellent progress on the revitalisation of the newer products, applying many of the same revitalisation principles that has made Foscavir such a successful product for the Group.

The Group continues to focus efforts on increasing the number of assets in SP. The acquisition of Totect from Biocodex in March further extends our Dexrazoxane product line, opening up the US market to Clinigen (see separate announcement for further details). Clinigen's strong and trusted reputation, compelling business model and track record in successfully acquiring and revitalising products is increasingly attracting pharma companies who are looking to divest products.

Second half priorities
Following the recent acquisitions, 2016 will be a year of consolidation. Our priorities are to complete key parts of the integration and drive organic growth across all our divisions. For MA and CTS, the priority is to expand our value added services. For GA, the priority is to develop the international potential to take advantage of the growing demand for unlicensed medicines around the world leveraging the breadth of the platform now in place. For SP, the priority is to continue the revitalisation of our existing products, lay the groundwork for the revitalisation of the new product, Totect, and search for new products to acquire.

Current trading and outlook
A strong pipeline for CTS, the increasing number of programs in MA, together with the continued revitalisation of the newer products and the expected timings of key bulk shipments for Foscavir, all position the Group well for the second half of the year.

The second half has started positively and the Group is trading in line with the Board's expectations.

OPERATIONAL REVIEW

Gross profit by division

			Growth	
Six months ended 31 December	2015	2014	Actual	Pro forma**
*Adjusted results**	£m	£m		
Specialty Pharmaceuticals	14.3	12.8	12%	12%
Managed Access	12.2	2.9	325%	0%
Clinical Trial Services	8.0	6.4	26%	1%
Global Access	6.9	-	n/a	0%
Link Healthcare	2.7	-	n/a	(1)%
	44.1	22.1	100%	4%

Specialty Pharmaceuticals
SP acquires the rights to and then revitalises essential niche hospital only medicines building a portfolio of critical care treatments. This division, which represents 32% of Group gross profit, increased revenue by 14% and gross profit by 12%. The strong growth was driven by the revitalisation of the newer products.

The newer products, Ethyol, Cardioxane, and Savene collectively achieved a 74% increase in gross profit establishing themselves as an increasingly important part of the portfolio, now representing 43% of the division's gross profit (2014: 28%). The gross margin reduced slightly from 86% to 84% due to a change in mix towards the newer products.

Ethyol, used to reduce the incidence of dry mouth in patients undergoing high dose radiation treatment, significantly increased revenues with strong performance in the Americas. The technical transfer of the manufacturing of Ethyol, which is an important milestone in the revitalisation, remains on track to complete by the end of calendar year 2016.

Cardioxane, used as a cardio protectant in oncology (anthracycline) treatment, more than doubled its revenues through improving sales across Europe and the rest of the world, and from the use of the product as an adjuvant drug in ongoing clinical trials for new oncology treatments.

The process for the regulator's consideration of Article 31 (this article restricts the usage of Cardioxane to certain adult patient populations) is continuing. Clinigen is reviewing the initial feedback from the regulators on the data submitted and it is expected that a further response will be received from the regulators in August 2016.

Savene, used as an important emergency treatment for extravasation (leakage) at the site of injection of oncology (anthracycline) treatments, had excellent growth in the first half as the Group took commercial control of the product across Europe.

Foscavir, an anti-viral targeted at human herpes viruses and used primarily in bone marrow transplant patients, performed as expected with in-market sales increasing 4% in line with the rate of disease growth. Reported Foscavir revenues were below last year due to the phasing of bulk shipments to key distributors. While the major revitalisation work has been done on the product, the SP team continues to look at new applications such as in the treatment of human herpes virus 6, HHV6.

The revitalisation of the newer products is expected to continue to drive strong growth in these medicines, whilst the phasing of bulk shipments of Foscavir will also benefit revenues in the second half. The newly acquired product, Totect, is expected to start contributing to gross profit in the next financial year.

Managed Access

MA is the market leader in providing ethical worldwide access to the most promising innovative early stage medicines on behalf of pharma and biotech companies, to meet an unmet patient need. MA ran programs for 21 of the top 25 Pharma and Biotech companies in the world, shipping 128,000 units of drugs across 99 countries. Around three quarters of products shipped on behalf of MA's clients were provided free of charge to patients.

The division, representing 28% of Group gross profit, had a good first half after taking account of two large programs that came to an expected natural end in the previous financial year. As a result, overall gross profit was at a similar level to last year on a pro forma basis**. Blending the pricing models of the legacy Clinigen and Idis businesses, MA primarily earns its gross profit through charging a combination of start up fees for programs, monthly management fees and a handling fee.

MA manages early access programs for some of the most pioneering drugs currently being provided in medicine today. This includes Daclatasvir, Delamanid and multiple programs for PD-1s. Daclatasvir treats patients with chronic hepatitis C virus (HCV). Delamanid is one of only two new drugs approved for the treatment of multidrug resistant tuberculosis in the past 40 years. PD-1s provide immune therapies showing very promising tumor shrinkage in patients with advanced melanoma, kidney cancer, non-small cell lung cancer and other solid tumor types.

MA had 106 programs running at the period end, of which eight started in the period. The pipeline is good with a number of programs starting in the second half, which will provide good momentum going into the next financial year.

