

This document is important and should be read carefully. If you are in any doubt about its contents or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

“FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE ‘RISK FACTORS’ ON PAGE



PHARMA-DEKO PLC RC 6711

**RIGHTS ISSUE
OF
150,000,000
Ordinary shares of 50k each
at
₦1.80 per share**

On the basis of **Three (3)** new **Ordinary** shares for every **Two(2)** **Ordinary** share held as at the close of business on August 16, 2013

**The Rights being offered in this Circular are tradable on the floor of
The Nigerian Stock Exchange for the duration of the Issue**

Payable in full on Acceptance

Acceptance list opens on September 16, 2013

Acceptance list closes on October 18, 2013

integratedtrust

RC: 155399

ISSUING HOUSE : INTEGRATED TRUST & INVESTMENTS LIMITED

This Rights Circular and the securities, which it offers, have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act No 29 of 2007 Laws of the Federation of Nigeria to issue a Rights Circular which contains false or misleading information. Clearance and registration of the Rights Circular and the securities, which it offers, do not relieve the parties from any liability arising under the Act for false and misleading statements contained therein or for any omission of a material fact.

THIS RIGHTS CIRCULAR IS DATED2013

TABLE OF CONTENTS

ABRIDGED TIMETABLE	4
DEFINITIONS	5
SUMMARY OF THE ISSUE	6
RIGHTS ISSUE	10
DIRECTORS AND PARTIES TO THE ISSUE	11
CHAIRMAN'S LETTER	13
• Introduction	13
• Corporate Profile & History	13
• Current Trends in Nigerian Pharmaceutical Industry	15
• Our Quality Brands	16
• Purpose of the Issue and Use of Proceeds	17
• Risks and Mitigating Factors	18
• Research and Development	20
• Compliance with Code of Corporate Governance	20
• Conclusion	20
FINANCIAL INFORMATION	21
• Letter from Auditors ongoing concern status	21
• Statement of Significant Accounting Policies	22
• Statement of Financial Position	28
• Profit and Loss Account	29
• Cash Flow	30
• Notes to Accounts	31
• Letter from company on profit forecast	52
• Profit Forecast	53
• Profit and Loss Account	53
• Balance Sheet	
• Bases and Assumption for the Profit Forecast	
STATUTORY AND GENERAL INFORMATION:	54
• Incorporation and Share Capital History	54
• Shareholding Structure	54
• Directors' Beneficial Interest	55
• Indebtedness	55
• Working Capital	55
• Material Contracts	55
• Claims and Litigation	56
• Consents	56
• Issue Costs and General Expenses	56
• Documents available for Inspection	57
• Relationship between the Issuer and its advisers	57
• Unclaimed Dividend Policy	57
• Declarations	57
PROVISIONAL ALLOTMENT LETTER	59
RECEIVING AGENTS	62
ACCEPTANCE/RENUNCIATION FORM	64

ABRIDGED TIMETABLE

DATE	ACTIVITY	RESPONSIBILITY
	Acceptance List Opens	Issuing House/ Registrars
	Acceptance List Closes	Issuing House/ Registrars
	Receiving Agents submit returns	Issuing House/Receiving Agents
	Forward Allotment Proposal and Draft Newspaper announcement to SEC	Issuing House
	Obtain SEC approval of Allotment	Issuing House
	Allotment Announcement	Issuing House
	Pay net proceeds of the Issue to Pharma Deko Plc	Issuing House
	Return of excess/rejected application monies	Registrars / Issuing House
	Dispatch Share Certificates/ Credit CSCS Account	Registrars
	Forward Declaration of Compliance to the Exchange	Issuing House/ Stockbrokers
	Submission of summary Report to SEC	Issuing House
	Listing of the newly issued Shares/trading commences	Issuing House/ Stockbrokers

DEFINITIONS

“Brokerage Commission”	Fees payable to Banks and Receiving Agents in respect of returns bearing their stamp
“Business Day”	Any day other than a Saturday, Sunday or official public holiday declared by the Federal Government of Nigeria.
“CBN”	Central Bank of Nigeria
“CHN”	CSCS Clearing House Number of Shareholders
“CSCS”	Central Securities Clearing System Limited
“FGN”	Federal Government of Nigeria.
“Issuer” or “the Company”	Pharma-Deko Plc
“Issuing House”	Integrated Trust & Investments Limited
“Pari passu”	Equally
“Parties”	Professionals engaged for the Rights Issue
“Receiving Agents”	Market operators authorized to receive Application Forms/monies from investors in respect of the Rights Issue
“Registrars”	Meristem Registrars Limited
“Rights Circular”	This legal document issuing the securities to the existing shareholders of the company
“Rights Issue”	Issue of 150,000,000 Ordinary shares of 50 kobo each at ₦1.80 by way of Rights
“Shareholders”	The qualified shareholders who accept their provisional allotment under this Rights and whose names shall be entered in the Register of shareholders upon SEC clearance of the basis of allotment of the Rights Issue.
“The Commission” or “SEC”	Securities and Exchange Commission
“The Exchange” or “NSE”	The Nigerian Stock Exchange

SUMMARY OF THE ISSUE

- 1. Issuer:** PHARMA-DEKO PLC
- 2. Issuing House** Integrated Trust & Investments Limited
- 3. Share Capital:**
(As at the date of the Rights)
Authorised: ₦150,000,000 comprising 300,000,000.00 ordinary shares of 50k each
Issued & Paid-up: ₦49,759,000 comprising 99,518,000 ordinary shares of 50k each.
Now being issued: 150,000,000 ordinary shares of 50k each at ₦1.80 per share.
- 4. Purpose:** The issue is being undertaken to refinance existing loan obligations, invest in new Factory equipment as well as to provide additional working capital.
- 5. Use of Proceeds:** **The net proceeds of the Rights Issue estimated at N258,790,250.00 after deducting the total cost of the Rights Issue estimated at N11,209,750.00. (representing 4.14% of the Issue), will be applied as follows:**
- | Use of Proceeds | N:K | % | Duration |
|---|----------------|-------|------------|
| Refinance Loan Obligations <ul style="list-style-type: none">Financial Derivatives Company LimitedChapel Hill Denham Group | 50,000,000.00 | 19.32 | Immediate |
| CAPEX <ul style="list-style-type: none">Canning Line Replacement & Factory upgrade | 150,000,000.00 | 57.96 | Immediate |
| Working Capital | 58,790,250.00 | 22.71 | Continuous |
| Total Utilization | 258,790,250.00 | 100 | |
- 6. Method of Offer:** Rights Issue
- 7. Offer Price:** ₦1.80
- 8. Payment:** In full on Acceptance.
- 9. Provisional Allotment:** **Three** new Ordinary shares for every **Two** Ordinary share of 50 kobo each held as at the close of business on August 16, 2013
The excess units of 723,000 shares will be sold to shareholders or other applicants who apply for additional shares under the Rights Issue.
- 10. Qualification Date:** To shareholders whose names appear in the Register of members of the Company as at August 16, 2013.
- 11. Market Capitalization of the Issue (@ Issue Price)** ₦270,000,000.00 (150,000,000 Ordinary Shares at ₦1.80)

