For immediate release **10 September 2014**

ALLIANCE PHARMA PLC

("Alliance" or the "Company")

Interim Results for the six months ended 30 June 2014

Alliance Pharma plc (AIM: APH), the speciality pharmaceutical company, is pleased to announce its interim results for the six months ended 30 June 2014.

Highlights of the year to date:

- Half year revenue including share of joint ventures £22.5m (H1 2013: £22.8m)
  - Year on year underlying revenue growth of 9.3% (14.8% including joint ventures) when the cyclical toxicology product is excluded
- Hydromol™ continues to grow well, with sales up 15% to £3.0m (H1 2013: £2.6m)
- Ashton & Parsons Infants' Powders™ sales jumped to £0.7m (H1 2013: £0.1m) on unconstrained supply
- Half year profit before tax £5.4m (H1 2013: £6.8m)
  - Year on year underlying pre-tax profit growth of 31% when the cyclical toxicology product is excluded
- Basic earnings per share 1.68p (H1 2013: 2.22p)
- Interim dividend up 10% to 0.333p (H1 2013: 0.303p)
- Net bank debt £25.5m (31 December 2013: £25.2m)
- Acquisition of Irenat™ in Germany from Bayer in January 2014

Commenting on the results, Andrew Smith, Alliance Pharma's Chairman, said:

"Alliance made a solid start to 2014 with revenue and profits in line with expectations and good underlying revenue growth of 9.3%. We see growth potential from our Hydromol range, from other products in our portfolio including Ashton & Parsons Infants' Powders, and from potential acquisitions. With some £22m of our acquisition bank facility still undrawn we have ample headroom for deals and are working hard on an attractive pipeline of opportunities. Current trading is in line with management forecasts and we expect full year results to be in line with market expectations."

For further information:

Alliance Pharma plc **+ 44 (0) 1249 466966**
John Dawson, Chief Executive
Richard Wright, Finance Director

Buchanan **+ 44 (0) 20 7466 5000**
Mark Court / Fiona Henson / Sophie Cowles

Numis Securities Limited **+ 44 (0) 20 7260 1000**
Nominated Adviser: Michael Meade / Freddie Barnfield
Corporate Broking: David Poutney

Chairman's and Chief Executive's Statement

Alliance made a solid start to 2014, with both revenue and profits for the first half in line with expectations. Alliance benefits from a substantial portfolio of products, many of which maintain sales and continue generating cash without requiring promotional support. Of the products where we do invest in marketing, such as the Hydromol range, we have seen attractive growth. During the past few years we have acquired a number of consumer healthcare products and are excited by the potential of this product area to complement our portfolio of predominantly prescription products.

Pre-tax profit of £5.4m was lower than in the same period last year (H1 2013: £6.8m), when our cyclical toxicology product was reaching the peak of its sales cycle. While, as expected, sales of this product were much lower in the first half of 2014, the impact was largely offset by robust growth of some £3m in the rest of the portfolio. As a result, turnover reduced only slightly to £22.5m (H1 2013: 22.8m) including share of joint ventures.

Excluding joint ventures, revenue totalled £21.4m (H1 2013: 22.8m); in line with IFRS 11, this is the basis on which we will be reporting group turnover from 2014 onwards.

Continuing strong cash flow has enabled us to finance the acquisitions made in January internally without significantly increasing our net bank debt. We are strongly placed to maintain our buy and build strategy in the second half of the year and through 2015.

Trading performance

Sales of our cyclical toxicology product reduced to a minimal level in 2014, compared with £3.2m in the first half of 2013, in line with the two-and-a-half year replacement cycle of the product. As indicated previously, competitors have now come into this market and the price has dropped substantially. The main replacement contract has been awarded to competitors, and so revenues from the product are likely to remain very low.

The impact of the reduction in toxicology product sales was balanced by strong growth elsewhere in the portfolio.