Clinical Trial Services
CTS is the global leader in the specialist supply and management of quality-assured medicines for patients in clinical trials.

The division, representing 18% of Group gross profit, recorded gross profit at a similar level to last year on a pro forma basis**. This performance reflects that the timing of large customer projects has shifted into the second half resulting in a strong start to the second half.

The number of clients served increased to 69 in the period (2014: 63) and the number of deliveries, which is a good measure of general activity, increased to 762 (2014: 628).

Strong progress was made in adding sales of expanded added value services, which is intended to deepen relationships with clients and reinforce CTS' market-leader status. This included provision of specialist labeling services and direct to site services leveraging the capabilities of the Idis business, and the sale of ancillary medical equipment used in clinical trials. Collectively, these services now represent 9% of the division's gross profit.

CTS won some large customer contracts in the period, exiting the first half with an excellent pipeline. This pipeline is expected to secure another strong year of growth overall.

Global Access
GA is a market leader in the ethical supply of 'on demand' unlicensed or short supply medicines to patients, at their point of care, via their physicians.

This division, representing 16% of Group gross profit, recorded revenue below last year and gross profit at a similar level to last year on a pro forma basis**. As part of the rationalisation of contracts and as indicated at the time of the Idis acquisition, a low margin commercial contract, representing £28.1m revenue and £1.1m gross profit in the year ended 30 June 2015, has been terminated during the first half.

Good growth in the international markets was offset by a weaker performance in the UK, which was due to a number of important products becoming licensed. In total the division shipped 220,000 units to physicians in the period across 41 countries. Excluding the terminated low margin commercial contract, the gross margin increased from 40% last year to 44% on a proforma basis** due to a change in product mix and initiatives taken to strengthen the commercial model and reduce costs.

The leadership team has changed to improve performance of the division and drive the strategy forwards. The priorities are to a) start executing international expansion; b) strengthen the pipeline of new products; c) increase the number of exclusive supply agreements; d) leverage group sourcing and procurement capability; e) raise our profile with hospital and retail pharmacists in key markets; and f) develop a market leading e-commerce platform.

The Group's market leadership position in the MA space combined with Clinigen's local capability and expertise, provided by the Link acquisition, lays the foundations for GA to capitalise on the considerable long term international opportunity in the 'on demand' point of care supply of unlicensed medicine.

Link Healthcare
Link Healthcare provides local and regional commercial access to licensed and unlicensed specialist Pharmaceutical and Medical Technology products in the regions of Australia, Africa and Asia. Link Healthcare's results are included in the Group results for the two months ended 31 December 2015 and are shown as a separate operating division.

This division, representing 6% of the Group's gross profit, increased adjusted revenue* and gross profit* on a pro forma** constant currency basis, before the effects of the depreciation in the Rand and the Australian dollar, with the strongest underlying performances coming from South Africa and the developing Asia business. The gross margin reduced from 43% to 36% on a pro forma basis** due to a change in product mix and the depreciation of the local currencies, particularly in South Africa, making the cost of drugs more expensive to purchase.

Strengthening the management team
Good progress has been made in strengthening the management team to support the future development of the business.

Shaun Chilton was promoted from Chief Operating Officer to Deputy Chief Executive Officer in August. Martin Abell joined in August and took over as Chief Financial Officer in October replacing Robin Sibson, who stays on the board as a Non-executive Director. John Bacon, formerly Executive Chairman of Link Healthcare before the acquisition, joined the Clinigen board on 30 October 2015 as a Non-executive Director.

Simon Estcourt, formerly head of MA and a director of Idis, has been appointed Chief Operating Officer. Johannes Willlemse, formerly the Chief Executive Officer of the acquired Link Healthcare business, has been appointed Chief Commercial Officer with a view to building the global business development capability. Other senior hires include Ivo Timmermans joining as the Group's first Chief Medical Officer in February.

The divisional management teams have also been strengthened to better position the Group to take advantage of the considerable opportunities in each of its markets.

FINANCIAL REVIEW

Summary income statement

			Growth	
Six months ended 31 December	2015	2014	Actual	Pro forma**
*Adjusted results**	£m	£m		
Revenue	157.1	72.6	116%	(16)%
Gross profit	44.1	22.1	100%	4%
Administrative expenses	(20.6)	(8.6)	(142)%	
EBITDA	23.5	13.5	74%	
Depreciation	(0.2)	(0.1)		
EBITA	23.3	13.4	74%	
Finance cost	(1.8)	(0.1)		
Profit before tax	21.5	13.3	61%	
Basic earnings per share	15.1p	12.5p	21%	
Dividend per share	1.3p	1.1p	18%	

The significant growth in adjusted revenue and gross profit* indicate the increase in scale following the acquisition of Idis in April 2015 and Link Healthcare in October 2015.

On a pro forma basis**, adjusted revenue* decreased by 16% due to an increase in the mix of MA programs towards products provided to patients by its pharma clients free of charge and a change in mix in CTS to supplying lower value products in the period. Neither of these changes are under the Group's control nor do they affect the gross profit the Group earns for its services. For these reasons, revenue is not viewed as a useful indicator of performance for these two divisions and therefore for the Group as a whole.