SUMMARY OF THE ISSUE (CONTINUED)

12. Market Capitalization of the Company (Pre-Issue, at Issue Price) ₦179,132,400.00 (99,518,000 Ordinary Shares at ₦1.80)

13. Market Capitalization of the Company (Post-Issue, at Issue Price) ₦449,132,400 (249,518,000 Ordinary Shares at ₦1.80)

14. E-Allotment/Share Certificate: The CSCS accounts of shareholders will be credited not later than 15 working days from the date of allotment. All shareholders are hereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance/Renunciation form. Certificates of Shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date of allotment.

15. Indebtedness: As at June 30, 2013, the Company, in the ordinary course of business has loan obligations to Chapelhill Partners Ltd and Financial Derivatives Nigeria Ltd amounting to ₦756million.

16. Acceptance List opens: September 16, 2013

17. Acceptance List Closes: October 18, 2013

18. Status: The shares being issued will rank pari-passu in all respects with the existing shares of the company.

19. Quotation: Application has been made to the Council of The Nigerian Stock Exchange for the admission into its Daily Official List of the 150,000,000 Ordinary shares being offered under this Rights Issue.

20. Claims and Litigations
The Company is involved in 12 cases with a total amount of ₦1,229,841,081.27 being claimed against it and the sum of ₦716,630,404.34 being its claim against others. The Solicitors to the Issue are of the opinion that the contingent liabilities arising from the cases against the Company are not likely to exceed ₦. . . .

20. Financial Summary

	Year Ended 31/12/12	Year Ended 31/12/11	Year Ended 31/12/10	Year Ended 31/12/09	Year Ended 31/12/08
	N'000	N'000	N'000	N'000	N'000
Profit/Loss Before Taxation and Exceptional Charges	94,587	168,320	(146,956)	(214,118)	1,674
Profit After Taxation	740,945	76,483	(464,094)	(461,497)	(197,972)
Total Assets	2,782,811	2,569,436	2,457,143	919,804	1,110,693
Net Assets	943,432	(651,128)	(667,243)	(646,407)	(184,910)
Earnings/(loss) per 50 kobo	745k	16k	(466k)	(486k)	(208k)

share					
-------	--	--	--	--	--

23. PROFIT FORECAST

Year Ending 31st December	2013(N'000)	2014(N'000)	2015(N'000)	2016(N'000)
Profit Before Taxation	43,006	254,832	440,577	1,168,744
Profit After Tax	29,244	173,286	299,593	794,746
Appropriation:				
Forecast Earnings Per 50k Share (in Kobo)	10k	58k	100k	265k
Forecast Dividend Per 50k Share (in Kobo)	10k	25k	50k	75k

RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Securities & Exchange Commission for Clearance and Registration.

This Rights Circular is being issued in compliance with the provisions of the Investments and Securities Act No 29 2007, the Rules and Regulations of the Commission and the Listing requirements of the Nigerian Stock Exchange and contains particulars in compliance with the requirements of the Commission and the Exchange, for the purpose of giving information to the public with regard to the Rights Issue of 150,000,000 ordinary shares of 50k each in Pharma-Deko Plc by Integrated Trust & Investments Limited. An application has been made to the Council of The Nigerian Stock Exchange for the admission to its Daily Official List of the 150,000,000 ordinary shares of 50k each being offered via the Rights Issue.

The Directors of Pharma-Deko Plc, individually and collectively accept full responsibility for the accuracy of the information contained in the Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts, the omission of which make any statement herein misleading or untrue.



ISSUING HOUSE

On behalf of



PHARMA-DEKO PLC RC 6711

are authorized to receive applications for a

Rights Issue of 150,000,000 ordinary shares of 50k each at N1.80k per Share

On the basis of Three new Ordinary shares for every **Two** Ordinary share of 50 kobo each held as at the close of business on August 16, 2013.

The Acceptance List for the new shares now being offered will open on September 16, 2013 and close on October 18, 2013.

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT DECEMBER 31, 2012

		N
AUTHORIZED SHARE CAPITAL	300,000,000 Ordinary shares of 50k each	150,000,000.00
ISSUED AND FULLY PAID	99,518,000 Ordinary shares of 50k each	49,759,000.00
<hr/>		
EQUITY	Called-up Share Capital	49,759,000.00
	Share Premium	236,060,000.00
	Revaluation Reserve	1,434,607,000.00
	Retained Earnings	(776,994,000.00)
	Shareholders' Funds	943,432,000.00

POST ISSUE SHARE CAPITAL*

AUTHORIZED SHARE CAPITAL	300,000,000 Ordinary shares of 50k each	150,000,000.00
ISSUED AND FULLY PAID	249,518,000 Ordinary shares of 50k each	124,759,000.00

*It is assumed that the Rights Issue will be fully subscribed

DIRECTORS AND PARTIES TO THE ISSUE

Directors:	Mr. Folarin R.A. Williams Palmgrove House 1, Shagamu Avenue, Ilupeju Lagos	(Chairman)
	Mr. Adekunle Abibu Plot C 15/3 Agbara Industrial Estate Ogun State	(Managing)
	Mr. Isaac Bajulaye Plot C 15/3 Agbara Industrial Estate Ogun State	(Executive)
	Mr. Godwin A. Alegieuno 8, Bori Crescent Agbara. Ogun State	(Non-Executive)
	Mr. Collins C. Chikeluba 1, Abimbola Shodiye Street Surulere Lagos	(Non-Executive)
	Mr. Steve U. Osai 4, Aderibigbe Street Onitiri, Yaba Lagos	(Non-Executive)
	Mr. Kolapo A. Lawson Wing A 3rd Floor Motorway Center Alausa. Ikeja.	(Non-Executive)
	Mr. Joe O. Anyigbo 7 Funso Martins Crescent Parkview Estate. Ikoyi.	(Non-Executive)
	Alhaji Bala Zakariyau Niger Insurance Plc 48/50 Odunlami Street Lagos.	(Non-Executive)

**Company Secretary
& Registered Office:**

Unity Trustees Limited
Palmgrove House
1, Shagamu Avenue, Ilupeju
Lagos

Issuing House:

Integrated Trust & Investments Limited
2nd Floor, 61 Marina,
Lagos.