This was led by the continuing advance of our Hydromol dermatology range, where sales rose 15% year on year to £3.0m in the first half. Hydromol has plenty of room for further progress as its share of the highly fragmented prescription emollient market is only 4%.

Sales of Ashton & Parsons Infants' Powders have picked up strongly, reaching £0.7m in the first half compared with £0.1m in H1 2013. We expect further growth now that we have overcome the production problems that had limited our ability to meet demand. We have developed a dedicated website for the product (www.ashtonandparsons.co.uk), as an information resource for parents and with details of where the product can be bought online.

Sales of Nu-Seals™ enteric-coated low-dose aspirin were £1.4m (H1 2013: £1.6m), reflecting continuing competition from generic competitors. The Health Products Regulatory Authority (HPRA), the Irish regulator, is currently considering which low-dose aspirin products should be included on the list of interchangeable medicines, which would allow pharmacists to dispense generic products against branded prescriptions. An announcement is expected soon. If the HPRA decides that Nu-Seals should be included on this list, it is likely that Nu-Seals sales will fall substantially and consequently the value in use of Nu-Seals will fall markedly below the £9.1m book value of the Nu-Seals intangible asset, which would be reflected in a non-cash impairment charge.

Gelclair™, a treatment for oral mucositis, continues to grow well. Sales of Gelclair rose 15% compared to the same period last year. MolluDab™, a treatment for the highly infectious skin condition molluscum contagiosum, has continued to make good progress since we launched it in the first half of 2013.

International sales now make up about a fifth of our turnover. In H1 2014 we benefited from a full six-month contribution from Syntometrine™, after acquiring the international rights for this obstetric drug in June 2013.

Following supply disruptions in 2013, Forceval™ is now back in stable supply. Our sales to China are back to previous levels and UK demand is recovering progressively month by month.

Financial performance

Although the reduction in toxicology product sales was largely balanced by growth in other products, the changed mix carried lower margins. The gross margin rate has reduced from 61.9% in H1 2013 to 55.6% in H1 2014, in line with historic levels. We expect margins to remain at about this level going forward.

Our continuing focus on managing costs achieved a useful reduction in operating costs to £6.1m (H1 2013: £6.3m). We aim to ensure that full-year costs for 2014 remain below last year's level.

While total marketing investment remains broadly unchanged, the mix has gradually shifted in favour of consumer products. We are now investing modestly in brands such as Lypsyl™, Ashton & Parsons Infants' Powders and MolluDab.

Overall operating profit reduced to £6.0m (H1 2013: £7.5m), representing 28% of sales. This reflected the reduction in gross margin from the changing product mix.

Cash generation remained strong. Free cash flow of some £4.4m (H1 2013: £4.0m) covered the cost of our acquisitions in the first half, leaving net debt virtually unchanged at £25.5m (December 2013: £25.2m). However, the reduction in earnings increased the bank debt:EBITDA ratio to 1.9 times (December 2013: 1.6 times).

Finance costs reduced to £0.5m (H1 2013: £0.7m), largely due to the completion of loan stock conversions.

EPS and dividend

Basic earnings per share reduced to 1.68p (H1 2013: 2.22p) as a result of lower profits and dilution arising from the final conversions of the Convertible Unsecured Loan Stock during 2013.

In line with our progressive dividend policy, the interim dividend will be 0.333p (H1 2013: 0.303p) per ordinary share. This provides an increase of 10% on last year's figure while still being well covered by profits. The interim dividend will be paid on 15 January 2015 to shareholders on the register on 5 December 2014.

Strategy

Our successful business model is based on running a well balanced portfolio. The majority of the brands we acquire are well established in their market niches and require no promotion in order to maintain sales. Within the portfolio we have identified several products with growth opportunities that provide an economic return on promotional investment. In recent years we have been broadening the growth element of our portfolio to include consumer healthcare products, which typically require some modest marketing investment but offer potential for organic growth. They also help to balance risk across the portfolio because they are not exposed to government price control.

