28 September 2016

TRANSFORMATIONAL YEAR DELIVERS 25% GROWTH IN ADJUSTED EPS*

Clinigen Group plc (AIM: CLIN, 'Clinigen' or 'the Group'), the global pharmaceuticals and services group, has today published its full year results for the year ended 30 June 2016.

FINANCIAL SUMMARY

Year ended 30 June	2016 £m	2015 £m	Growth Actual	Growth Pro forma**
Reported revenue	339.9	184.4	84%	
Reported gross profit	96.1	53.7	79%	
Adjusted gross profit	102.1	53.7	90%	7%
Adjusted EBITDA	56.0	32.3	73%	10%
Cash generated by operations	49.4	15.8	213%	
Reported earnings per share	11.9p	6.5p	83%	
Adjusted earnings per share	35.0p	28.0p	25%	
Dividend per share	4.0p	3.4p	18%	

HIGHLIGHTS

- Adjusted gross profit* up 90%, driven by acquisitions and organic growth
- Adjusted EPS* up 25% to 35.0p (2015: 28.0p)
- Net debt decreased £8.1m to £68.1m, after £28.5m spent on acquisitions
- Full year dividend increased 18% to 4.0p (2015: 3.4p)
- Strongest performances by Specialty Pharmaceuticals, driven by revitalisation of newer products, and CTS
- Integration of Idis and Link acquisitions substantially complete
- Acquisition of Totect and Foscavir bag line extension enhances Specialty Pharmaceuticals portfolio
- Shaun Chilton to become CEO on 11 November 2016, when Peter George steps down (see separate announcement)

Peter George, Chief Executive Officer, said:

"The acquisition and integration of Idis and Link Healthcare have transformed the Group over the last 18 months.

"We have achieved our ambition to become the global market leader in the management and supply of both unlicensed and clinical trial medicines, and expanded our global footprint.

"Alongside the significant strategic progress, we have also delivered a strong financial performance with good levels of organic growth combining with the acquisitions to increase adjusted EPS by 25%.*

"The newer products in our Specialty Pharmaceuticals portfolio are making good progress, demonstrating the effectiveness of our revitalisation model and we saw another excellent year in the Clinical Trial Services division."

Shaun Chilton, Chief Executive Officer-designate, added:

"We have started the new financial year well and are trading in line with our expectations.

"Our focus now is to capitalise on our international market leading positions and expanded geographical footprint, by driving organic growth and continuing to add to and progress the revitalisation of our products."

*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. All figures referenced with * within this document are adjusted.

**Year on year comparisons, referred to as 'pro forma' are calculated from the aggregated unaudited results taken from i) 12 monthly management information for Clinigen and Idis, and ii) for Link Healthcare, the eight months ended 30 June 2016 and for the eight months ended 30 June 2015. The pro forma calculation has also removed the effect of the termination of the Global Access low margin contract in November 2015.

An analyst briefing will be held at 9:00am on Wednesday, 28 September 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.

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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 medicine to the right patient at the right time and is 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 medicines.

For more information, please visit www.clinigengroup.com

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. 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. Except as required by law, Clinigen undertakes no obligation to update or revise (publicly or otherwise) any forward-looking statement, whether as a result of new information, future events or other circumstances.

OVERVIEW

Alongside the significant strategic progress in the year and the integration of the acquisitions, Clinigen has delivered a strong financial performance.

Financial results

Reported revenue increased by 84%, reported gross profit increased by 79% and reported EPS increased by 83% versus last year, driven by both acquisitions and organic growth.

In order to better understand the performance of the Group, the results presented throughout the remainder of this overview of the preliminary results are on an adjusted basis and, where appropriate on a pro forma basis, unless otherwise indicated. Adjusted gross profit and adjusted EBITDA are viewed as the best measures of financial performance, together providing the best insight into top line and profit growth.

Gross profit* increased 90%, indicating the step change in scale following the acquisitions of Idis in April 2015 and Link Healthcare ('Link') in October 2015. Gross profit on a pro forma basis**, viewed as the best indicator of organic growth, increased 7%.

Key highlights include another outstanding year for Clinical Trial Services ('CTS'), increasing gross profits by 21% on a pro forma basis, and excellent growth by the newer Specialty Pharmaceutical ('SP') products (Ethyol, Cardioxane and Savene), which collectively increased their gross profits by 31%.

EBITDA* increased by 73% to £56.0m, and on a pro forma basis, EBITDA increased by 10%, representing good organic growth against the backdrop of the acquisition and integration activity.

The combination of organic growth and the acquisitions has led to a 25% increase in EPS* to 35.0p (2015: 28.0p).

The Group has also delivered an excellent cash flow performance reducing net debt by £8.1m after spending £28.5m on the initial cash consideration for Link and product acquisitions.

In view of the strong trading performance, the Directors are proposing to increase the final dividend to 2.7p per share (2015: 2.3p), resulting in an 18% increase in the full year dividend to 4.0p per share (2015: 3.4p).

Strategic progress

The successful integration of the Idis and Link acquisitions completed the transformation of the Group. Clinigen is now the global market leader in the management and supply of unlicensed and clinical trial medicines and has the operational infrastructure to drive sustained organic growth across its markets.

Through the Link acquisition, the expansion into the Africa, Australia and Asia region ('AAA') has opened up a new level of opportunity at a time when many pharmaceutical and biotechnology companies are looking for a specialist partner to work with them across these territories.

Eighteen months ago, Clinigen had 120 people based in Burton and Philadelphia. Today, the business has more than 500 people based in 11 locations around the world.

The strategic alliance with Cumberland Pharmaceuticals in the US represents another important step in building out the Group's global footprint, establishing a presence in a key market for maximising the commercial potential of its own products.

In keeping with the mission of 'Right Medicine, Right Patient, Right Time', Clinigen is now able to offer a solution at each key stage of a pharmaceutical product's lifecycle and, critically important for the future, has the ability to harness global expertise with local knowledge.

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

In May 2016, the first collaboration with Cumberland began with an exclusive supply agreement to commercialise the oncology support drug, Ethyol (amifostine), in the US, which is an important step in the revitalisation of this product.

The Group continues to focus efforts on increasing the number of assets in SP. The acquisition of Totect in March 2016 completes the Dexrazoxane product line, opening up the US market to Clinigen. The Foscavir bag line extension, developed in May 2016, enhances the product and is expected to extend its lifecycle.

Clinigen's strong and trusted reputation, compelling business model and track record in acquiring and successfully revitalising products is increasingly attracting pharma companies who are looking to divest products.