**Joint Stockbrokers to
the Issue**

Integrated Trust & Investments Limited
2nd Floor, 61 Marina,
Lagos.

ICMG Securities Limited
24 Ademola Street
SW Ikoyi
Lagos

Auditors:

SIAO (Chartered Accountants)
18B, Olu Holloway Road
Ikoyi
Lagos.

Solicitors to the Company:

Chief Rotimi Williams Chambers
1, Shagamu Avenue
Ilupeju
Lagos.

Solicitors to the Issue:

George Etomi & Partners
1B, Prof. Tiamiyu Belo-Osagie Street
Parkview Estate, Ikoyi
Lagos.

Registrars to the Issue:

Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba
Lagos.

Registrars to the Company: Apel Capital & Trust Limited

8, Alhaji Bashorun Crescent
Off Norman Williams, Ikoyi
Lagos.

Receiving Banker:

First City Monument Bank Plc
Primrose Tower
17A, Tinubu Street
Lagos.

CHAIRMAN'S LETTER

PHARMA DEKO PLC
Plot C15/3, Agbara Industrial Estate
Ogun State
August 1, 2013

Dear Distinguished Shareholder,

PROPOSED RIGHTS ISSUE OF 150,000,000 ORDINARY SHARES OF 50K EACH AT ₦1.80 PER SHARE

You will recall that at the 43rd Annual General Meeting of our Company held on Thursday, 25th April, 2013 at the Factory Premises of our company, Pharma Deko Plant II, Okene Close, Agbara Industrial Estate, Ogun State, you authorized the company to raise additional capital via a Rights Issue exercise upon such terms and conditions as the Directors may deem fit in the interest of the company. You also authorized the directors to enter into any agreement and or take any other actions necessary for the successful implementation of the capital raising exercise.

I am pleased to inform you that arrangements have now been concluded for the Rights Issue of 150,000,000 ordinary shares of 50k each on the basis of Three (3) Ordinary Shares for every Two (2) Ordinary Share held as at the close of business on August 16, 2013. The new shares which will be offered at ₦1.80 each, will rank pari passu in all respects, with the existing ordinary shares of the company. Approvals have been received from both the Securities & Exchange Commission ("SEC") and the Nigerian Stock Exchange ("The Exchange") for registration and listing of the shares respectively.

COMPANY PROFILE & HISTORY

Pharma Deko Plc started business in Nigeria in 1962 under the name Parke-Davis & Company (US) operating a non-trading branch in Nigeria to promote its range of Quality Pharmaceutical products. The Company was incorporated as a private limited liability company in 1969 as PARKE-DAVIS & Co (NIG.) LTD. Prior to this, the company imported and distributed its product using appointed agents.

In 1977, the company took over the importation and distribution of its products. In 1980, the Company changed its name to PHARMA DEKO LIMITED, and in pursuance of the Companies and Allied Matters Decree of 1990, is now known as PHARMA DEKO PLC to date.

In 1995, PHARMA DEKO PLC, in a bid to entrench itself in the heart of Nigeria's consumer economy, expands its market share and increase its bottom-line, researched, developed and introduced SANS CREAM SODA, a popular sugar-free healthy drink targeted at high net-worth individuals in addition to its pharmaceutical lines, contributing significantly to the company's turnover yearly. The company also has support brands including Dextra Energy, Dextra Black Currant Drinks and Bien Flavoured Water in different flavours (Apple, Peach, Guava, Banana & lime and Tropical Blend).

Pharma Deko became the first pharmaceutical company in Nigeria to be ISO Certified in 1999 and is today a leader in the Nigerian pharmaceutical and beverages industry.

OUR MAIN BUSINESS

- 1. Pharmaceutical – OTC (Over The Counter) & ETHICAL (Prescription) Medicines.**
- 2. Consumer – Healthy Carbonated Drinks**

3. **Contract Service** – Use of our spare capacity to Produce or Package products for other Companies.

PROFILE OF DIRECTORS

MR. FOLARIN R. A. WILLIAMS - CHAIRMAN

I graduated with a B.Sc. (Hons) ACGI in Chemical Engineering from the Imperial College of Science and Technology London University in 1977. I obtained a Master of Arts (Cantab) Law from Selwyn College Cambridge in 1983 and was called to the Nigerian Bar in 1984. I also hold board appointments in a number of companies in the pharmaceutical, information technology, logistics and oil-field services industrial sectors. I am the Managing Partner of Chief Rotimi Williams' Chambers.

MR. ADEKUNLE ABIBU – MANAGING DIRECTOR/CEO

Mr. Adekunle Abibu graduated with a B.Sc. (Hons) in Industrial Engineering from the University of Ibadan in 1989. He joined Pharma-Deko Plc as Managing Director on the 4th of August, 2008. Before joining the Company Mr. Abibu had worked in the Nestle Group for sixteen years between April 1991 and June 2007 during which he rose to become the Managing Director of Nestle Guinea for four years between April 2003 and June 2007, which include operations in Sierra Leone, Liberia and Guinea Bissau. He has vast experience in Industrial Engineering, Project Management, International Supply Chain and Commercial Management among others.

MR. ISAAC OLUWADARE BAJULAYE – EXECUTIVE DIRECTOR

Mr. Bajulaye is the Superintendent Pharmacist/Head of Pharma Production of Pharma Deko Plc. He obtained a Pharmacy Degree from the University of Ibadan in 1986 and a Masters in Business Administration with project in Production System and Management from Ambrose Alli University, Ekpoma in 2004. He has Pharmaceutical products Manufacturing experience spanning over 20 years. An Associate member of the Nigerian Institute of Management (Chartered), he was appointed as an Executive Director on 27th October, 2011.

MR. GODWIN A. ALEGIEUNO – NON-EXECUTIVE DIRECTOR

Mr. Alegieuno is a chartered accountant and an insurance practitioner. He is a fellow of the Chartered Association of Certified Accountants, Institute of Chartered Accountants of Nigeria and also a Chartered Insurer. He obtained an Ordinary National Diploma (OND) in 1973 and a Higher National Diploma (HND) in 1975 both in Accountancy from the College of Technology, Yaba. He also obtained a Post Graduate Diploma in Finance from the University of Leicester, United Kingdom in 2003. He has vast experience in Commerce, Industry and Insurance. He retired as Managing Director of Lion of Africa Insurance Company Limited. He joined the Board of Directors of Pharma Deko Plc in 1994.