In December 2013 we acquired the Lypsyl lip care range, which we believe has significant turnaround potential. We have been revamping the product and developing promotional plans in order to encourage retailers to relist it. Sales in the first half were £0.5m and we will continue reinvesting margin to grow the brand this year and through 2015.

In 2012 we began the process of replicating our successful UK buy and build strategy in overseas markets, particularly in France and Germany. In January 2014 our German business acquired Irenat, an established thyroid product in steady demand. This has performed as expected, with first-half sales of £0.4m.

We are seeing a good flow of acquisition opportunities in both France and Germany, and are confident that these will yield further assets in due course, thus building up our presence in these key Western European markets.

Since acquiring the international rights to Syntometrine from Novartis we have developed and largely implemented a substantial transition programme involving many countries that were new to us. In most territories, we have replaced the existing distribution arrangements that were largely run by the vendor with our own distributor. We are also progressively switching production to our own manufacturer for all markets.

In January 2014 we expanded our position in the mother and baby marketplace in China by the acquisition of a minority stake in Synthasia International, which markets Suprememil™, a high quality infant milk formula product sourced from Switzerland. This business complements our existing Forceval joint venture in China. We have joint managerial control of Synthasia and this has enabled us to improve systems and obtain better credit terms with the company's major product supplier, which will facilitate expansion by easing cash flow. Synthasia's market position has been enhanced by a Chinese government review of infant milk formula products which has removed a considerable number of competitors.

Team

The evolution of the Company's Board has continued in 2014. At the AGM in May we welcomed Andrew Smith as our new Chairman, following Michael Gatenby's retirement. We thank Michael for his valuable contribution to the Company's growth and development over the past 10 years. Andrew knows the business well, having been a Non-Executive Director since 2006, and will continue to give us the benefit of his experience gained at senior levels of the pharmaceutical industry from start-ups to global corporations in the UK and US.

In April David Cook joined the Board as a Non-Executive Director. A chartered accountant who has held senior financial positions in a number of European and US pharma companies, he took over the chair of our Audit Committee on Michael Gatenby's retirement.

Non-Executive Director Paul Ranson steps down later this year and we are currently recruiting a replacement.

Charity

We continue to donate some £20,000 of products a year to International Health Partners, a charity that distributes medicines to doctors in the world's neediest areas.

In July 2014 a group of eight employees took part in a cycle ride from Bristol to Bordeaux in aid of PROPS, a local charity that provides opportunities and support for young people with special needs. They raised £9,000 including a contribution from the company.

Outlook

For the remainder of this year and next we expect a consistent performance from the existing portfolio. Growth potential will come from the continuing success of Hydromol, the anticipated re-introduction of ImmuCyst™ in 2015, rising contributions from our consumer products such as Ashton & Parsons Infants' Powders and Lypsyl and, potentially, from new acquisitions.

We are actively building the Ashton & Parsons Infants' Powders franchise now that production is not a constraint, and we will also put increasing support behind Lypsyl once our re-shaping of the brand is completed.

Regulatory validation of the refurbished ImmuCyst manufacturing facilities at Sanofi's plant in Canada is taking a little longer than anticipated but we expect to resume sales in the first half of 2015. This should have a substantial financial impact over time, building progressively as hospitals revert to ImmuCyst. We have received encouraging feedback from the market reflecting a continued demand for the product. Meanwhile, discussions continue about possible redress for the lost sales.

Nu-Seals faced continuing competitive pressure in the first half of 2014. This may increase in the second half, depending upon the outcome of Irish regulatory considerations.

However, we confidently expect new acquisitions to offset this impact. With some £22m of our acquisition bank facility still undrawn we have ample headroom for deals and are working hard on an attractive pipeline of opportunities.