The acquisition of Link and the Cumberland strategic alliance are increasingly facilitating the Group taking control of its own licensed products in more markets, cancelling distribution agreements in the US, Japan, Australia, New Zealand, Southern Africa and Singapore. This is enabling the Group to secure a greater share of margin on product sales and protect its unique expertise in this area.

Management changes

Peter George has notified the Board that he intends to step down as CEO on 11 November 2016. He will continue as a non-executive director (see separate announcement).

During his time as CEO, the business increased revenues from £21m in 2010 to £340m this year and was admitted to AIM in 2012. Since the IPO, the share price of the business has increased more than three fold. The acquisitions in the past 18 months have completed the transformation of the business into the global market leader in the management and supply of unlicensed and clinical trial medicines complementing the successful SP business.

Shaun Chilton, who joined Clinigen in January 2012 as Chief Operating Officer and has been the Deputy CEO since July 2015, will take over as CEO. Shaun has been instrumental in the development and success of the Group over the last four years, and alongside Peter, has played a key part in formulating and executing the Group strategy.

During the past 18 months, the wider management team has been strengthened with a new CFO, Medical, Commercial and Operations Officers coming on board. In addition, the Group has strengthened, and is in the final stages of centralising, customer services, HR, finance, logistics, quality, regulatory and medical support functions. This has enabled the Group to manage the integration of the acquisitions whilst maintaining a focus on organic growth.

Current trading and FY17 priorities

Following a year of integration and consolidation, the priority now is to drive organic growth across all of the divisions.

For SP, the focus is on continuing the revitalisation of the existing products, launch Totect and the Foscavir bag line extension, and acquire new products.

For Managed Access ('MA') and CTS, the aim is to expand their value added services, further penetrate the Group's existing client base and add new clients.

For Global Access ('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, establishing Clinigen as the 'go to' solution for unlicensed medicines.

For Link, the plan is to build the Asian business, develop and roll out the portfolio of licensed and unlicensed medicines across the AAA region, and leverage the Group client base and procurement capabilities.

In support of these objectives, the Group is investing further in its customer service capability, and increasing the profile with physicians, pharmacists and Key Opinion Leaders ('KOLs') through targeted marketing activity.

To support the expansion of its global reach, the Group is also upgrading the logistics infrastructure and implementing 'ClinigenOne', a scalable new ERP system, which will increase efficiency and provide an e-commerce platform, further differentiating Clinigen's market leading services. The implementation of the ERP system will represent the final part of the integration of the Idis business.

Overall, the Group is well positioned to drive good growth this year. Current trading is in line with expectations, and the Board is confident about the outlook for the year.

OPERATIONAL REVIEW

Gross profit by division

			Growth	
Year ended 30 June	**2016**	2015	Actual	**Pro forma****
*Adjusted results**	**£m**	£m		
Specialty Pharmaceuticals	**31.9**	29.1	10%	**10%**
Managed Access	**26.5**	8.3	>100%	**5%**
Clinical Trial Services	**19.7**	13.5	46%	**21%**
Global Access	**13.8**	2.8	>100%	**1%**
Link Healthcare	**10.2**	-	n/a	**(11)%**
	102.1	53.7	90%	**7%**

Specialty Pharmaceuticals

SP acquires the rights and then revitalises essential niche hospital only medicines building a global portfolio of critical care treatments. SP acquires products which are typically in the mature phase of the product lifecycle and are not a priority for investment by the current owner.

Unlike most specialty pharmaceutical companies, SP does not rely on a traditional country-based sales representative model in order to drive growth. By focusing on mature, niche products, SP is able to develop close working relationships with KOLs in the primary treatment centres around the world to drive demand and revitalise growth of the products. These relationships are complemented by a team of in-house Customer Service professionals who deal directly with hospitals in their own language, providing a high level of support in accessing and supplying the Group's portfolio of products.

Clinigen's knowledge and expertise in both licensed and unlicensed medicines enables it to operate successfully across all types of markets, effectively adding an extra dimension to supporting the revitalisation of each product.

The division, representing 31% of Group gross profit, increased gross profits by 10%. The strong growth was driven by the revitalisation of the newer products, Ethyol, Cardioxane, and Savene, which collectively achieved a 31% increase in gross profit establishing themselves as an increasingly important part of the portfolio. The newer products now represent 36% the division's gross profit (2015: 30%). The divisional gross margin remained broadly unchanged at 86.0% (2015: 86.3%).

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. To further drive the revitalisation of Ethyol in the US, the product was transferred to Cumberland. The technical transfer of the manufacturing of Ethyol is complete and work is now being undertaken to optimise batch yields to drive future product manufacturing efficiencies.

The Dexrazoxane portfolio now combines Cardioxane, Savene and the newly acquired Totect product. Cardioxane is used as a cardio protectant in oncology (anthracycline) treatment and Savene is used as an important emergency treatment for extravasation (leakage) at the site of injection of oncology (anthracycline) treatments. Together, these two products achieved significant growth in the year, with Cardioxane benefiting from being used as an adjuvant drug in the ongoing clinical trials for new oncology drugs.

The process for the regulator's consideration of Article 31 (this article restricts the usage of Cardioxane to certain adult patient populations) is continuing. Although the process is proving more protracted than expected, Clinigen remains confident about the data submitted to the regulator and the support of KOLs.

Totect, the US market equivalent product of Savene, was acquired in March 2016 providing an important entry for the Dexrazoxane product into the US. This product is expected to start providing revenues in the second half of the current financial year.

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 by 5%. 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 Foscavir, the SP team continues to look at new applications such as in the treatment of human herpes virus 6, HHV6, and is preparing for the launch of the Foscavir product bag line extension.

The division is well positioned to drive good growth this year. The priorities are the continued revitalisation of all the existing products, the launch of Totect and the Foscavir bag line extension, and to add new products to the portfolio.

Managed Access

MA is the global market leader in providing exclusive, ethical worldwide access to the most promising innovative early stage medicines on behalf of pharma and biotech companies in disease areas where there is a high unmet patient need.

During the year, MA ran programmes for 19 of the top 25 pharmaceutical and biotech companies in the world, shipping 268,000 units of drugs across 107 countries. At the year end, there were 108 programmes under management and 85% of products shipped on behalf of MA's clients were provided free of charge to patients.

MA programmes typically operate in the areas of oncology, CNS, infectious disease, immunology and orphan disease, which represent the vast majority of the pharmaceutical and biotech pipeline. As well as providing an effective response to unmet medical needs, MA programmes also provide important information at the pre-launch phase in a product's development. This provides the opportunity to engage with and educate KOLs and key treatment centres while products are still in clinical trials, potentially accelerating uptake of the product post-launch.

Knowledge of the global regulatory landscape, strength of relationships within the industry and the specialist resources and capabilities built up over a decade have enabled MA to build a 30% share of the addressable market.