Mr. COLLINS C. CHIKELUBA – NON-EXECUTIVE DIRECTOR

Mr. Chikeluba is a Lawyer, businessman and philanthropist with business interest in Nigeria, Europe, America and Asia. He graduated with a B.Sc. (Hons) in Business Administration (Major in Management Science and Minor in Marketing) from Fontbone University, St. Louis, U.S.A in 1983. Mr. Chikeluba obtained a Masters degree in Finance from the Webster University, USA in 1984 and a Juris Doctoris from St. Louis University, School of Law, USA in 1987. He was called to the Nigerian Bar in 1988. His business interests span across various sectors of the economy including Transportation, Insurance, Oil and Gas, Banking, Manufacturing and Real Estate. He holds Board appointments in several companies including ASO Savings & Loans Plc, Staco Insurance Plc, SET Plc, Duport-Marine Limited. He is currently a Non Executive Director of the Central Bank Nigeria.

MR. STEVE U. OSAI – NON-EXECUTIVE DIRECTOR

Mr. Steve Osai is a Chartered Accountant and the immediate past Managing Director of Pharma Deko Plc. He graduated with a B.Sc. (Hons) in Business Administration from the University of Lagos in 1976. He joined the company from Coopers and Lybrand as a Financial Accountant. He supervised the Company's transition from a sales affiliate of Warner-Lambert Inc./Parke-Davis Inc. (USA) to a fully integrated manufacturing company. He

CHAIRMAN'S LETTER CONTINUED

was appointed to the Board in 1984 and was at various times responsible for the financial, administrative, personnel and marketing functions of the company. Mr. Osai became a non executive director in 2008.

MR. KOLAPO A. LAWSON – NON-EXECUTIVE DIRECTOR

Mr. Kolapo Lawson is a chartered accountant and business tycoon. He graduated with a B.Sc. (Hons) in Economics from the London School of Economics and Political Science in 1972. He joined the International Accountancy Firm of Coopers and Lybrand, London (now part of Pricewaterhouse Coopers) where he qualified as a Chartered Accountant in 1975. He is a fellow of the Institute of Chartered Accountants (England & Wales) and Nigeria. He is the President of Lawson Corporation and Chairman, Agbara Estate Limited. Mr. Kolapo Lawson is the Chairman of Ecobank Transnational Incorporated and holds Board appointments in many other companies. He joined the Board of Directors in 1993.

CHIEF JOE O. ANYIGBO – NON-EXECUTIVE DIRECTOR

Chief Anyigbo is an engineer and business man. He has over 30 years extensive experience in all sectors of the Oil and Gas Industry. He is a fellow of Nigerian Society of Chemical Engineers, a member of the Board of Trustees of Nigeria Society of Chemical Engineers and a recipient of National Productivity Order of Merit Award. He retired in 2002 from Chevron Nigeria Limited as a Pioneer Executive Director. Chief Anyigbo graduated with a B.Sc. (Hons) in Chemical Engineering from Lafayette College, Pennsylvania, U.S.A in 1967. He obtained Masters of Science from Carnegie-Mellon University in 1969 and a Masters degree in Business Administration (MBA) from the University of Pittsburgh, U.S.A in 1971. He joined the Board of Directors in 2006.

ALHAJI BALA A. ZAKARIYA'U – NON-EXECUTIVE DIRECTOR

Alhaji Bala Zakariya'u is a fellow of Chartered Insurers of Nigeria and Nigeria institute of Management. He is also a fellow of the National Institute of Marketing of Nigeria. Alhaji Zakariya'u obtained a National Diploma in Insurance from Ahmadu Bello University, Zaria in 1976. He obtained a Masters degree in Business Administration (MBA) in 1992 and completed an Advanced Management Programme from the Lagos Business School in 1995. He was one time President elect, Lagos Business School (AMP4) and a member of the Governing Council (LBSAA) Alumni Association from 1999 to date. He served as the President, Chartered Institute of Insurers Nigeria between 2003 and 2004. Alhaji Bala Zakariya'u holds appointments in several companies including Niger Insurance Plc where he is presently the Chairman, Board of Directors.

MANAGEMENT TEAM

Apart from the Managing Director/CEO and the Executive Director whose profiles are stated above other members of the Management team are as follows:

MR AYINDE ADEGBOYEGA

He is the Head of Internal Audit. He is a member of Institute of Chartered Accountants of Nigeria (ICAN). He has Bachelor and Masters degree in Agricultural Economics from the University of Ibadan. He has worked as a corporate Business Manager, Account Manager and Group Internal Auditor in Karrington Group, Life Flour Group, and Aeromaritime Group of Companies respectively in the last 18 years. Mr. Ayinde joined the company in 2009.

MR. ISOLA OLUWOLE OLUKAYODE

He is the Manager, Consumer Production. He has Bachelor and Masters degree in food science and Technology. He joined Pharma Deko Plc. in January, 2006. He lectured briefly at the University of Ibadan and Obafemi Awolowo University respectively between 1995 and 1997 before joining the industry. He worked with Evan Medical Plc, where he served in several capacities from Food Products Development to Operations Management between 1997-2005.

CHAIRMAN'S LETTER CONTINUED

MR. FATANMI OMONIYI

Fatanmi Omoniyi is the company's Acting Chief Finance Officer. A Chartered Accountant and associate member of the Institute of Chartered Accountant of Nigeria. He also holds an MBA in Finance from Lagos State University. Mr. Fatanmi has over 15 years cognate experience in Finance, Accounting and Audit functions.

MR. OJELABI DAPO

Ojelabi Dapo is the company's Acting Quality Assurance Manager. He has more than 11 years post- graduate experience. He had his first degree from University of Agriculture Abeokuta, and his second degree in Microbiology from University of Ibadan. He is a member of Nigerian Society for Microbiology. He joined the services of Pharma Deko Plc in 2010.

MRS. EKPO SHARON

Sharon Ekpo is company's Asst. Human Resources Manager. Sharon Ekpo is a Business Administration graduate from Lagos State University. She is currently a member of the PPCA, Agbara Chapter. She joined the services of Pharma Deko Plc in 2010.

PURPOSE OF THE ISSUE AND UTILISATION OF PROCEEDS

The issue is being undertaken to refinance existing loan obligations, invest in new Factory equipment as well as to provide additional working capital.