Consolidated Income Statement

For the six months ended 30 June 2014

	Note	**6 months to 30 June 2014 £ 000s**	6 months to 30 June 2013 £ 000s Restated*	Year to 31 December 2013 £ 000s Restated*
Revenue		**21,425**	22,781	45,275
Cost of sales		**(9,502)**	(8,682)	(17,944)
Gross profit		**11,923**	14,099	27,331
Administration and marketing expense		**(5,754)**	(6,048)	(12,917)
Amortisation of intangible assets		**(179)**	(200)	(422)
Share-based employee remuneration		**(350)**	(238)	(632)
Share of joint venture profits / (losses)		**335**	(79)	(48)
Operating profit		**5,975**	7,534	13,312
Finance costs				
Interest payable		**(545)**	(649)	(1,281)
Interest income		**24**	25	50
Foreign exchange rate movement		**(6)**	(74)	(72)
		(527)	(698)	(1,303)
Profit on ordinary activities before taxation		**5,448**	6,836	12,009
Taxation	**4**	**(999)**	(1,347)	(2,425)
Profit for the period attributable to equity shareholders		**4,449**	5,489	9,584
Earnings per share				
Basic (pence)	**8**	**1.68**	2.22	3.82
Diluted (pence)	**8**	**1.67**	2.13	3.68

* Restated due to adoption of IFRS 11, please see notes 3 and 10

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2014

	6 months to 30 June 2014 £ 000s	6 months to 30 June 2013 £ 000s	Year to 31 December 2013 £ 000s
Profit for the period	**4,449**	5,489	9,584
Other items recognised directly in equity:			
Items that may be reclassified to profit or loss:			
Interest rate swaps – cash flow hedge	**(47)**	113	443
Deferred tax on interest rate swap	**14**	(25)	(93)
Total comprehensive income for the period	**4,416**	5,577	9,934

Consolidated Balance Sheet

At 30 June 2014

	Note	**30 June 2014**	30 June 2013	31 December 2013
		£ 000s	£ 000s	£ 000s
			Restated*	Restated*
Assets				
Non-current assets				
Intangible fixed assets	**5**	**89,762**	85,269	87,111
Property, plant and equipment		**524**	593	592
Joint venture investment	**10**	**1,367**	532	533
Joint venture receivable		**1,462**	1,462	1,462
Derivative financial asset		**396**	113	443
		93,511	87,969	90,141
Current assets				
Inventories		**5,580**	5,878	5,468
Trade and other receivables	**6**	**10,721**	10,508	10,641
Cash and cash equivalents		**430**	1,409	687
		16,731	17,795	16,796
Total assets		**110,242**	105,764	106,937
Equity				
Ordinary share capital		**2,641**	2,512	2,641
Share premium account		**29,388**	26,806	29,380
Share option reserve		**1,774**	1,030	1,424
Reverse takeover reserve		**(329)**	(329)	(329)
Other reserve		**317**	88	350
Retained earnings		**33,253**	27,111	31,202
Total equity		**67,044**	57,218	64,668
Liabilities				
Non-current liabilities				
Long-term financial liabilities		**22,183**	21,225	20,881
Deferred tax liability		**6,425**	6,238	6,294
Provisions for other liabilities and charges		**99**	282	199
		28,707	27,745	27,374
Current liabilities				
Cash and cash equivalents		**855**	1,846	2,125
Financial liabilities		**2,895**	5,000	2,895
Convertible debt		**-**	2,694	-
Corporation tax		**875**	1,561	1,154
Trade and other payables	**7**	**9,679**	9,518	8,531
Provisions for other liabilities and charges		**187**	182	190
		14,491	20,801	14,895
Total liabilities		**43,198**	48,546	42,269
Total equity and liabilities		**110,242**	105,764	106,937