The division, representing 26% of Group gross profits, had a good year after taking account of a complex integration following the Idis acquisition. Overall gross profit increased 5% on a pro forma basis with improving performance through the year.

The business enters the new financial year with good momentum following a number of programmes starting in the second half of the last financial year. The priorities this year are to expand value added services, including the development of strategic services, further strengthen customer services and achieve better penetration of new and existing clients.

Clinical Trial Services

CTS is the global leader in the specialist supply and management of quality-assured comparator medicines and services to clinical trials.

The division, representing 19% of Group gross profits, achieved another excellent year of growth increasing gross profits by 21% on a pro forma basis. This performance reflects increased penetration into key cornerstone clients, the winning of new clients among the world's largest 25 pharmaceutical companies and the roll out of added value services to complement CTS' core offering.

CTS is also benefiting from the increasing prominence of Investigator Initiated Trials ('IITs') used to further understand products and disease areas. IITs increase the demand for larger service providers like Clinigen with global reach capable of offering a broader and more complex solution.

The revenue generated from clients spending more than £5m per annum with CTS increased 20%, whilst the wider business development capability of the Group following the Idis and Link acquisitions has been harnessed to cross-sell into new clients.

Strong progress was made by the expanded added value services, which is intended to deepen relationships with clients, reinforce CTS' market-leader status and respond to the additional demands presented by IITs. This included provision of specialist labeling and information services to meet local or regional requirements, direct to site services leveraging the capabilities of the Idis business, and the sale of ancillary medical equipment and products used in trials. Collectively, these services now represent 6% of the division's gross profit.

CTS has established a leading position in the market as a trusted partner capable of delivering high quality service across the world with extensive understanding of the complex regulatory environment. These strengths,

combined with the strategy of over-layering the core service offering with added value services, positions the division to take advantage of the rapidly developing market opportunity.

The priorities this year are to develop further the expanded services, formalise the IIT service offering, increase client penetration and extend into new markets.

Global Access

GA is the global market leader in the ethical supply of 'on demand' unlicensed or short supply medicines to patients, at their point of care, via their physicians. The sourcing and supply of medicines which are unlicensed or in short supply is difficult and highly complex and as a result there is a high unmet clinical and patient need.

GA is at the early stages of capitalising on the significant international opportunity. Even in Europe, the average time between the date of EU market authorisation and the drug being available varies between four months to 18 months***. It is the Group's belief that a trusted source of high quality medicines, legally shipped in a timely manner to healthcare professionals worldwide is a market necessity.

GA, with Clinigen's global supply chain, strong customer service, deep understanding of the unlicensed market, and the e-commerce platform being developed, can fill the gap in this market and become the 'go to' solution for pharmacists and physicians across the world.

This division, representing 14% of Group gross profits, recorded gross profit slightly ahead of last year on a pro forma basis. Excluding the terminated low margin commercial contract, the gross margin increased from 41% last year to 45% on a pro forma basis due to a change in product mix and initiatives taken to strengthen the commercial model and reduce costs.

The leadership team was changed to improve performance of the division and drive the strategy forwards. An improvement in performance was seen in the second half of the financial year positioning the division better for the new financial year.

The priorities this year are to: drive international expansion; strengthen the pipeline of new products; increase the number of exclusive supply agreements; leverage group sourcing and procurement capability; raise Clinigen's profile with hospital and retail pharmacists in key markets; and develop a market leading e-commerce platform.

Link Healthcare

Link provides local and regional commercial access to licensed and unlicensed products, and specialist pharmaceutical and medical technology products in the regions of Australia, Africa and Asia.

Link's results are included in the Group results for the eight months ended 30 June 2016 and are shown as a separate operating division.

Link, representing 10% of the Group's gross profit, is the market leader in Australia, New Zealand and South Africa for the provision of unlicensed medicine and offers a range of licensed products including specialty and generic medicines. Link is also developing services across Southern and Central Africa, in Hong Kong, Singapore, Malaysia and Japan.

Link has more than 100 actively marketed licensed products. Most are single market licenses, and some are either multiple market products or have the potential to be. Link supplies either branded or generic products depending on the maturity and value of the market.

Using a strong in-house regulatory team with detailed knowledge of local markets and in collaboration with partners, the business develops a number of its own branded generic products for launch in local markets where shortage of supply or unmet demand warrants.

These actively marketed medicines account for 46% of Link's gross profit. These include a full range of antiretroviral (ARV) drugs for management of HIV in Southern Africa, as well as a wide selection of chronic and acute care medicines, covering antibiotics, diabetes care, pain management, addiction management, anti-hypertensives, anti-epileptics, acute porphyria, cancer care, gastrointestinal, dermatology and treatments for central nervous system indications. Currently there are over 40 further products in development for launch in future years.

Unlicensed medicine access is the second largest part of the Link business accounting for 36% of gross profit. This business, entirely focused on the AAA region is the same as Clinigen's GA division, with strong relationships with local hospital pharmacists in these regions.

By utilising local knowledge and relationships and applying the same standards, procurement processes and guarantees of authenticity for the products supplied, this part of the Link business can extend the global reach of, and be rolled into, the Clinigen GA business under the Idis brand once the earn out period completes in FY17.

The remaining 18% of Link's gross profit is from the supply of diagnostic kits, diabetes management and wound care products, sharing the same customer base as the other two parts of the business. The non-core 'Over The Counter' pharmacy business, representing a small part of the Australian business, was closed in the year.

The business had a solid underlying performance with the strongest growth coming from South Africa and the developing Asian business. Whilst reported results for Link have been affected this year by the depreciation of local currencies, particularly in South Africa, gross profit was ahead of last year on a constant currency basis.

The gross margin reduced from 42% 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.

The priorities this financial year are to build the Asian business, build and roll out the portfolio of licensed and unlicensed medicines and leverage the Group client base and procurement capabilities. The business has made a good start to this year and is well positioned to drive strong organic growth.

***EFPIA: Patients W.A.I.T Indicator; 2011 Report – based on EFPIA's database (first EU marketing authorisation in the period 2008-2010)

FINANCIAL REVIEW

Summary income statement

Year ended 30 June *Adjusted results**	2016 £m	2015 £m	Growth Actual	 Pro forma**
Revenue	344.1	184.4	87%	
Gross profit	102.1	53.7	90%	7%
Administrative expenses	(46.1)	(21.4)	(115)%	
EBITDA	56.0	32.3	73%	10%
Depreciation	(0.8)	(0.3)		
EBITA	55.2	32.0	72%	
Finance cost	(4.0)	(0.9)		
Profit before tax	51.2	31.1	65%	
Basic earnings per share	35.0p	28.0p	25%	
Dividend per share	4.0p	3.4p	18%	

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

Gross profit increased by 7% on a pro forma basis due to excellent growth from CTS, strong growth of the newer products in the SP division and the step up in performance in MA in the second half.