The net Issue proceeds of N259,790,250.00 after deducting the cost of the Issue of N11,209,750.00 amounting to 4.14% will be utilized as follows:

Use of Proceeds	N:K	%	Duration
Refinance Loan Obligations <ul style="list-style-type: none">Financial Derivatives Company LimitedChapel Hill Denham Group	50,000,000.00	19.32	Immediate
CAPEX <ul style="list-style-type: none">Canning Line Replacement & Factory upgrade	150,000,000.00	57.96	Immediate
Working Capital	58,790,250.00	22.71	Continuous
Total Utilization	258,790,250.00	100	

RISKS & MITIGATING FACTORS

Political Risks

Nigeria is increasingly experiencing pockets of violence. There have been targeted killings and bomb attacks by members of a radical Islamic sect. In addition, there continues to be sporadic attacks on oil facilities and platforms by militant groups in the Niger Delta despite the existence of a Government sponsored amnesty programme.

Mitigating Factor

The Federal Government has increased its security presence in the affected areas and across the nation. The Government has also promised to stem the growing insecurity in the country and ensure the protection of lives and property.

CHAIRMAN'S LETTER CONTINUED

Economic Risks

The Nigerian Economy is almost solely dependent on its oil sector and any changes in oil production or global oil prices could have wide ranging impact on other sectors of the economy.

Mitigating Factor

The current Administration remains committed to wide-sweeping economic reforms aimed at diversifying Nigeria's economy and increasing macroeconomic stability whilst promoting a private sector market driven economy.

Business Risk

Some of the Company's key materials are sourced internationally, thus running the risk of volatile price changes in the cost of these raw materials. This will inadvertently increase their costs and affect Pharma-Deko's level of profitability.

Mitigating Factor

The Company's stock policy has to be continually reviewed to effectively reduce its exposure to price volatility.

Market Risk

The Nigerian FMCG market is one that is diversified and highly competitive with local and multinational companies competing with the Company's brands.

Mitigating Factor

The Company strives to ensure that its famous brands are well supported. SANS Cream Soda, being the first locally manufactured still remains the preferred sugar-free cream soda in Nigeria. The Company is also working on various advertising strategies that will help to further promote its brand.

Operational Risk

Operational risk is the risk of potential loss to the Company arising from the failure of people, internal processes and systems; or from external events.

Mitigating Factor

The Company has a strong business framework within which it operates and continues to improve on and a robust management team to monitor the controls which are in place. The Company also has hardworking, devoted, long term staff that remain dedicated to the Company's vision.

Liquidity Risk

Liquidity risk is defined as the potential loss to the Company's potential inability to meet financial obligations as they fall due. The Company is currently facing challenges of inadequate working capital and high financial exposure.

Mitigating Factor

The Company is embarking on this Rights Issue partly in order to raise additional capital to resolve its immediate working capital needs. The Issuer has appointed a Financial Adviser to restructure its loan obligations with a view to drastically reducing the burden of cost of finance as part of strategies to enhance its future profitability.

CHAIRMAN'S LETTER CONTINUED

RESEARCH AND DEVELOPMENT

Pharma Deko Plc in her commitment to satisfy her numerous customers and the Stakeholders as a core value, is constantly researching into modern and innovative products in the areas of Pharmaceuticals, Healthcare products and consumer drinks.

The Research and Development unit has a team of experienced scientists who are constantly researching into new products for the treatment of common diseases affecting the majority of the Nigerian population, specialized drugs for uncommon diseases and ailments, nutritionals and health drinks. These we carry out constantly based on our wealth of experience and in technical collaborations with our overseas technical partners.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The affairs of Pharma Deko Plc are being managed in accordance with the provisions of the code of best practices on Corporate Governance in Nigeria with regards to matters concerning the Board of Directors, the Shareholders and the Audit Committee.

The Board ensures that the company maintains good relationship with its shareholders by involving them in all major decisions such as appointment of new directors, changes in the company's share capital and amendments to Memorandum and Articles of Association. The company is also committed to full disclosure and transparency in providing information to all stakeholders.

FUTURE OUTLOOK

Our company continues to remain a formidable brand in the pharmaceutical and beverages industry. In a bid to explore growth opportunities in the industry, the Company intends to leverage on effective use of the proceed of this Offer together with renewed focus of both the Board and Management of the Company to chart a course to profitability.

CONCLUSION

Finally, the Board and Management of your Company are confident that with your support and an improvement in our working capital, there would be adequate returns on investment in the foreseeable future.

I wish to draw your attention to the fact that the Rights issue presents a unique opportunity for you to continue to enjoy the benefits of your investment in Pharma Deko Plc. I therefore invite all existing shareholders to exercise their Rights in full.

Yours faithfully

MR. FOLARIN ROTIMI WILLIAMS
Chairman

FINANCIAL INFORMATION

LETTER FROM AUDITORS ON GOING CONCERN STATUS

SIAO (Chartered Accountants)
18B, Olu Holloway Road,
Ikoyi, Lagos

Date

The Directors
Integrated Trust & Investments Limited
2nd Floor, 61 Marina
Lagos.

Dear Sir,

CONFIRMATION OF GOING CONCERN STATUS OF PHARMA DEKO PLC ("THE COMPANY")

Pharma Deko Plc is offering to its existing shareholders **150,000,000** ordinary shares of 50k each at N1.80k per share on the basis of Three (3) new ordinary shares for every Two (2) ordinary shares held.

Based on our review of the results of the Company for the year ended 31st December, 2012 as well as existing operations as at that date then ended, in our role as auditors to the Company, we confirm that nothing has come to our attention that causes us to believe that the Company will not continue as a going concern in the foreseeable future.

Yours faithfully,

SIAO
(Chartered Accountants)

FINANCIAL INFORMATION - STATEMENT OF ACCOUNTING POLICIES

STATEMENT OF ACCOUNTING POLICIES

The following are the main accounting policies adopted by the company in the preparation of its financial statements:

(1) 1. Nature of Operations

The company's principal activities include the manufacturing, packaging and marketing of high quality pharmaceutical and consumer products. The consumer and pharmaceutical products share the same production lines and the company leverages on this to ensure efficiency and effectiveness in its production process.

The company is also engaged in the use of its facilities for manufacturing and packaging services for third parties.

2. General Information and Statement of Compliance with IFRS

The financial statements of the company for the year ended 31 December 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria (FRCN).

An explanation of how the transition to IFRSs has affected the reported financial position of the company is provided in the notes. The financial statements are presented in the functional currency, Nigerian Naira rounded up to the nearest thousand.

3. Summary of Significant Accounting Policies

3.1. Property, Plant and Equipment

Property, Plant and Equipment are tangible assets that can span more than one accounting period. These items are stated at their original cost or fair value less accumulated depreciation and impairment losses.

Land and Building is measured at fair value which is determined every two years. The fair value is determined by engaging the services of an external professional valuer.