Adjusted gross profit* increased by 4% on a pro forma basis** due to strong growth of the newer products in the SP division. Adjusted EBITDA* increased by 74%, benefiting from acquisitions and organic growth.

The table below shows the reconciling items between adjusted EBITDA and reported EBITDA.

Reconciliation of Adjusted EBITDA* to reported EBITDA

Six months ended 31 December	2015 £m	2014 £m
Adjusted EBITDA	**23.5**	13.5
Share based payment costs	**(1.1)**	(1.2)
Acquisition costs	**(1.3)**	-
Restructuring costs	**(3.0)**	-
Impairment of intangible fixed assets	**(0.5)**	-
Accounting based adjustments		
Adjustment for fair value of acquired stock sold in the period	**(3.4)**	-
EBITDA of Joint Venture in South Africa	**(0.3)**	-
Total adjustments	**(9.6)**	(1.2)
Reported EBITDA	**13.9**	12.3

The adjustments to EBITDA comprise the share based payment charges and associated social security costs of £1.1m (2014: £1.2m), non-underlying costs totalling £8.2m (2014: nil), and a £0.3m adjustment relating to the presentation of the Joint Venture ('JV') earnings (see description of accounting below).

Within the non-underlying costs, there is £1.3m of acquisition costs relating to Link Healthcare, and £3.0m of restructuring costs relating mainly to the integration of the Idis and Link Healthcare acquisitions. These costs include £0.9m of redundancy costs, £1.0m for the closure of the Idis US office, and £1.0m related to improving the Idis IT systems which will need to be used in the short term before a new system is implemented across the Group.

The impairment of intangible fixed assets of £0.5m represents further regulatory and compliance costs relating to Vibativ, which will be incurred until the Group no longer holds this product (Vibativ was written off in full in the last financial year).

Under IFRS3 (revised), stock acquired in a business combination is valued at fair value on acquisition, which includes the profit margin in the stock's carrying value. The £3.4m adjustment represents the profit margin associated with the acquired stock in the acquisition of both Idis and Link Healthcare. This £3.4m profit margin is included in adjusted EBITDA* to better reflect the underlying profitability of the business but is excluded from reported EBITDA.

Reconciliation of adjusted results* to reported results

6 months ended 31 December	2015 (£m) Adjusted results*	JV accounting	Adjusted results post JV accounting	Adjustments	Reported results	2014 (£m) Adjusted results*	Adjustments	Reported results
Revenue	157.1	(1.2)	155.9	-	155.9	72.6	-	72.6
Cost of sales	(113.0)	0.8	(112.2)	(3.4)	(115.6)	(50.5)	-	(50.5)
Gross profit	44.1	(0.4)	43.7	(3.4)	40.3	22.1	-	22.1
Admin expenses	(20.6)	0.1	(20.5)	(5.9)	(26.4)	(8.6)	(1.2)	(9.8)
EBITDA	23.5	(0.3)	23.2	(9.3)	13.9	13.5	(1.2)	12.3
Amortisation	-	-	-	(9.9)	(9.9)	-	(2.2)	(2.2)
Depreciation	(0.2)	-	(0.2)	-	(0.2)	(0.1)	-	(0.1)
Profit from operations	23.3	(0.3)	23.0	(19.2)	3.8	13.4	(3.4)	10.0
Finance cost	(1.8)	-	(1.8)	-	(1.8)	(0.1)	-	(0.1)
Share of profit of JV	-	0.2	0.2	-	0.2	-	-	-
Profit before tax	21.5	(0.1)	21.4	(19.2)	2.2	13.3	(3.4)	9.9
Taxation	(4.6)	0.1	(4.5)	3.9	(0.6)	(3.0)	0.7	(2.3)
Profit after tax	16.9	-	16.9	(15.3)	1.6	10.3	(2.7)	7.6
Basic EPS (p)	15.1	-	15.1	(13.7)	1.4	12.5	(3.3)	9.2
Diluted EPS (p)	14.8	-	14.8	(13.4)	1.4	12.1	(3.2)	8.9

The table above reconciles adjusted results* to reported results. The adjustments relating to the JV reflect that the adjusted results include the Group's 50% share of the South Africa JV in each of the lines above profit after tax, whilst in reported results the after tax income from the JV is included as only one line below profit from operations.

The other adjustments to EBITDA are as set out in the earlier table above. The amortisation represents £2.7m of amortisation relating to SP products and £7.2m relating to the corporate acquisitions.

Finance cost

The net finance cost was £1.8m (2014: £0.1m), relating entirely to bank debt. Interest on the bank debt is payable on a tiered scale based on the level of borrowing. The average interest charge on gross debt during the period was 3.2%.

Taxation

Taxation was £0.6m (2014: £2.3m) based primarily on the prevailing UK and US tax rates. This charge is calculated as £4.6m on adjusted profit* of £21.5m, offset by a credit of £3.9m in respect of the non-underlying costs, amortisation and share incentive schemes.

The underlying effective tax rate decreased to 21.4% (2014: 22.6%) primarily due to the reduction in the UK Corporation tax rate that came into effect in April 2015.

Earnings per share

Adjusted basic earnings per share*, calculated excluding share based payment costs, amortisation and non-underlying costs, increased by 21% to 15.1p (2014: 12.5p). The movement reflects the Group's higher adjusted operating profit and lower effective tax rate. Reported basic earnings per share was 1.4p (2014: 9.2p).