***** Restated due to adoption of IFRS 11, please see notes 3 and 10

Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	6 months to 30 June 2014 £ 000s	6 months to 30 June 2013 £ 000s Restated*	Year to 31 December 2013 £ 000s Restated*
Operating activities			
Result for the period before tax	**5,448**	6,836	12,009
Interest payable	**545**	649	1,281
Interest receivable	**(24)**	(25)	(50)
Other finance costs	**6**	74	72
Depreciation of property, plant and equipment	**152**	133	266
Amortisation of intangible assets	**179**	200	422
Change in inventories	**(112)**	(485)	(75)
Change in investments	**(335)**	79	48
Change in trade and other receivables	**424**	(1,001)	(1,134)
Change in trade and other payables	**(535)**	(1,227)	(1,574)
Tax paid	**(1,133)**	(1,019)	(2,516)
Share options charge	**350**	238	632
Cash flows from operating activities	**4,965**	4,452	9,381
Investing activities			
Interest received	**24**	25	50
Dividend received	**-**	390	420
Payment of deferred consideration	**(20)**	(641)	(20)
Development costs capitalised	**(13)**	(6)	(63)
Purchase of property, plant and equipment	**(84)**	(164)	(298)
Purchase of other intangible assets	**(2,817)**	(7,523)	(9,534)
Investment in joint venture	**(1,003)**	-	-
Net cash used in investing activities	**(3,913)**	(7,919)	(9,445)
Financing activities			
Interest paid and similar charges	**(491)**	(675)	(1,232)
Loan issue costs	**-**	-	(500)
Proceeds from exercise of share options	**8**	82	82
Dividend paid	**(800)**	(666)	(2,040)
Receipt from borrowings	**2,750**	3,500	28,500
Repayment of borrowings	**(1,500)**	(3,750)	(30,725)
Net cash used in financing activities	**(33)**	(1,509)	(5,915)
Net movement in cash and cash equivalents	**1,019**	(4,976)	(5,979)
Cash and cash equivalents at beginning of period	**(1,438)**	4,613	4,613
Exchange losses on cash and cash equivalents	**(6)**	(74)	(72)
Cash and cash equivalents at end of period	**(425)**	(437)	(1,438)

***** Restated due to adoption of IFRS 11, please see notes 3 and 10

Consolidated Statement of Changes in Equity

At 30 June 2014

	Ordinary share capital £ 000s	Share premium account £ 000s	Share option reserve £ 000s	Reverse takeover reserve £ 000s	Other reserve £ 000s	Retained earnings £ 000s	Total equity £ 000s
Balance 1 January 2013	2,430	25,297	792	(329)	-	23,658	51,848
Issue of shares	211	4,083	-	-	-	-	4,294
Dividend paid	-	-	-	-	-	(2,040)	(2,040)
Employee benefits	-	-	632	-	-	-	632
Transactions with owners	211	4,083	632	-	-	(2,040)	2,886
Profit for the period	-	-	-	-	-	9,584	9,584
Other comprehensive income							
Interest rate swaps – cash flow hedge	-	-	-	-	443	-	443
Deferred tax on interest rate swap	-	-	-	-	(93)	-	(93)
Total comprehensive income for the period	-	-	-	-	350	9,584	9,934
Balance 31 December 2013	2,641	29,380	1,424	(329)	350	31,202	64,668
Balance 1 January 2013	2,430	25,297	792	(329)	-	23,658	51,848
Issue of shares	82	1,509	-	-	-	-	1,591
Dividend payable/paid	-	-	-	-	-	(2,036)	(2,036)
Employee benefits	-	-	238	-	-	-	238
Transactions with owners	82	1,509	238	-	-	(2,036)	(207)
Profit for the period	-	-	-	-	-	5,489	5,489
Other comprehensive income							
Interest rate swaps – cash flow hedge	-	-	-	-	88	-	88
Total comprehensive income for the period	-	-	-	-	88	5,489	5,577
Balance 30 June 2013	2,512	26,806	1,030	(329)	88	27,111	57,218
Balance 1 January 2014	2,641	29,380	1,424	(329)	350	31,202	64,668
Issue of shares	-	8	-	-	-	-	8
Dividend payable/paid	-	-	-	-	-	(2,398)	(2,398)
Employee benefits	-	-	350	-	-	-	350
Transactions with owners	-	8	350	-	-	(2,398)	(2,040)
Profit for the period	-	-	-	-	-	4,449	4,449
Other comprehensive income							
Interest rate swaps – cash flow hedge	-	-	-	-	(33)	-	(33)
Total comprehensive income for the period	-	-	-	-	(33)	4,449	4,416
Balance 30 June 2014	**2,641**	**29,388**	**1,774**	**(329)**	**317**	**33,253**	**67,044**