Any increase as a result of the revaluation of Land and Building is recognised in other comprehensive Income and accumulated in Equity under the heading of Revaluation Surplus. However, the increase is recognised in Profit or Loss to the extent that it reverses a revaluation decrease previously recognised in Profit or Loss. If the revaluation results to a decrease in the carrying amount of Land and Building, the decrease is recognised in profit or loss. However, the decrease is recognised in Other Comprehensive Income to the extent of any credit balance existing in the revaluation surplus in respect of the asset. Any revaluation surplus remaining in Equity on disposal of the asset is transferred to Retained Earnings.

Plant and Machinery, Furniture and Fittings, Motor Vehicles and Computer Equipment are measured at cost.

The initial cost of these assets comprises its purchase price and any costs directly attributable to bringing the asset into operation.

The capitalised value of plant and machinery acquired via finance lease is also included within Property, Plant and Equipment.

3.2 Depreciation and Impairment

Depreciation is charged over the estimated useful life of the assets when available for use and is calculated at the following rates per annum on cost or valuation:

FINANCIAL INFORMATION - STATEMENT OF ACCOUNTING POLICIES CONTINUED

	%
Buildings	2
Plant and Machinery	10
Furniture and Fittings	15
Motor Vehicles	20
Computer Equipment	33 ¹ / ₃

The useful lives and methods of depreciation of the assets are reviewed at each reporting period and adjusted prospectively if appropriate.

Impairment is measured as the difference between the carrying amount of an asset and its recoverable amount. Recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Impairment is tested for when there is an indication of impairment such as:

- Decline in the market value of an asset;
- Changes in the technological, economic or legal environment resulting in an adverse effect on our activities;
- Obsolescence or damage of assets;
- Worsening performance of assets.

When there is an objective evidence of impairment, the loss is recognised in Profit or Loss except when there has been a previous upward revaluation in which case the impairment loss is recognised directly in equity.

Gains or losses arising on the disposal of Property, Plant and Equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in Profit or Loss within 'other income' or 'other expenses'.

3.3. Fair Value

Land and Building are measured at fair value by reference to market based evidence (Level 1 Fair Value Measurement). The fair value measurement is carried out every two years to ensure that the carrying amount of Land and Building is not materially different from its market value.

3.4. Leased Assets

In accordance with IAS 17 Leases, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are owned by Pharma Deko Plc. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed as part of finance costs

he interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to Income Statement over the period of the lease.

3.5. Inventories

Inventories are stated at the lower of cost and net realisable value after making adequate provision for obsolete, slow moving and damaged items. In case of goods manufactured by the Company, cost includes production

overheads. Stock is valued at weighted average cost and goods in transit at the invoice price. Work- in- progress is stated at cost. Cost in this case consists of direct labour and materials plus appropriate proportion of factory

FINANCIAL INFORMATION - STATEMENT OF ACCOUNTING POLICIES CONTINUED

overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.6. Financial Instruments

a. Non Derivative Financial Assets

i. Trade Receivables

Trade receivables are financial assets usually measured at amortised cost less any impairment losses. Since the effect of discounting is immaterial, they are stated at their invoice price.

Trade receivables are assessed annually to determine if there is an objective evidence of impairment. The impairment loss is determined by splitting the receivables into groups of trade receivables that share similar credit risk characteristics. The credit risk groups are to be assessed for impairment using historical loss experience for each group. Such historical loss experience would be adjusted to reflect the effects of current conditions.

Staff Receivables, which are interest free and for a tenor of less than twelve months, is also measured at amortised cost. In this case, it is the face value of the loan.

ii. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Non Derivative Financial Liabilities

The Company has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Trade payables are measured at amortised cost. They are shown at face value because they do not carry any interest and usually have a tenor of up to three months.

Loans and Borrowings are recognised initially at fair value less any directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

3.7. Taxation

Income tax and education tax payable are provided on taxable and assessable profits respectively at the current statutory rates.

Deferred Taxation

Deferred Taxation, which arises from timing differences in the recognition of items for accounting and tax

purposes, is calculated using the liability method. Based on the IFRS provisions, IAS 12, liability method recognizes all timing differences as temporary differences. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the Statement of Financial Position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which Pharma Deko Plc expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realized or the liability settled, based on tax rates (and tax laws) that have been enacted at the Statement of Financial Position date. Deferred tax assets are recognized when it is considered probable (more likely than not) that those assets will be recovered.

3.8. Foreign Currency Transaction

Transactions denominated in foreign currencies are translated into Naira at the ruling rates of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are reported at the prevailing exchange rate at the statement of Financial Position date. Any gain or loss arising from a change in exchange rates is charged to the Statement of Profit or Loss and Other Comprehensive Income.

3.9. Employee Benefits

The Company provides a contributory pension fund scheme which is funded by contributions from employees at 7.5% and employer at 7.5% based on basic salary, housing and transport allowance in line with the Pension Reform Act of 2004. The employers' contribution is charged to the Statement of Profit or Loss and Comprehensive income. Contributions are expensed in the period they are payable and any unpaid contribution at the end of the period are recognised as a liability.

The Company operates an unfunded non-contributory gratuity scheme. Employee final benefit on this scheme is determined based on the employee's year of service and terminal Salary. This applies to employees who retire, resign or are made redundant or the company terminates their appointment as aforesaid. It does not apply to employees who are dismissed from the company.

3.10. Provisions

Provisions are recognised when the Company has present obligation whether legal or constructive, as a result of past events for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*.

3.11. Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed from time to time by the management of the Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company's operating segments are as follows:

Pharma: This refers to the pharmaceutical product of the Company.

Consumer: This refers to the production of beverages; and

Contract: This refers to the use of the Company's facility for manufacturing and packaging of services to third parties.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise all assets, liabilities and income tax assets and liabilities.

3.12. Revenue**Sales of Goods**

The sales of good comprises of pharmaceutical goods and consumer goods. Revenue from the sale of these goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, sales tax and volume rebates. Revenue is recognised upon the exit of goods from the company's warehouse given the availability of adequate goods-in-transit insurance. Revenue is recognised when the amount of revenue can be measured reliably, collection is probable and the costs incurred or to be incurred can be measured reliably.

Rendering of Services

The rendering of services involves the use of the Company's facilities for manufacturing and packaging of goods for third parties. Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, costs incurred and cost to complete can be measured reliably and stage of completion can be ascertained at end of the reporting period. The stage of completion is determined by using the surveys of work completed.