Administrative expenses* increased significantly due to the acquisitions. On a pro forma basis, adjusted administrative expenses were broadly flat with synergies achieved from the integration of the acquisitions offset by measures taken to strengthen the infrastructure and the management team to support future growth.

EBITDA increased by 10% on a pro forma basis, benefiting from the increase in gross profits and pro forma administrative expenses remaining broadly flat.

The table below shows the reconciling items between the adjusted EBITDA of £56.0m (2015: £32.3m) and the reported EBITDA of £41.0m (2015: £21.4m).

Reconciliation of Adjusted EBITDA to Reported EBITDA

Year ended 30 June	2016 £m	2015 £m
Adjusted EBITDA	56.0	32.3
Share based payment costs	(2.3)	(2.3)
Acquisition costs	(1.4)	(5.7)
Restructuring costs	(5.6)	(2.5)
Impairment of intangible fixed assets	(0.5)	(0.4)
Adjustment for fair value of acquired stock sold in the period	(4.6)	-
EBITDA of Joint Venture in South Africa	(0.6)	-
Total adjustments	(15.0)	(10.9)
Reported EBITDA	41.0	21.4

The adjustments to EBITDA comprise the share based payment charges and associated social security costs of £2.3m, non-underlying costs totalling £7.5m, release of fair value profit margin on acquired inventory of £4.6m (see below) and a £0.6m adjustment relating to the presentation of the Joint Venture ('JV') earnings.

Within the non-underlying costs there is £1.4m of acquisition costs relating to Link, and £5.6m of restructuring costs relating mainly to the integration of the Idis and Link acquisitions. These costs include £2.0m of redundancy costs, £1.9m related to improving the Idis IT systems being used in the short term before a new system is implemented across the Group, and £1.0m relating to the closure and integration of offices. No further material restructuring or acquisition costs relating to Idis or Link are expected.

The impairment of intangible fixed assets of £0.5m represents further regulatory and compliance costs relating to Vibativ (Vibativ was impaired in full in the last financial year). The rights and responsibilities relating to this product were transferred back to Theravance Biopharma on 4 August 2016.

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 £4.6m adjustment represents the profit margin associated with the acquired stock in the acquisition of both Idis and Link. This £4.6m profit margin is included in adjusted EBITDA to reflect better the underlying profitability of the business but is excluded from reported EBITDA.

The £0.6m adjustment 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 adjustment cancels to zero at the Group profit after taxation and earnings per share lines.

Reconciliation of adjusted results* to reported results

	2016 (£m)					2015 (£m)		
	Adjusted results*	JV accounting	Adjusted results post JV accounting	Adjustments	Reported results	Adjusted results*	Adjustments	Reported results
Revenue	344.1	(4.2)	339.9	-	339.9	184.4	-	184.4
Cost of sales	(242.0)	2.8	(239.2)	(4.6)	(243.8)	(130.7)	-	(130.7)
Gross profit	102.1	(1.4)	100.7	(4.6)	96.1	53.7	-	53.7
Admin expenses	(46.1)	0.8	(45.3)	(9.8)	(55.1)	(21.4)	(10.9)	(32.3)
EBITDA	56.0	(0.6)	55.4	(14.4)	41.0	32.3	(10.9)	21.4
Amortisation	-	-	-	(20.0)	(20.0)	-	(11.8)	(11.8)
Depreciation	(0.8)	-	(0.8)	-	(0.8)	(0.3)	(0.1)	(0.4)
Profit from operations	55.2	(0.6)	54.6	(34.4)	20.2	32.0	(22.8)	9.2
Finance cost	(4.0)	-	(4.0)	(0.7)	(4.7)	(0.9)	-	(0.9)
Share of profit of JV	-	0.4	0.4	-	0.4	-	-	-
Profit before tax	51.2	(0.2)	51.0	(35.1)	15.9	31.1	(22.8)	8.3
Taxation	(11.5)	0.2	(11.3)	8.9	(2.4)	(6.7)	4.1	(2.6)
Profit after tax	39.7	-	39.7	(26.2)	13.5	24.4	(18.7)	5.7
Basic EPS (p)	35.0	-	35.0	(23.1)	11.9	28.0	(21.5)	6.5
Diluted EPS (p)	34.6	-	34.6	(22.8)	11.8	27.2	(20.9)	6.3

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 £0.7m (2015: nil) adjustment to the net finance charge is the non-cash interest charge unwind of the discount applied to the deferred consideration payable in respect of Link.

Depreciation and Amortisation
Depreciation was £0.8m (2015: £0.3m) relating principally to fixtures, fittings and equipment. Amortisation was £20.0m (2015: £7.1m), of which £15.0m related to corporate acquisitions, £4.3m related to SP products, and £0.7m related to software.

Finance cost
The reported net finance cost was £4.7m (2015: £0.9m). The adjusted net finance cost*, excluding the non cash interest charge unwind referred to above, was £4.0m (2015: £0.9m) relating primarily to bank debt. The increase is principally due to the debt taken on to fund the acquisitions of Idis and Link. 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 3.15%.

Taxation
Taxation was £2.4m (2015: £2.6m) based primarily on the prevailing UK and US tax rates. This charge is calculated as £11.5m on adjusted profit* of £51.2m, offset by a credit of £8.9m in respect of the non-underlying costs, amortisation and share incentive schemes, and £0.2m of tax payable by the JV.

The underlying effective tax rate increased to 22.5% (2015: 21.5%) due to the increase in overseas earnings in territories with a higher tax rate.

Earnings per share
Reported basic earnings per share was 11.9p (2015: 6.5p). Adjusted basic earnings per share*, calculated excluding share based payment costs, amortisation and non-underlying costs, increased by 25% to 35.0p (2015: 28.0p). The increase reflects the Group's higher adjusted profit from operations.

A reconciliation of adjusted earnings per share to reported earnings per share is included in note 6 to the Report and Accounts.

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 results, the Board proposes a final dividend of 2.7p per share (2015: 2.3p), resulting in an increase in the full year dividend of 18% to 4.0p per share (2015: 3.4p). The full year dividend is covered by nine times underlying earnings.

The final dividend will be paid, subject to shareholder approval, on 25 November 2016 to shareholders on the register on 4 November 2016.

Acquisitions
On 30 October 2015, the Group completed the acquisition of Link. Total consideration was £51.5m made up of an initial consideration of £41.6m (comprising of £22.3m cash and 3,102,558 shares), payment for working capital of £2.0m and a discounted estimated contingent consideration of £7.8m.