Dividend
The Directors are committed to a sustainable and progressive dividend policy and expect interim and final dividend payments to be split one-third to two-thirds respectively.

In view of the good trading performance in the first half, the Directors are increasing the interim dividend by 18% to 1.3p per share. The interim dividend payment date will be 8 April 2016 payable to shareholders on the register on 18 March 2016.

Acquisitions
On 30 October 2015, the Group completed the acquisition of Link Healthcare, a specialist pharmaceutical business operating in Australia, Africa and Asia. Total consideration is £51.0m made up of an initial consideration of £41.6m (comprising of £22.3m cash and 3,102,558 shares), payment for working capital of £1.6m and estimated contingent consideration of £7.8m. The estimated contingent consideration has been discounted and calculated based on expected results. Any contingent consideration payments would be payable in October 2016 and October 2017 and are subject to performance criteria.

Link achieved revenue of £31.6m and EBITDA of £4.2m in the year ended 31 March 2015.

Cash flow and net debt
Cash flow in the half was strong with £22.1m cash generated from operations, supported by a £3.7m improvement in working capital.

The cash out flow for the initial consideration for the Link Healthcare acquisition was £20.4m (£22.3m less £1.9m cash acquired). Capital expenditure was £1.2m, of which £0.9m related to the technical transfer of the manufacture of the Ethyol product. The other main cash flows were tax paid of £2.0m, interest paid of £1.8m and dividend paid of £2.6m.

Overall net debt increased from £76.2m at 30 June 2015 to £81.5m (31 December 2014: £12.9m cash) during the half with the cash consideration for the acquisition of Link Healthcare being largely financed by cash flow from operations.

Balance sheet
Intangible assets increased from £306.6m at 30 June 2015 to £337.9m principally due to the acquisition of Link Healthcare. Net working capital of £(9.3)m was similar to the position as at 30 June 2015 (30 June 2015: £(7.8)m) with the £7.0m working capital relating to the Link Healthcare business offset by improvements in the working capital position in the remainder of the Group. The non current trade and other payables represents the £7.8m estimated contingent consideration on the Link Healthcare acquisition.

Treasury management
The Group’s operations are financed by retained earnings and bank borrowings, and on occasions, issue of shares to finance acquisitions. As at 31 December 2015, the Group has a total bank facility of £135.5m, consisting of a five year term repayment loan of £40.5m which matures in June 2020 and a revolving credit facility (‘RCF’) of £95.0m repayable within one month. The Group has considerable headroom against these facilities providing the capability to continue to make product acquisitions. Covenant terms apply to the bank facilities comprising Interest Cover, Cash flow Cover and Adjusted Leverage covenants.

All borrowings are in sterling and are managed by the Group’s UK based Treasury function, which manages the Group’s treasury risk in accordance with policies set by the Board. The Group’s treasury function does not engage in speculative transactions and does not operate as a profit centre.

The Group reduces its exposure to currency fluctuations on translation by typically managing currencies at Group level using bank accounts denominated in foreign currencies. Where there is sufficient visibility of currency requirements, forward contracts are used to hedge exposure to foreign currency fluctuations.

Principal risks facing the business
Clinigen operates an embedded risk management framework, which is monitored and reviewed by the Board. There are a number of potential risks and uncertainties that could have a material impact on the Group's financial performance and position. These include risks relating to competitive threat, the regulatory environment, political environment, counterfeit product penetrating the supply chain and foreign exchange. These risks and the Group's mitigating actions remain as set out in the 2015 Annual Report (pages 38 and 39).

The Directors of Clinigen confirm that, to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

- the interim management report includes a fair review of the information required by:

    - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

    - DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

This half year report was approved by the Board of Directors and authorised for issue on 2 March 2016.

Forward-looking statement
This announcement contains certain projections and other forward-looking statements with respect to the financial condition, results of operations, businesses and prospects of Clinigen Group plc ('Clinigen'). These statements are based on current expectations and involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Any of the assumptions underlying these forward-looking statements could prove inaccurate or incorrect and therefore any results contemplated in the forward-looking statements may not actually be achieved. Recipients are cautioned not to place undue reliance on any forward-looking statements contained herein.

Condensed consolidated income statement

(In £m)	Note	**Six months to 31 Dec 2015 adjusted (unaudited)**	**Six months to 31 Dec 2015 adjustments (unaudited) (note 4)**	**Six months to 31 Dec 2015 total (unaudited)**	Six months to 31 Dec 2014 adjusted (unaudited)	Six months to 31 Dec 2014 adjustments (unaudited) (note 4)	Six months to 31 Dec 2014 Total (unaudited)
Revenue	3	**155.9**	**-**	**155.9**	72.6	-	72.6
Cost of Sales		**(112.2)**	**(3.4)**	**(115.6)**	(50.5)	-	(50.5)
Gross profit	3	**43.7**	**(3.4)**	**40.3**	22.1	-	22.1
Administrative expenses	4	**(23.4)**	**(13.1)**	**(36.5)**	(10.9)	(1.2)	(12.1)
Profit from operations		**20.3**	**(16.5)**	**3.8**	11.2	(1.2)	10.0
Finance cost		**(1.8)**	**-**	**(1.8)**	(0.1)	-	(0.1)
Share of profit of investment		**0.2**	**-**	**0.2**	-	-	-
Profit before tax		**18.7**	**(16.5)**	**2.2**	11.1	(1.2)	9.9
Tax	5	**(4.0)**	**3.4**	**(0.6)**	(2.6)	0.3	(2.3)
Profit attributable to owners of the parent Company		**14.7**	**(13.1)**	**1.6**	8.5	(0.9)	7.6
Earnings per share							
Basic	6			**1.4p**			9.2p
Diluted	6			**1.4p**			8.9p

All amounts relate to continuing operations.