3.13. Discontinued Operations

A discontinued operation represents a component of the company's principal business that is a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

Profit or loss from discontinued operations is presented in a single amount in the income statement. This amount is the post-tax profit or loss of discontinued operations.

3.14. Earnings per Share

The Company presents Basic Earnings per Share (EPS) data for its ordinary shares. The Basic EPS is determined by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.15. Dividend

Dividend on ordinary shares are appropriated from retained earnings and recognized as a liability in the period in which they are declared. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

3.16. Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

FINANCIAL INFORMATION - STATEMENT OF ACCOUNTING POLICIES CONTINUED

However, the company's property at Okene close which was to be regarded as an investment property was not treated as such because the portion used for production or supply of goods and services is significant compared to the portion used for rent.

3.17. Significant Management Judgement in applying Accounting Policies and Estimation Uncertainty

When preparing the financial statements, Board undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Below is the significant management judgement in applying the accounting policies of Pharma Deko Plc that has the most significant effect on the financial statements.

Taxation on Discontinued Operations

IFRS 5 requires that the post-tax profit/(loss) of discontinued operations (2011) be shown as a single line item in the Statement of Profit or Loss and Other Comprehensive Income.

However, in these financial statements, the result of the discontinued operations is shown as the pre-tax loss. This is because of the complexity of separating assets and liabilities of the discontinued operations from the entire continuing operations of the company. This has prompted management to exercise significant judgement to disclose the result of discontinued operations on a pre-tax basis.

FINANCIAL INFORMATION CONTINUED

The following is a summary of the audited accounts of the company for the five years ended 31st December, 2012.

STATEMENT OF FINANCIAL POSITION

[illegible]

FINANCIAL INFORMATION CONTINUED

PROFIT AND LOSS ACCOUNT

Statement of Profit or Loss and Other Comprehensive Income							
	Notes	2012 N'000	2011 N'000	2010 N'000	2009 N'000	2008 N'000	
Turnover	4	1,037,463	1,188,501	494,457	501,930	1,105,570	
Cost of sales	21	(546,712)	(609,724)	383,006	418,791	752,634	
Other income	6	56,232	22,088	111,451	83,139	352,936	
		546,983	600,865	132,287	91,350	410,044	
Selling and distribution expenses	22	(131,338)	(141,690)	37,396	36,053	51,705	
Administrative expenses	23	(321,058)	(290,855)	241,847	269,415	356,665	
Operating profit		94,587	168,320	146,956	214,118	1,674	
Finance Cost	19	(78,608)	(70,718)	315,963	248,641	196,875	
Profit/(Loss) after Finance Cost		15,979	97,602	462,919	460,455	194,826	
Derecognition of Loan Liability	25	670,797	-	-	-	-	
Profit before tax		686,776	97,602	462,919	460,455	194,826	
Taxation	20.3	54,169	(21,119)	1,175	1,042	3,146	
Profit/(Loss) from Continuing Operations		740,945	76,483	464,094	461,497	197,972	
Loss from Discontinuing Operations	24	-	(60,369)	-	-	-	
Profit for the Period		740,945	16,114	464,094	461,497	197,972	
Other Comprehensive Income							
Revaluation surplus on land and building	7.1	853,615	-	-	-	-	
Income tax relating to other components of other comprehensi		-	-	-	-	-	
Other comprehensive income for the year, net of tax		853,615	-	-	-	-	
Total Comprehensive Income for the Period		1,594,560	16,114	464,094	461,497	197,972	
Earnings per share	26						
Basic Earnings per share							
Earnings from continued Operations (kobo)		745	76	-	486	208	
Loss from discontinued Operations (kobo)		-	(60)	-	-	-	
Total		745	16	466	486	208	
The accounting policies on pages 11 to 16 and the accompanying notes on pages 17 to 47 form an integral part of these financial statements.							

FINANCIAL INFORMATION (CONTINUED)

STATEMENT OF CASH FLOWS

Statement of Cash Flows						
		2012	2011	2010	2009	2008
	Notes	N'000	N'000	N'000	N'000	N'000
Cash flows from operating activities						
Cash generated from operations	27	659,684	143,985	19,997	80,412	156,167
VAT		-	-	-	88,188	77,790
Tax paid		(1,500)	(1,175)	2,942	6,757	-
Net cash provided by operating activities		658,184	142,810	17,055	175,358	78,377
Cash flows from investing activities						
Purchase of fixed assets	7	(46,355)	(21,121)	41,296	3,246	19,413
Interest received and similar income		56,232	22,088	2,414	2,304	375
Net cash (used) by investing		9,877	967	39,512	942	19,038
Cash flows from financing activities						
Interest paid on loans and overdrafts	19	(78,608)	(99,477)	315,963	248,641	196,875
Loan Returned		(592,393)	-	-	-	-
Lease repaid		(10,217)	(5,786)	2,705	40,423	120,656
Bank loan (AMCON)		(77,106)	-	700,000	-	-
Proceed on share issues		-	-	-	-	81,277
Share issue expenses		-	-	-	-	1,728
Short term loan		(55,285)	(45,000)	45,000	-	-
Savings on loan liability		670,797	-	-	-	-
Net cash (used) by financing activities		(142,812)	(150,263)	426,332	289,064	238,032
Net increase in cash and cash equivalents		525,249	(6,486)	403,874	465,363	178,693
Cash and cash equivalents, 1 January		(719,470)	(712,986)	1,116,861	651,497	472,804
Cash and cash equivalents, 31 December	11	(194,221)	(719,470)	(712,986)	(1,116,861)	(651,497)