The estimated contingent consideration has been discounted and calculated based on expected results. Any contingent consideration payment would be payable in October 2017 and is subject to performance criteria.

In the eight months ended 30 June, Link reported revenue of £28.7m and gross profit of £10.2m.

Cash flow and net debt
Cash flow performance was excellent in the year with £49.4m cash generated from operations, supported by an improvement in underlying working capital.

The cash out flow for the initial consideration for the Link acquisition was £22.4m (£24.3m less £1.9m cash acquired). Capital expenditure was £8.0m, of which £6.0m related to the acquisition of the Totect product, the line extension to Foscavir and the technical transfer of the manufacture of the Ethyol product. Capital expenditure will increase in the current year due to the spend on the Group ERP system that is being implemented.

The other main cash flows were tax paid of £3.7m, interest paid of £3.6m and dividends paid of £4.1m.

Overall net debt decreased £8.1m from £76.2m at 30 June 2015 to £68.1m with the cash consideration for the acquisition of Link and the product acquisitions being financed by the free cash flow from the business.

Balance sheet
Intangible assets increased from £302.5m at 30 June 2015 to £333.7m principally due to the acquisition of Link.

Net negative working capital of £3.8m was similar to the position as at 30 June 2015 with the £7.0m working capital relating to the Link business offset by improvements in the working capital position in the remainder of the Group. The improvement in underlying working capital resulted from a combination of improved working capital management, particularly in respect of the legacy Idis business, and favourable cash flow movements around the year end.

Total deferred consideration across both current and non current liabilities is £13.2m (2015: nil) of which £8.5m relates to the estimated contingent consideration on the Link acquisition, payable subject to financial performance, and £4.7m in respect of milestone payments on product acquisitions.

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 30 June 2016, the Group had a total bank facility of £131.0m, consisting of a five year term repayment loan of £36.0m which matures in June 2020 and a revolving credit facility ('RCF') of £95.0m which is available until June 2020 and is renewable on a monthly basis.

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 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. The Group's treasury function does not engage in speculative transactions and does not operate as a profit centre.

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 are set out in the Annual Report.

Condensed consolidated income statement

(In £m)	Note	**2016 underlying**	**2016 non-underlying (note 4)**	**2016 total**	2015 underlying	2015 non-underlying (note 4)	2015 Total
Revenue	3	**339.9**	**-**	**339.9**	184.4	-	184.4
Cost of Sales		**(239.2)**	**(4.6)**	**(243.8)**	(130.7)	-	(130.7)
Gross profit	3	**100.7**	**(4.6)**	**96.1**	53.7	-	53.7
Administrative expenses		**(51.1)**	**(24.8)**	**(75.9)**	(26.7)	(17.8)	(44.5)
Profit from operations		**49.6**	**(29.4)**	**20.2**	27.0	(17.8)	9.2
Finance cost		**(4.0)**	**(0.7)**	**(4.7)**	(0.9)	-	(0.9)
Share of profit of joint venture		**0.4**	**-**	**0.4**	-	-	-
Profit before tax		**46.0**	**(30.1)**	**15.9**	26.1	(17.8)	8.3
Tax	5	**(10.3)**	**7.9**	**(2.4)**	(5.7)	3.1	(2.6)
Profit attributable to owners of the parent Company		**35.7**	**(22.2)**	**13.5**	20.4	(14.7)	5.7
Earnings per share							
Basic	6			**11.9p**			6.5p
Diluted	6			**11.8p**			6.3p

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 profits).

Condensed consolidated statement of comprehensive income

(In £m)	**2016 underlying**	**2016 non-underlying (note 4)**	**2016 total**	2015 underlying	2015 non-underlying (note 4)	2015 Total
Profit for the period attributable to the owners of the parent	**35.7**	**(22.2)**	**13.5**	20.4	(14.7)	5.7
Other comprehensive income items that may be reclassified to profit or loss						
Exchange gains/(losses) 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	**36.3**	**(22.2)**	**14.1**	20.3	(14.7)	5.6

Condensed consolidated balance sheet

(In £m)	Note	30 Jun 2016	30 Jun 2015 restated
Non-current assets			
Property, plant and equipment		**2.7**	1.6
Intangible assets	7	**333.7**	302.5
Investment in joint venture		**7.4**	-
Deferred tax asset	11	**3.5**	5.0
		347.3	309.1
Current assets			
Inventories	8	**16.0**	11.1
Trade and other receivables	9	**68.8**	71.1
Cash and cash equivalents		**27.8**	27.8
		112.6	110.0
Total assets		**459.9**	419.1
Non-current liabilities			
Trade & other payables		**11.0**	-
Loans and borrowings	10	**25.9**	34.5
Deferred tax liability	11	**22.2**	21.6
		59.1	56.1
Current liabilities			
Trade and other payables		**90.8**	87.1
Provisions		**0.8**	1.5
Loans and borrowings	10	**70.0**	69.5
Corporation tax liability		**1.4**	0.3
Financial instrument liability		**1.3**	-
		164.3	158.4
Total liabilities		**223.4**	214.5
Net assets		**236.5**	204.6
Equity			
Share capital	14	**0.1**	0.1
Share premium account		**160.7**	141.0
Merger reserve		**5.4**	5.4
Foreign exchange reserve		**0.4**	(0.2)
Retained earnings		**69.9**	58.3
Total shareholders' equity		**236.5**	204.6