Notes to the Half Yearly Report

For the six months ended 30 June 2014

1 Nature of operations

Alliance Pharma plc ("the company") and its subsidiaries (together "the Group") acquire, market and distribute pharmaceutical products. The company is a public limited company incorporated and domiciled in England. The address of its registered office is Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB.

The company is listed on the London Stock Exchange, Alternative Investment Market (AIM).

2 General information

The information in these financial statements does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and is un-audited. A copy of the Group's statutory accounts for the period ended 31 December 2013, prepared under International Financial Reporting Standards as adopted by the European Union, has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain statements under section 498(2) or section 498(3) of the Companies Act 2006.

The interim financial report for the six month period ended 30 June 2014 (including comparatives for the six months ended 30 June 2013) was approved by the Board of Directors on 9 September 2014.

The current rate of cash generation by the Group comfortably exceeds the capital and debt servicing needs of the business (though there cannot, of course, be absolute certainty that the rate of cash generation will be maintained). The Board remains confident that all the bank covenants will continue to be met. The Group has a £5m Working Capital Facility of which £4.5m is undrawn at the balance sheet date and which the Board believes should comfortably satisfy the Group's working capital needs for at least the next 12 months.

3 Accounting policies

Following IFRS 11 becoming effective and the subsequent adoption by the company in January 2014, the company now accounts for its investment in joint ventures using the equity method in accordance with IAS 28. This replaces the proportionate consolidation method of accounting applied previously, and has also required the restatement of comparative numbers. See note 10 for details of joint ventures.

All other accounting policies and methods of computation followed in the interim financial report are as published by the company in its 31 December 2013 Annual Report. The Annual report is available on the company's website at www.alliancepharma.co.uk.

4 Taxation

Analysis of charge in period.

	30 June 2014	30 June 2013	31 December 2013
	£ 000s	£ 000s	£ 000s
United Kingdom corporation tax at 22%/23.5%/23.25%			
In respect of current period	**854**	1,258	2,242
Adjustment in respect of prior periods	**-**	-	106
Current tax	**854**	1,258	2,348
Deferred tax	**145**	89	77
Taxation	**999**	1,347	2,425

5. Intangible assets

The Group	Goodwill on consolidation £ 000s	Purchased Goodwill £ 000s	Technical know-how, trademarks and distribution rights £ 000s Restated	Development costs £ 000s	Total £ 000s Restated
Cost					
At 1 January 2014	**1,144**	**2,449**	**85,687**	**373**	**89,653**
Additions	-	-	2,817	13	2,830
At 30 June 2014	**1,144**	**2,449**	**88,504**	**386**	**92,483**
Amortisation and impairment					
At 1 January 2014	**-**	**-**	**2,542**	**-**	**2,542**
Amortisation for the period	-	-	179	-	179
At 30 June 2014	**-**	**-**	**2,721**	**-**	**2,721**
Net book amount					
At 30 June 2014	**1,144**	**2,449**	**85,783**	**386**	**89,762**
At 1 January 2014	1,144	2,449	83,145	373	87,111

Additions in the period include Irenat, acquired from subsidiaries of Bayer AG. Irenat, a sodium perchlorate monohydrate, is marketed in Germany and is mainly used for diagnosing and treating hyperthyroidism.

