

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

	2016 R'000	2015 R'000
8. EARNINGS PER SHARE		
Headline earnings is determined as follows:		
Continuing operations		
Earnings attributable to owners of Adcock Ingram from total operations	168 801	197 932
Adjusted for:		
Loss attributable to owners of Adcock Ingram from discontinued operations (note 2.1)	203 403	146 868
Earnings attributable to owners of Adcock Ingram from continuing operations	372 204	344 800
Adjusted for:		
Impairment of intangible assets	3 149	–
Loss/(profit) on disposal/scraping of property, plant and equipment	888	(1 244)
Tax effect on loss/(profit) on disposal of property, plant and equipment	(23)	(227)
Profit on disposal of business (note 1.1)	–	(8 260)
Adjustments relating to equity accounted joint ventures		
– Loss on disposal of property, plant and equipment	211	56
– Tax effect on loss on disposal of property, plant and equipment	–	(23)
– Loss on disposal of long-term receivable	–	328
– Tax effect on loss on disposal of long-term receivable	–	51
Headline earnings from continuing operations	376 429	335 481
Discontinued operations		
Loss attributable to owners of Adcock Ingram from discontinued operations	(203 403)	(146 868)
Adjusted for:		
Impairment of held-for sale assets (note 2.1)	207 971	–
Impairment of property, plant and equipment	–	7 390
Share of non-controlling interest in the impairment of property, plant and equipment	–	(1 819)
Impairment of intangible assets	–	74 432
Profit on sale of intangible asset	(320)	–
Loss on disposal/scraping of property, plant and equipment	70	1 735
Headline earnings/(loss) from discontinued operations	4 318	(65 130)
	Number of shares	
Reconciliation of diluted weighted average number of shares:		
Weighted average number of ordinary shares in issue:		
– Issued shares at the beginning of the year	175 741 348	175 644 748
– Effect of ordinary shares issued during the year	5 528	45 744
– Effect of ordinary treasury shares held within the Group	(9 262 130)	(6 856 163)
Weighted average number of ordinary shares outstanding	166 484 746	168 834 329
Potential dilutive effect of outstanding share options	–	6 700
Diluted weighted average number of shares outstanding	166 484 746	168 841 029

Basic earnings per share is derived by dividing earnings attributable from continuing operations to owners of Adcock Ingram for the year by the weighted average number of shares in issue.

Diluted earnings per share is derived by dividing earnings attributable from continuing operations to owners of Adcock Ingram for the year by the diluted weighted average number of shares in issue. Diluted earnings per share reflect the potential dilution that could occur after taking into account all of the Group's outstanding options which are potentially exercisable and the effects of all dilutive potential shares resulting from the empowerment share transaction are accounted for.

Headline earnings per share is derived by dividing earnings attributable from continuing operations to owners of Adcock Ingram for the year, after appropriate adjustments are made, by the weighted average number of shares in issue.

	2016 Cents	2015 Cents
8. EARNINGS PER SHARE (continued)		
8.1 CONTINUING OPERATIONS		
Earnings		
Basic earnings per share	223.6	204.2
Diluted basic earnings per share	223.6	204.2
Headline earnings		
Headline earnings per share	226.1	198.7
Diluted headline earnings per share	226.1	198.7
8.2 DISCONTINUED OPERATIONS		
Loss		
Basic loss per share	(122.2)	(87.0)
Diluted basic loss per share	(122.2)	(87.0)
Headline earnings		
Headline earnings/(loss) per share	2.6	(38.6)
Diluted headline earnings/(loss) per share	2.6	(38.6)
8.3 TOTAL OPERATIONS		
Earnings		
Basic earnings per share	101.4	117.2
Diluted basic earnings per share	101.4	117.2
Headline earnings		
Headline earnings per share	228.7	160.1
Diluted headline earnings per share	228.7	160.1
8.4 DISTRIBUTION PER SHARE		
Interim	50.0	–
Final ⁽¹⁾	54.0	81.0

⁽¹⁾ Declared subsequent to 30 June and has been presented for information purposes only. No liability regarding the final distribution has thus been recognised at 30 June.

	2016 R'000	2015 R'000
9. DISTRIBUTIONS PAID AND PROPOSED		
9.1 DECLARED AND PAID DURING THE YEAR		
Total paid to equity holders of parent company	190 762	–
Dividends paid to non-controlling shareholders	6 215	4 537
Total dividend declared and paid to the public	196 977	4 537
9.2 DISTRIBUTION ON ORDINARY SHARES		
Final dividend for 2015: 81 cents	117 952	
Interim dividend for 2016: 50 cents	72 810	
	190 762	
9.3 PROPOSED SUBSEQUENT TO 30 JUNE 2016		
Final dividend for 2016: 54 cents per share	80 949	