Condensed consolidated cash flow statement

(In £m)	Note	Year to 30 Jun 2016	Year to 30 Jun 2015
Profit for the period before tax		**15.9**	8.3
Adjustments for:			
Depreciation of property, plant and equipment		**0.8**	0.4
Amortisation of intangible fixed assets	7	**20.0**	7.1
Impairment of intangible fixed assets	7	**-**	3.4
Loss on disposal of non-current assets		**0.1**	1.3
Share of profit from joint venture		**(0.4)**	-
Provision for restructuring costs		**0.8**	1.5
Fair value of derivatives		**1.3**	-
Release of fair value on acquired inventory	4	**4.6**	-
Currency loss on contract creditors		**-**	-
Finance cost	7	**4.7**	0.9
Share based payment expense		**1.8**	1.3
Operating cash flow before movement in working capital		**49.6**	24.2
Changes in working capital			
Decrease / (increase) in trade and other receivables		**8.1**	(10.3)
Increase in inventories		**(2.1)**	(1.8)
(Decrease) / increase in trade and other payables		**(6.2)**	3.7
Cash generated from operations		**49.4**	15.8
Income taxes paid		**(3.7)**	(1.8)
Interest paid	3	**(3.6)**	(0.9)
Net cash flows from operating activities		**42.1**	13.1
Cash flows from investing activities			
Purchases of property, plant and equipment		**(1.3)**	(0.2)
Purchase of intangible fixed assets	7	**(6.7)**	(8.4)
Purchase of subsidiary net of cash acquired	15	**(22.4)**	(179.7)
Net cash used in investing activities		**(30.4)**	(188.3)
Cash flows from financing activities			
Proceeds from issue of shares		**0.3**	132.4
Proceeds from loan		**27.6**	104.0
Loan repayments		**(36.1)**	(52.5)
Dividends paid	12	**(4.1)**	(2.6)
Net cash generated from / (used in) financing activities		**(12.3)**	181.3
Net (decrease) / increase in cash and cash equivalents		**(0.6)**	6.1
Cash and cash equivalents at beginning of period		**27.8**	21.8
Exchange gains / (losses)		**0.6**	(0.1)
Cash and cash equivalents at end of period		**27.8**	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	8.6	5.4	(0.3)	(0.1)	52.6	66.3
Profit for the period	-	-	-	-	-	5.7	5.7
Other comprehensive income	-	-	-	-	(0.1)	-	(0.1)
Total comprehensive income	-	-	-	-	(0.1)	5.7	5.6
Share based payment scheme	-	-	-	-	-	1.3	1.3
Deferred taxation on share based payment scheme	-	-	-	-	-	1.3	1.3
Tax credit in respect of tax losses arising on exercise of share options	-	-	-	-	-	0.3	0.3
Issue of new shares	-	132.4	-	-	-	-	132.4
Own shares distributed on exercise of share options	-	-	-	0.3	-	(0.3)	-
Dividend paid (note 12)	-	-	-	-	-	(2.6)	(2.6)
At 30 June 2015	0.1	141.0	5.4	-	(0.2)	58.3	204.6

(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**	**-**	**(0.2)**	**58.3**	**204.6**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**13.5**	**13.5**
Other comprehensive income	**-**	**-**	**-**	**-**	**0.6**	**-**	**0.6**
Total comprehensive income	**-**	**-**	**-**	**-**	**0.6**	**13.5**	**14.1**
Share based payment scheme	**-**	**-**	**-**	**-**	**-**	**1.8**	**1.8**
Deferred taxation on share based payment scheme	**-**	**-**	**-**	**-**	**-**	**(1.6)**	**(1.6)**
Tax credit in respect of tax losses arising on exercise of share options	**-**	**-**	**-**	**-**	**-**	**2.0**	**2.0**
Issue of new shares	**-**	**19.7**	**-**	**-**	**-**	**-**	**19.7**
Dividend paid (note 12)	**-**	**-**	**-**	**-**	**-**	**(4.1)**	**(4.1)**
At 30 June 2016	**0.1**	**160.7**	**5.4**	**-**	**0.4**	**69.9**	**236.5**

Notes forming part of the condensed consolidated financial statements

1 Basis of preparation

The consolidated financial statements of Clinigen Group plc have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRSs") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRSs") and with those parts of the Companies Act 2006 that are applicable to companies that prepare financial statements in accordance with IFRSs. The consolidated financial information contained within the preliminary announcement is unaudited and has been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The financial information contained in this announcement which does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006, has been derived from the statutory consolidated accounts for the year ended 30 June 2016. The auditors' report on those accounts was unqualified and did not contain a statement under Section 498 of the Companies Act 2006.

The preparation of financial statements in conformity with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

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, deferred tax asset and intangible fixed assets (see note 15 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 Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. 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 2016 in note 2 on page 56 and in the notes to these condensed consolidated 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 CEO, CEO-designate and the CFO.

Segmental analysis

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Revenue arises from:		
Clinical Trial Services	**137.9**	112.7
Managed Access	**100.8**	28.8
Global Access	**39.6**	9.2
Specialty Pharmaceuticals	**37.1**	33.7
Link Healthcare	**24.5**	-
	339.9	184.4
Gross profit arises from:		
Clinical Trial Services	**19.7**	13.5
Managed Access	**26.5**	8.3
Global Access	**13.8**	2.8
Specialty Pharmaceuticals	**31.9**	29.1
Link Healthcare	**8.8**	-
	100.7	53.7
Adjustment for fair value of acquired stock sold in period	**(4.6)**	-
Gross profit	**96.1**	53.7
Administrative expenses relating to underlying operations	**(51.1)**	(26.7)
Non-underlying administrative expenses	**(24.8)**	(17.8)
Finance cost	**(4.7)**	(0.9)
Share of joint venture	**0.4**	-
Profit before tax	**15.9**	8.3

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Breakdown of revenue by products and services:		
Products	**304.2**	168.8
Services	**31.4**	12.1
Royalties	**4.3**	3.5
	339.9	184.4

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Revenue arises from the following locations:		
UK	**52.1**	26.6
Europe	**138.5**	57.8
USA	**100.1**	77.7
Rest of World	**49.2**	22.3
	339.9	184.4
Gross profit arises from the following locations:		
UK	**19.3**	8.8
Germany	**5.1**	5.6
France	**7.6**	6.1
Rest of Europe	**26.2**	12.5

USA	**29.3**	17.1
Rest of World	**13.2**	3.6
	100.7	53.7

Analysis of concentration of customers (based on customers contributing at least 10% of revenue:		
Customer A – Clinical Trial Services	**-**	28.1
Other	**339.9**	156.3
	339.9	184.4

Earnings before interest, taxation, depreciation and amortisation ("EBITDA") is calculated as:

(In £m)	**2016 underlying**	**2016 non-underlying**	**2016 total**	2015 underlying	2015 Non-underlying	2015 Total
Revenue	**339.9**	**-**	**339.9**	184.4	-	184.4
Cost of Sales	**(239.2)**	**(4.6)**	**(243.8)**	(130.7)	-	(130.7)
Gross profit	**100.7**	**(4.6)**	**96.1**	53.7	-	53.7
Administrative expenses excluding depreciation and amortisation	**(45.3)**	**(9.8)**	**(55.1)**	(21.4)	(10.9)	(32.3)
EBITDA	**55.4**	**(14.4)**	**41.0**	32.3	(10.9)	21.4

All revenues arise from external customers.

See note 4 for explanation of the adjusting items.