The adjusted results exclude share based payments and non-underlying costs (see note 4 for a reconciliation of adjusted and reported profit).

Condensed consolidated statement of comprehensive income

(In £m)	**Six months to 31 Dec 2015 adjusted (unaudited)**	**Six months to 31 Dec 2015 adjustments (unaudited) (note 4)**	**Six months to 31 Dec 2015 total (unaudited)**	Six months to 31 Dec 2014 adjusted (unaudited)	Six months to 31 Dec 2014 adjustments (unaudited) (note 4)	Six months to 31 Dec 2014 Total (unaudited)
Profit for the period attributable to the owners of the parent	**14.7**	**(13.1)**	**1.6**	8.5	(0.9)	7.6
Other comprehensive income						
Items that may be reclassified to profit or loss						
Exchange gains arising in the period on translation of foreign operations	**0.6**	**-**	**0.6**	0.1	-	0.1
Total comprehensive income attributable to owners of the parent	**15.3**	**(13.1)**	**2.2**	8.6	(0.9)	7.7

Condensed consolidated balance sheet

(In £m)	Note	31 Dec 2015 (unaudited)	31 Dec 2014 (unaudited)	30 June 2015 restated (unaudited)
Non-current assets				
Property, plant and equipment		**2.1**	0.9	1.6
Intangible assets	10	**337.9**	55.9	306.6
Investment in joint venture	10	**7.2**	-	-
Deferred tax asset	10	**2.0**	2.5	3.8
		349.2	59.3	312.0
Current assets				
Inventories		**16.5**	5.5	11.1
Trade and other receivables		**62.6**	20.9	68.7
Corporation tax recoverable		**0.6**	-	-
Cash and cash equivalents		**26.3**	12.9	27.8
		106.0	39.3	107.6
Total assets		**455.2**	98.6	419.6
Non-current liabilities				
Loans and borrowings	8	**30.0**	-	34.5
Trade & other payables	10	**7.8**	-	-
Deferred tax liability		**22.9**	-	19.0
		60.7	-	53.5
Current liabilities				
Trade and other payables		**88.4**	22.9	87.6
Provisions		**1.7**	-	1.5
Loans and borrowings	10	**77.8**	-	69.5
Corporation tax liability		**-**	2.0	0.3
Deferred tax liability		**2.7**	-	2.6
		170.6	24.9	161.5
Total liabilities		**231.3**	24.9	215.0
Net assets		**223.9**	73.7	204.6
Equity				
Share capital	9	**0.1**	0.1	0.1
Share premium account		**160.6**	8.7	141.0
Merger reserve		**5.4**	5.4	5.4
Own shares		**-**	-	-
Foreign exchange reserve		**0.3**	-	(0.3)
Retained earnings		**57.5**	59.5	58.4
Total shareholders' equity		**223.9**	73.7	204.6

Condensed consolidated cash flow statement

(In £m)	Six months to 31 Dec 2015 (unaudited)	Six months to 31 Dec 2014 (unaudited)	Year to 30 June 2015 (audited)
Profit for the period before tax	**2.2**	9.9	8.4
Adjustments for:			
Depreciation of property, plant and equipment	**0.2**	0.1	0.4
Amortisation of intangible fixed assets	**9.9**	2.2	7.1
Impairment of intangible fixed assets	**-**	-	3.4
Loss on disposal of intangibles	**-**	-	1.3
Share of profit from joint venture	**(0.2)**	-	-
Increase in provision for restructuring costs	**0.4**	-	1.5
Release of fair value on acquired inventory	**3.4**	-	-
Currency loss on contract creditors	**-**	0.3	-
Interest expense	**1.8**	0.1	0.8
Share based payment expense	**0.7**	0.7	1.3
Operating cash flow before movement in working capital	**18.4**	13.3	24.2
Changes in working capital			
Decrease / (increase) in trade and other receivables	**11.6**	2.7	(10.3)
(Increase) in inventories	**(0.9)**	(3.0)	(1.8)
(Decrease) / increase in trade and other payables	**(7.0)**	(1.7)	3.7
Cash generated from operations	**22.1**	11.3	15.8
Income taxes (paid) / received	**(2.0)**	0.7	(1.9)
Interest (paid)	**(1.8)**	(0.1)	(0.8)
Net cash flows from operating activities	**18.3**	11.9	13.1
Cash flows from investing activities			
Purchases of property, plant and equipment	**-**	-	(0.1)
Purchase of intangible fixed assets	**(1.2)**	(2.7)	(8.5)
Purchase of subsidiary net of cash acquired	**(20.4)**	-	(179.7)
Net cash used in investing activities	**(21.6)**	(2.7)	(188.3)
Cash flows from financing activities			
Proceeds from issue of shares	**0.2**	-	132.4
Proceeds from loan	**16.1**	-	104.0
Loan repayments	**(12.5)**	(16.5)	(52.5)
Dividends paid	**(2.6)**	(1.7)	(2.6)
Net cash generated from / (used in) financing activities	**1.2**	(18.2)	181.3
Net increase / (decrease) in cash and cash equivalents	**(2.1)**	(9.0)	6.1
Cash and cash equivalents at beginning of period	**27.8**	21.8	21.8
Exchange gains / (losses)	**0.6**	0.1	(0.1)
Cash and cash equivalents at end of period	**26.3**	12.9	27.8