6 Trade and other receivables

	30 June 2014	30 June 2013	31 December 2013
	£ 000s	£ 000s	£ 000s
		Restated	Restated
Trade receivables	**8,684**	9,529	9,131
Other receivables	**654**	236	536
Prepayments and accrued income	**561**	635	804
Amounts owed by joint venture	**822**	108	170
	10,721	10,508	10,641

7 Trade and other payables

	30 June 2014	30 June 2013	31 December 2013
	£ 000s	£ 000s	£ 000s
		Restated	Restated
Trade payables	**2,611**	2,524	1,118
Other taxes and social security costs	**832**	1,022	1,069
Accruals and deferred income	**4,407**	4,538	6,028
Other payables	**231**	64	316
Dividend payable	**1,598**	1,370	-
	9,679	9,518	8,531

8 Earnings per share (EPS)

Basic EPS is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

A reconciliation of the weighted average number of ordinary shares used in the measures is given below:

	6 months to 30 June 2014 Weighted average number of shares 000s	6 months to 30 June 2013 Weighted average number of shares 000s	Year ended 31 December 2013 Weighted average number of shares 000s
For basic EPS	**264,108**	246,975	250,836
Share options	**2,033**	1,768	2,020
Conversion of Convertible Unsecured Loan Stock (CULS)	**-**	12,867	12,155
For diluted EPS	**266,141**	261,610	265,011

	6 months to 30 June 2014 £ 000s	6 months to 30 June 2013 £ 000s	Year ended 31 December 2013 £ 000s
Earnings for basic EPS	**4,449**	5,489	9,584
Interest saving on conversion of CULS	**-**	108	204
Tax effect of interest saving on conversion of CULS	**-**	(25)	(47)
Earnings for diluted EPS	**4,449**	5,572	9,741

The resulting EPS measures are:

	6 months to 30 June 2014 Pence	6 months to 30 June 2013 Pence	Year ended 31 December 2013 Pence
Basic EPS	**1.68**	2.22	3.82
Diluted EPS	**1.67**	2.13	3.68

9 Dividends

	6 months to 30 June 2014		6 months to 30 June 2013		Year ended 31 December 2013	
	Pence/share	**£ 000s**	Pence/share	£ 000s	Pence/share	£ 000s
Amounts recognised as distributions to owners in the year						
Interim dividend for the prior financial year	**0.303**	**800**	0.275	666	0.275	666
Final dividend for the prior financial year	**-**	**-**	-	-	0.550	1,374
Proposed final dividend for the prior financial year	**0.605**	**1,598**	0.550	1,370	-	-
		2,398		2,036		2,040

The proposed final dividend for the prior financial year was approved by the Board of Directors on 25 March 2014 and subsequently by the shareholders at the Annual General Meeting on 21 May 2014. The proposed dividend has been included as a liability as at 30 June 2014 in accordance with IAS 10 Events After the Balance Sheet Date. The proposed final dividend for the prior financial year was paid on 10 July 2014 to shareholders who were on the register of members at 13 June 2014.

10 Joint Venture

Name	Principal Activity	Country of Incorporation	% Owned
Unigreg Limited	Distribution of pharmaceutical products to China	British Virgin Islands	60
Synthasia International Company Ltd	Distribution of infant milk formula products in China	Hong Kong	20

In the prior period joint ventures were accounted for using the proportionate consolidation method of accounting. Following IFRS 11 Joint Arrangements becoming effective, the Group considered the categorisation of Unigreg Limited and Synthasia International Company Limited and determined they are joint ventures. A joint venturer shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures

The following table shows the aggregate movement in the Group's investment in joint ventures:

	£ 000s
At 1 January 2014	533
Additions	499
Share of post-tax profits of joint ventures	335
At 30 June 2014	**1,367**

Additions in the period relate to a 20% investment in Synthasia International Company Limited, a subsidiary of which supplies the Chinese market with Suprememil, an advanced infant milk formula brand.