4 Non-underlying items

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

(In £m)	**Year to 30 Jun 2016**	**Year to 30 Jun 2015**
Adjusted profit used in calculating basic and diluted Adjusted EPS	**39.7**	24.4
Amortisation of intangible fixed assets included in underlying administrative expenses	**(5.0)**	(5.0)
Credit in respect of tax on amortisation costs	**1.0**	1.0
Underlying profit after tax in Income Statement	**35.7**	20.4
Adjustments (see below)	**(22.2)**	(14.7)
Reported profit	**13.5**	5.7

The non-underlying 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)		Year to 30 Jun 2016	Year to 30 Jun 2015
a)	Adjustment for fair value of acquired stock sold in the period	**4.6**	-
b)	Share based payment costs	**2.3**	2.3
b)	Credit in respect of deferred tax on share based payments	**(0.3)**	(0.2)
c)	Acquisition costs	**1.4**	5.7
d)	Restructuring costs	**5.6**	3.9
e)	Impairment of intangible fixed assets	**0.5**	3.8
f)	Amortisation of intangible fixed assets acquired through business combinations	**15.0**	2.1
g)	Finance cost: unwind of discount on deferred consideration re Link	**0.7**	-
h)	Credit in respect of tax on non-underlying costs	**(4.9)**	(2.9)
i)	Credit in respect of rate differences on deferred tax	**(1.4)**	-
j)	Corporation tax adjustments in respect of prior year	**(1.3)**	-
		22.2	14.7

a) Under IFRS 3 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 £4.6m above represents the profit margin on the stock sold in the period which was acquired with both the Idis and Link businesses.

b) The share based payment costs are made up of the share based payment charge of £1.8m (2015: £1.3m) and related social security costs of £0.5m (2015: £1.0m). The share based payment costs and the related tax credit in respect of the share based payment charge of £0.3m (2015: £0.2m) are reclassified to non-underlying 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 amounted to £1.4m. 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 £5.6m relate mainly to the integration of the Idis and Link acquisitions. These costs include £2.0m of redundancy costs, £1.0m related to the closure and integration of offices, and £1.9m of incremental costs related to maintaining 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 up to when this product was transferred back to the vendor on 4 August 2016. 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 finance cost relates to the non-cash unwind of the discount applied to the deferred consideration payable in relation to the acquisition of Link.

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

i) The reduction in corporation tax rate to 19% and 18% from 1 April 2017 and 1 April 2020, respectively, reduces the deferred tax balances expected to unwind in the future creating a credit to the income statement of £1.4m. The credit is recognised in non-underlying items as the associated deferred tax balances relate to share based payments and the fair value of acquired intangible assets.

j) In the prior year, the final corporation tax computations took account of allowable non-underlying items on which the tax effect had not been recognised in the consolidated income statement. The credit has been recognised as non-underlying in line with the associated cost in the prior year.

5 Taxation

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Current tax expense		
Current tax on profits of the year	**8.4**	2.8
Adjustments in respect of prior years	**(1.3)**	0.4
Total current tax expense	**7.1**	3.2
Deferred tax expense		
(Increase) / decrease in deferred tax assets (note 11)	**0.1**	(0.2)
(Increase) / decrease in deferred tax liability (note 11)	**(4.8)**	(0.4)
Total deferred tax benefit	**(4.7)**	(0.6)
Income tax expense	**2.4**	2.6

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Profit before tax	**15.9**	8.3
Expected tax charge based on corporation tax rate of 20.00% (2015: 20.75%)	**3.2**	1.7
Expenses not deductible for tax purposes other than goodwill amortisation and impairment	**0.5**	0.3
Adjustments to tax charge in respect of prior years	**(1.3)**	0.4
Higher rates of taxes on overseas earnings	**0.9**	0.3
Loss arising in year for which no deferred income tax is recognised	**0.3**	0.2
Rate differences	**(1.2)**	(0.3)
Total tax expense	**2.4**	2.6

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Amounts recognised directly in equity:		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or (credited) to equity:		
Deferred tax: unexercised share options and losses arising not allowable in statement of comprehensive income	(0.4)	(1.4)
Adjustment in respect of prior years	-	(0.3)
	(0.4)	(1.7)

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Tax losses:		
Unused tax losses for which no deferred tax asset has been recognised	2.0	1.1
Potential tax benefit @ 38%	0.8	0.4

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 22.2% is higher than the standard rate of UK corporation tax due to profits 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 either 20%, 19% or 18% depending when the underlying position is likely to unwind.

6 Earnings per share

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Adjusted profit used in calculating basic and diluted EPS	**39.7**	24.4
Reported profit used in calculating basic and diluted EPS	**13.5**	5.7
Number of shares (million)		
Weighted average number of shares	**113.1**	87.2
Dilution effect of share options	**1.3**	2.6
Weighted average number of shares used for diluted EPS	**114.4**	89.9
Adjusted EPS		
Basic	**35.0p**	28.0p
Diluted	**34.6p**	27.2p
Reported EPS		
Basic	**11.9p**	6.5p
Diluted	**11.8p**	6.3p

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

7 Intangible assets

(In £m)	Brand	Contracts	Customer relationships	Trademarks and licenses	Computer software	Goodwill (restated)	Total (restated)
Cost							
At 1 July 2014	-	-	-	48.3	1.2	8.7	58.2
Acquisition of subsidiary (note 15)	49.4	17.7	43.0	-	1.0	144.2	255.3
Additions	-	-	-	7.5	1.0	-	8.5
Disposals	-	-	-	-	(1.3)	-	(1.3)
At 30 June 2015	49.4	17.7	43.0	55.8	1.9	152.9	320.7
Accumulated amortisation							
At 1 July 2014	-	-	-	7.6	0.1	-	7.7
Charge for the year	0.4	1.0	0.7	4.3	0.7	-	7.1
Impairment charge	-	-	-	3.4	-	-	3.4

At 30 June 2015	0.4	1.0	0.7	15.3	0.8	-	18.2
Net book value							
At 30 June 2015	49.0	16.7	42.3	40.5	1.1	152.9	302.5
At 30 June 2014	-	-	-	40.6	1.2	8.7	50.5
Cost							
At 1 July 2015	49.4	17.7	43.0	55.8	1.9	152.9	320.7
Acquisition of subsidiary (note 15)	4.7	9.3	2.2	0.7	0.2	22.7	39.8
Additions	-	-	-	10.7	0.7	-	11.4
At 30 June 2016	**54.1**	**27.0**	**45.2**	**67.2**	**2.8**	**175.6**	**371.9**
Accumulated amortisation							
At 1 July 2015	0.4	1.0	0.7	15.3	0.8	-	18.2
Charge for the year	2.7	7.9	4.4	4.3	0.7	-	20.0
At 30 June 2016	**3.1**	**8.9**	**5.1**	**19.6**	**1.5**	**-**	**38.2**
Net book value							
At 30 June 2016	**51.0**	**18.1**	**40.1**	**47.6**	**1.3**	**175.6**	**333.7**