Condensed consolidated statement of changes in equity

(In £m)	Share capital	Share premium account	Merger reserve	Own shares	Foreign exchange reserve	Retained earnings	Total equity
At 1 July 2014	0.1	8.7	5.4	(0.3)	(0.1)	52.6	66.4
Profit for the period	-	-	-	-	-	7.6	7.6
Other comprehensive income	-	-	-	-	0.1	-	0.1
Total comprehensive income	-	-	-	-	0.1	7.6	7.7
Share based payment scheme	-	-	-	-	-	0.7	0.7
Deferred taxation on share based payment scheme	-	-	-	-	-	0.6	0.6
Own shares distributed on exercise of share options	-	-	-	0.3	-	(0.3)	-
Dividend paid	-	-	-	-	-	(1.7)	(1.7)
At 31 December 2014	0.1	8.7	5.4	-	-	59.5	73.7

(In £m)	Share capital	Share premium account	Merger reserve	Own shares	Foreign exchange reserve	Retained earnings	Total equity
At 1 July 2015	**0.1**	**141.0**	**5.4**	**-**	**(0.3)**	**58.4**	**204.6**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**1.6**	**1.6**
Other comprehensive income	**-**	**-**	**-**	**-**	**0.6**	**-**	**0.6**
Total comprehensive income	**-**	**-**	**-**	**-**	**0.6**	**1.6**	**2.2**
Share based payment scheme	**-**	**-**	**-**	**-**	**-**	**0.7**	**0.7**
Deferred taxation on share based payment scheme	**-**	**-**	**-**	**-**	**-**	**(1.6)**	**(1.6)**
Tax credit in respect of tax losses arising on exercise of share options	**-**	**-**	**-**	**-**	**-**	**1.0**	**1.0**
Issue of new shares	**-**	**19.6**	**-**	**-**	**-**	**-**	**19.6**
Dividend paid	**-**	**-**	**-**	**-**	**-**	**(2.6)**	**(2.6)**
At 31 December 2015	**0.1**	**160.6**	**5.4**	**-**	**0.3**	**57.5**	**223.9**

Notes forming part of the condensed consolidated financial statements

1 Basis of preparation

The Group has elected to prepare the interim consolidated financial statements in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The interim financial information does not comprise statutory accounts within the meaning of S434 of the Companies Act 2006. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2015.

The comparative figures for the financial year ended 30 June 2015 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention to by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 of the Companies Act 2006.

Following the review of the previously disclosed provisional fair values of the acquired assets and liabilities of the Idis Group, the Condensed Consolidated Balance Sheet at 30 June 2015 has been restated. The restatement impacts trade and other receivables and intangible fixed assets (see note 10 for an explanation of the adjustments).

Having reassessed the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2 Significant accounting policies

The preparation of interim consolidated financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the notes to the Group's statutory consolidated financial statements for the year ended 30 June 2015 in note 2 on page 57 and in the notes to these interim condensed consolidated financial statements.

Clinigen Group plc applies the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2015 annual financial statements. None of the new standards, interpretations and amendments, effective for the first time from 1 July 2015, have had a material effect on the financial statements.

3 Segment information

The Group's reportable segments are strategic operating business units that provide different products and service offerings into different market environments. They are managed separately because each operational business focuses on a different product or service offering to a different customer group.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors including the Chief Executive Officer, Deputy Chief Executive Officer and the Chief Financial Officer.

Segmental analysis

(In £m)	Six months to 31 Dec 2015 (unaudited)	Six months to 31 Dec 2014 (unaudited)	Year to 30 June 2015 (unaudited)
Revenue arises from:			
Clinical Trials Services	**52.6**	50.6	112.7
Managed Access	**54.7**	7.1	28.8
Global Access	**25.2**	-	9.2
Specialty Pharmaceuticals	**17.0**	14.9	33.7
Link Healthcare	**6.4**	-	-
	155.9	72.6	184.4
Gross profit arises from:			
Clinical Trials Services	**8.0**	6.4	13.4
Managed Access	**12.2**	2.9	8.3
Global Access	**6.9**	-	2.8
Specialty Pharmaceuticals	**14.3**	12.8	29.1
Link Healthcare	**2.3**	-	-
	43.7	22.1	53.6
Adjustment for fair value of acquired stock sold in period	**(3.4)**	-	-
Gross profit	**40.3**	22.1	53.6
Administrative expenses relating to underlying operations	**(23.4)**	(10.9)	(26.7)
Adjustments to administrative expenses	**(13.1)**	(1.2)	(17.7)
Finance cost	**(1.8)**	(0.1)	(0.8)
Share of joint venture	**0.2**	-	-
Profit before tax	**2.2**	9.9	8.4

All revenues arise from external customers.

See note 4 for explanation of the adjusting items.

4 Adjustments

The reconciling items between the adjusted profit used for calculating basic and diluted adjusted EPS and the reported profit are:

(In £m)	Six months to 31 Dec 2015 (unaudited)	Six months to 31 Dec 2014 (unaudited)
Adjusted profit used in calculating basic and diluted Adjusted EPS	**16.9**	10.3
Amortisation of intangible fixed assets included in underlying administrative expenses	**(2.7)**	(2.2)
Credit in respect of tax on amortisation costs	**0.5**	0.4
Adjusted profit after tax in Income Statement	**14.7**	8.5
Adjustments (see below)	**(13.1)**	(0.9)
Reported profit	**1.6**	7.6

The adjustment items have been split out in order to give the reader of the financial statements a better understanding of the operations of the Group. These items relate to share based payment items, amortisation and non-underlying items which are one off in nature.

(In £m)		Six months to 31 Dec 2015 (unaudited)	Six months to 31 Dec 2014 (unaudited)
a)	Adjustment for fair value of acquired stock sold in the period	**3.4**	-
b)	Share based payment costs	**1.1**	1.2
b)	Credit in respect of deferred tax on share based payments	**(0.1)**	(0.3)
c)	Acquisition costs	**1.3**	-
d)	Restructuring costs	**3.0**	-
e)	Impairment of intangible fixed assets	**0.5**	-
f)	Amortisation of intangible fixed assets acquired through business combinations	**7.2**	-
g)	Credit in respect of tax on non-underlying costs	**(3.3)**	-
		13.1	0.9

a) Under IFRS3 inventory acquired in a business combination is valued at fair value on acquisition, which includes the profit margin in the stock's carrying value. The £3.4m above represents the profit margin on the stock sold in the period which was acquired with both the Idis and Link businesses. This amount is reversed out of the adjusted profit to give a better indication of underlying profit.

b) The share based payment costs are made up of the share based payment charge of £0.7m (2014: £0.7m) and related social security costs of £0.4m (2014: £0.5m). The share based payment costs the related tax credit in respect of the share based payment charge of £0.1m (2014: £0.3m) are reclassified to adjustments due to their significance and in order to provide the reader of the consolidated financial statements with a consistent view of the costs of the Group.

c) The acquisition costs incurred in the period relating to Link Healthcare amounted to £1.3m. The main costs included £0.5m of legal advice, £0.4m for corporate finance advice and £0.1m of stamp duty.

d) The restructuring costs of £3.0m relate mainly to the integration of the Idis and Link Healthcare acquisitions. These costs include £0.9m of redundancy costs, £1.0m for the closure of the Idis US office, and £1.0m related to improving the Idis IT systems which will need to be used in the short term before a new system is implemented across the Group.

e) The impairment of intangible fixed assets are further costs in respect of Vibativ to comply with the regulatory requirements under the marketing authorisation up to the point when the Group no longer holds this product. This product was fully impaired in the second half of the previous financial year due to its loss making position.

f) The amortisation of intangible assets acquired as part of the business combination with Idis and Link, (namely Brand, trade names, customer relationships and contracts) are reclassified to adjustments due to their significance and to provide the reader with a consistent view of the underlying costs of the operating Group.

g) The tax credit in respect of non-underlying items reflects the tax benefit on the costs incurred during the year.

5 Taxation

The Group has recognised a tax charge in the income statement based on the current projected full year tax rate for each territory. The reported effective tax rate of 27.7% is higher than the standard rate of UK corporation tax due to profit generated in higher tax jurisdictions, and acquisition costs and non-underlying accounting adjustments that are not allowable for corporation tax purposes. The corporation tax payable is reduced by losses generated on the exercise of share options in the year. The enacted tax rate applicable for deferred tax is 20%.

6 Earnings per share

(In £m)	Six months to 31 Dec 2015 (unaudited)	Six months to 31 Dec 2014 (unaudited)
Adjusted profit used in calculating basic and diluted EPS (note 4)	**16.9**	10.3
Reported profit used in calculating basic and diluted EPS	**1.6**	7.6
Number of shares (million)		
Weighted average number of shares	**111.6**	82.6
Dilution effect of share options	**2.3**	2.5
Weighted average number of shares used for diluted EPS	**113.9**	85.1
Adjusted EPS		
Basic	**15.1p**	12.5p
Diluted	**14.8p**	12.1p
Reported EPS		
Basic	**1.4p**	9.2p
Diluted	**1.4p**	8.9p

EPS is calculated based on the share capital of Clinigen and the earnings of the combined group.

7 Dividends

A final dividend in relation to the year ended 30 June 2015 of 2.3p (2014: 2.1p) per ordinary share was paid on 6 November 2015. This amounted to £2.6m (2014: £1.7m).

An interim dividend of 1.3p (2014: 1.1p) per ordinary share is proposed. This amounts to £1.5m (2014: £0.9m) and will be paid on 8 April 2016 to all shareholders on the register as at 18 March 2016.