8 Inventories

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Raw materials and consumables	**2.8**	0.7
Work in progress	**1.1**	0.2
Finished goods and goods for resale	**12.1**	10.2
	16.0	11.1

9 Trade and other receivables

(In £m)	Year to 30 Jun 2016	Year to 30 Jun 2015
Trade receivables	**62.8**	56.3
Less provision for impairment of trade receivables	**(5.2)**	(4.9)
Trade receivables – net	**57.6**	51.4
Prepayments and accrued income	**7.0**	11.9
Payments made on account	**1.4**	6.1
Other receivables	**2.8**	1.7
Total trade and other receivables	**68.8**	71.1

The following table provides information on the movement in the provision for impairment in the year:

(In £m)	
At 1 July 2015 (restated)	4.9
Released to the consolidated income statement	(1.4)
Charged to the consolidated income statement	1.7
	5.2

As at 30 June 2016 trade receivables of £23.0m (2015: £15.1m) were past due but not impaired, of which,

£16.9m was received after the year end.

They relate to the customers with no default history. The ageing analysis of these receivables is as follows:

(In £m)	**Year to 30 Jun 2016**	**Year to 30 Jun 2015**
Up to three months	**17.9**	13.5
Three to six months	**3.4**	1.6
More than six months	**1.7**	-
	23.0	15.1

10 Loans and borrowings

(In £m)	**Year to 30 Jun 2016**	**Year to 30 Jun 2015**
Non-current liability		
Bank borrowings	**25.9**	34.5
Current liability		
Bank borrowings	**70.0**	69.5
Total loans and borrowings	**95.9**	104.0

(In £m)	**Year to 30 Jun 2016 gross borrowings**	**Year to 30 Jun 2016 unamortised issue costs**	**Year to 30 Jun 2016 net borrowings**	Year to 30 Jun 2015 gross borrowings	Year to 30 Jun 2015 unamortised issue costs	Year to 30 Jun 2015 net borrowings
Within one year	**70.3**	**(0.3)**	**70.0**	69.8	(0.3)	69.5
In more than one year but less than two years	**9.0**	**(0.4)**	**8.6**	9.0	(0.4)	8.6
In more than two years but less than five years	**18.0**	**(0.7)**	**17.3**	27.0	(1.1)	25.9
	97.3	**(1.4)**	**95.9**	105.8	(1.8)	104.0

11 Deferred income tax

(In £m)	**Year to 30 Jun 2016**	**Year to 30 Jun 2015**
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	**(3.5)**	(5.0)
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	**19.4**	19.0
Deferred tax liabilities to be recovered within 12 months	**2.8**	2.6
	22.2	21.6

(In £m)	Year to 30 Jun 2016 fair value gains	Year to 30 Jun 2016 total
Deferred tax liabilities:		
At 1 July 2015	21.6	21.6
Acquisition of subsidiary	5.4	5.4
Credit to the income statement	(4.8)	(4.8)
At 30 June 2016	**22.2**	**22.2**

(In £m)	Year to 30 Jun 2016 unexercised share options	Year to 30 Jun 2016 tax losses	Year to 30 Jun 2016 timing differences	Year to 30 Jun 2016 total
Deferred tax assets:				
At 1 July 2015	2.5	1.3	1.2	5.0
Acquisition of subsidiary	-	-	0.2	0.2
(Charged) / credited to the income statement	(0.1)	(0.1)	0.1	(0.1)
Credited direct to equity	(1.6)	-	-	(1.6)
At 30 June 2016	**0.8**	**1.2**	**1.5**	**3.5**

12 Dividends

An interim dividend of 1.3p (2015: 1.1p) per ordinary share was paid on 8 April 2016. This amounted to £1.5m (2015: £0.9m).

A final dividend of 2.7p (2015: 2.3p) per ordinary share is proposed. This amounts to £3.1m (2015: £2.6m) and will be paid on 25 November 2016 to all shareholders on the register as at 4 November 2016.

13 Analysis of Net (Debt) / Cash

(In £m)	30 June 2016	30 Jun 2015
Bank loans	(95.9)	(104.0)
Cash and cash equivalents	27.8	27.8
	(68.1)	(76.2)

As at 30 June 2016, the Group had a total bank facility of £131.0m, consisting of a five year term repayment loan of £36.0m which matures in June 2020 and a RCF of £95.0m repayable within one month.

14 Share capital

Ordinary shares of 0.1p each Authorised, issued and fully paid	Number (m)
At 1 July 2014	82.5
Issue of new shares	27.2
At 30 June 2015	109.7
Issue of new shares	4.9
At 30 June 2016	114.6

(In £m)	30 Jun 2016	30 Jun 2015
Ordinary shares of 0.1p each	**0.1**	0.1

15 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 Group plc paid initial consideration of £41.6m, being a cash payment of £22.3m and an issue of 3,102,558 shares in Clinigen Group plc which had a fair value of £19.3m which represented the market price on 30 October 2015. 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	17.1
Investment in joint venture	7.0
Property, plant and equipment	0.6
Inventories	7.3
Trade and other receivables	6.6
Cash	1.9
Trade and other payables	(6.3)
Provision for deferred tax	(5.4)
Net assets acquired	**28.8**
Goodwill arising on acquisition	22.7
Total consideration	**51.5**

The fair values set out above are provisional figures which will be finalised in the 2017 financial statements following management's final review of key reconciliations and judgemental areas relating to acquired creditor balances.

The total consideration of £51.5m, is made up of initial consideration of £41.6m, payment for working capital of £2.0m and contingent consideration of £7.8m, being the discounted expected deferred payment which

would be payable in October 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. Under the sale and purchase agreement, the minimum further amount payable is nil and the maximum amount payable is £55.5m (payment assumed in the balance sheet: £8.5m discounted back to £7.8m).

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, product dossiers £0.7m and computer software of £0.2m.

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 goodwill of £22.7m arising from the acquisition represents the geographical expansion potential provided through access to the South Africa and APAC markets, and the benefit of having local in-house regulatory expertise and distribution capabilities. None of the goodwill is expected to be deductible for income tax purposes.

The amounts included in the consolidated statement of comprehensive income since 30 October 2015 included revenue of £24.5m and a gross profit of £8.8m 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 £37.2m and profit after tax would have been £2.6m before one off items 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 £4.0m 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
Investment in joint venture	-
Property, plant and equipment	0.9
Inventories	6.8
Trade and other receivables	36.6
Cash	19.8
Trade and other payables	(64.4)
Loans and borrowings	(35.3)
Provision for deferred tax	(20.3)
Net assets acquired	**55.3**
Goodwill arising on acquisition	144.2
Total consideration	**199.5**