8 Analysis of Net (Debt) / Cash

(In £m)	31 Dec 2015 (unaudited)	31 Dec 2014 (unaudited)	30 June 2015 (unaudited)
Bank loans	**(107.8)**	-	(104.0)
Cash and cash equivalents	**26.3**	12.9	27.8
	(81.5)	12.9	(76.2)

As at 31 December 2015, the Group had a total bank facility of £135.5m, consisting of a five year term repayment loan of £40.5m which matures in June 2020 and a RCF of £95.0m repayable within one month.

The additional borrowing in the period was to finance the cash consideration payable on the acquisition of Link Healthcare.

9 Share capital

Ordinary shares of 0.1p each	
Authorised, issued and fully paid	**Number (m)**
At 31 December 2014 and 1 January 2015	82.6
Issue of new shares	27.1
At 30 June 2015 and at 1 July 2015	109.7
Issue of new shares	4.9
At 31 December 2015	114.6

(In £m)	31 Dec 2015	31 Dec 2014	30 June 2015
Ordinary shares of 0.1p each	**0.1**	0.1	0.1

10 Business Combinations

On 30 October 2015 the Group acquired the share capital of Link Healthcare Private Limited, a company incorporated in Singapore, and its subsidiaries in Singapore, South Africa, Australia, New Zealand, Japan, Malaysia and Hong Kong.

The transaction strengthens the Group's global footprint and allows the Group to benefit from greater global market opportunities, accessing customers and key opinion leaders and strengthening local knowledge and expertise.

Clinigen paid an initial payment of £41.6m, being cash of £22.3m and 3,102,558 shares. Both components of the initial payment were transferred to the vendors on 30 October 2015. Cash paid for the acquisition was raised by a combination of existing borrowings facilities and cash held in the business.

The provisional fair value of assets acquired and liabilities assumed on the Link Healthcare acquisition were as follows:

(In £m)	
Intangible assets	16.9
Investment in joint venture	7.0
Property, plant and equipment	0.8
Inventories	7.3
Trade and other receivables	6.2
Cash	1.9
Trade and other payables	(6.5)
Provision for deferred tax	(5.4)
Net assets acquired	**28.2**
Goodwill arising on acquisition	22.8
Total consideration	**51.0**

The total consideration of £51.0m, is made up of initial consideration of £41.6m, payment for working capital of £1.6m and contingent consideration of £7.8m, being the discounted expected deferred payment over the two financial years ended 30 June 2017. This contingent consideration is subject to performance against target EBITA and is calculated based on the expected results of the Link Group during that period taking into account Link Healthcare's historical track record and their financial forecasts. The contingent consideration is included in the Group balance sheet in non current trade and other payables.

The fair values set out above are provisional figures which will be finalised in the 2016 financial statements following management's final review of key reconciliations and judgemental areas.

The fair value of intangible assets recognised on business combination comprise the Link and Equity brands at £4.7m, customer relationships at £2.2m, supplier contracts at £9.3m and product dossiers of £0.7m.

The investment in joint venture represents the fair value of the 50% investment in Novagen Pharma Pty Limited. The joint venture has been valued using a multiple of earnings. In this valuation, the earnings were based on a multiple based on selected industry comparators.

The fair value of acquired inventories represents inventories valued at the sale price in line with IFRS 3 (revised) less provision for obsolescence and slow moving inventory following the application of Clinigen's group accounting policies. This provision takes account of the condition of inventory, the remaining expiry period and applies assumptions around expected future demand for the inventory.

The amounts included in the consolidated statement of comprehensive income since 30 October 2015 included revenue of £6.4m and a gross profit of £2.3m over the same period. If the transaction had occurred on the first day of the financial period, then estimated contribution to Group revenues would have been £19.0m and profit after tax would have been £1.4m before adjustments relating to the acquisition.

Following the acquisition of Idis in April 2015 and the disclosure of the provisional fair values in the annual report for the financial year ended 30 June 2015, the directors have reviewed the fair value of the assets and liabilities acquired. This review resulted in an impairment of £2.0m in the Idis IT system as the system acquired required significant further expenditure to make fit for purpose. The provisioning for non payment of trade debtors was decreased by £1.8m following the receipt of monies in respect of this aged debt.

The revised fair value of assets acquired and liabilities assumed on the Idis acquisition were as follows:

(In £m)	
Intangible assets	111.2
Property, plant and equipment	0.9
Inventories	6.8
Trade and other receivables	34.2
Cash	19.8
Trade and other payables	(64.4)
Loans and borrowings	(35.3)
Provision for deferred tax	(22.0)
Net assets acquired	**51.2**
Goodwill arising on acquisition	148.3
Total consideration	**199.5**

11 Events after the balance sheet date

On 1 March 2016, Clinigen Group plc acquired the intellectual property rights for the product Totect in the US, Canada and Mexico. The assets acquired are the trademarks, manufacturing rights and the US NDA dossier. The acquisition is in line with Clinigen's strategy to strengthen its niche, hospital only specialty pharmaceuticals portfolio ensuring patient access to products globally. The acquisition of Totect expands the Group's dexrazoxane portfolio into the US, Mexico and Canada, which provides revitalisation opportunities. Totect is expected to contribute to the revenues and gross profit of the Group in FY17. The acquisition is being paid for by an initial payment and subsequent milestone based stage payments over the next 12 months.