FINANCIAL INFORMATION CONTINUED

NOTES TO THE ACCOUNTS

4	Revenue	Continuing	Discontinuing	Continuing	Discontinuing			
		Operations	Operations	Operations	Operations			
		2012		2011		2010	2009	2008
		N'000	N'000	N'000	N'000	N'000	N'000	N'000
	Pharma	527,341	-	609,979	-	224,463	271,597	357,346
	Consumer	468,306	-	524,028	73,375	253,421	194,197	398,725
	Contract	41,816	-	54,494	-	16,573	36,136	349,499
		1,037,463	-	1,188,501	73,375	494,457	501,930	1,105,570
The result of the continuing operations is further discussed in note 5 (Operating Segments) while that of the discontinued operations is detailed in note 24.								
5	Operating Segments							
	Pharma Deko Plc is engaged in the manufacturing and marketing of high quality pharmaceutical and consumer products. The Company has three reportable segments which serve as the Company's strategic business units. These operating segments are assessed and strategic decisions are made on the basis of operating segment results. The following summary describes the operations in each of the reportable segments:							
	Pharma: This refers to the pharmaceutical products of the Company;							
	Consumer: This refers to the production of beverages and;							
	Contract: This refers to the use of the Company's facility for manufacturing and packaging of goods and services to third parties							
	Due to the nature of the Company's operations and the relationship among the above segments (sharing of production lines), the assets and the liabilities of the Company cannot be determined on a segmental basis and does not form part of the information provided to management for segmental review. Hence, such information is not disclosed as part of operating segments.							
	Also Administrative Expenses and Interest Expenses are distributed proportionately to all segments due to the reason mentioned above.							
		Pharma	Consumer	Contract	Total			
	December 2012	N'000	N'000	N'000	N'000			
	External Revenue (Segment Revenue)	527,341	468,306	41,816	1,037,463			
	Cost of sales	192,458	235,885	21,243	449,586			
	Depreciation	49,369	43,842	3,915	97,126			
	Selling and Distribution Expenses	39,597	91,741	-	131,338			
	Admin. Expenses	163,193	144,924	12,941	321,058			
	Interest Expenses	39,957	35,483	3,168	78,608			
		484,574	551,875	41,267	1,077,716			
	Segment Profit before Income Tax	42,767	(83,569)	549	(40,253)			

FINANCIAL INFORMATION CONTINUED

2011	Pharma N'000	Consumer N'000	Contract N'000	Total N'000				
External Revenue (Segment Revenue)	609,979	597,403	54,494	1,261,876				
Cost of sales	(280,787)	(400,293)	(11,558)	(692,638)				
Selling and Distribution Expenses	(64,868)	(85,627)	-	(150,495)				
Admin. Expenses	(147,009)	(143,978)	(13,134)	(304,121)				
Interest Expenses	(48,086)	(47,095)	(4,296)	(99,477)				
	(540,750)	(676,993)	(28,988)	(1,246,731)				
Segment Profit before Income Tax	69,229	(79,590)	25,506	15,145				
5.1 Reconciliation of Operating Segment revenue to Company Revenue								
					2012 N'000	2011 N'000	2010 N'000	2009 N'000
Revenue for Segments					1,037,463	1,261,876	-	-
Discontinued Operations					-	(73,375)	-	-
Company Revenue					1,037,463	1,188,501	-	-
5.2 Reconciliation of Operating Segment loss to Company profit before tax								
					2012 N'000	2011 N'000	2010 N'000	2009 N'000
Total Profit/(loss) for Segments					(40,253)	15,145	-462,919	-460,455
Elimination of discontinued operations					-	60,369	-	-
					(40,253)	75,514	-462,919	-460,455
Add: Unallocated Amount								
Miscellaneous Income					-	-	-	4,715
Rent on warehouse					20,443	19,297	18,413	-
Exchange gain					8	1	9	3,496
Sale of scrap					3,445	2,790	2,414	-
Write back of over provision					32,336	-	-	-
De-recognition of loan liability					670,797	-	-	-
Company Profit before Income Tax					686,776	97,602	-442,083	-452,244
6 Other Income								
Miscellaneous Income					-	-	-	4,715
Rent on Warehouse					20,443	19,297	18,413	-
Foreign Exchange Gain					8	1	9	3,496
Sale of Scrap					3,445	2,790	2,414	-
Write back of over provision					32,336	-	-	-
					56,232	22,088	20,836	8,211
Rent of income represent rent collected from a portion of the company's warehouse, sale of scrap represent sales from used kegs, drums, caps and nylons.								

FINANCIAL INFORMATION CONTINUED

7	Property, Plant and Equipment						
		Land and Buildings	Plant and Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	Cost/valuation	N'000	N'000	N'000	N'000	N'000	N'000
	At 1 January 2012	1,015,000	692,841	1,674	14,906	4,641	1,729,062
	Additions	-	42,641		3,545	169	46,355
	Elimination of acc.dep	(38,614)					(38,614)
	Revaluation Surplus	853,614					853,614
	At 31 December 2012	1,830,000	735,482	1,674	18,451	4,810	2,590,417
	Depreciation						
	At 1 January, 2012	22,065	368,034	1,190	6,072	2,634	399,995
	Charge for the period	26,495	70,630	224	2,540	1,035	100,924
	Elimination of acc.dep	(38,614)					(38,614)
	At 31 December 2012	9,946	438,664	1,414	8,612	3,669	452,305
	Net book value						
	At 31 December 2012	1,820,054	296,818	260	9,839	1,141	2,128,112
	<i>At 31 December 2011</i>	<i>992,935</i>	<i>324,807</i>	<i>484</i>	<i>8,834</i>	<i>2,007</i>	<i>1,329,067</i>
		Land and Buildings	Plant and Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	Cost/valuation	N'000	N'000	N'000	N'000	N'000	N'000
	At 1 st January 2011	1,015,000	679,980	1,674	6,716	4,571	1,707,941
	Additions	-	12,861	-	8,190	70	21,121
	At 31 st December 2011	1,015,000	692,841	1,674	14,906	4,641	1,729,062
	Depreciation						
	At 1 st January, 2011	-	299,295	948	4,793	1,655	306,691
	Charge for the year	22,065	68,739	242	1,279	979	93,304
	At 31 st December 2011	22,065	368,034	1,190	6,072	2,634	399,995
	Net book value						
	At 31st December 2011	992,935	324,807	484	8,834	2,007	1,329,067
	At 1 January 2011	1,015,000	380,685	726	1,923	2,916	1,401,249
7.1	Land and Buildings						
	In accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards, management have elected to adopt the revaluation of Land and Buildings at an open market value of N1,015,000,000 carried out by Messrs Jide Taiwo and Company (Estate Surveyors and Valuers) on a rolling basis on December 10, 2010 and December 16, 2011. Management considers the valuation done in December 2011 to be representative of the conditions as at December 2010 because there has not been any material change in market conditions. This has led to a revaluation surplus of N580,992,630.07 on January 1, 2011.						
	Subsequently, land and building has been revalued at open market value of N1,830,000,000 by Messrs Kanu Iroegbu and Associates (Estate Surveyors and Valuers) on September 15, 2012. This led to additional revaluation surplus of N853,614,151 as at September 30, 2012						
	If the cost model had been used, the carrying amount of the revalued land and building would be N417,499,010 (2011: N424,572,000, 2010: N434,007,000). The revalued amounts include a revaluation surplus of N1,434,606,152 before tax (2011: N580,992,000, 2010: N367,213,000). The amount for 2010 is available for distribution to the shareholders of Pharma Deko Plc while that of 2011 and 2012 is not available for distribution.						
7.2	Plant and Machinery						
	The cost model was used in the recognition of Plant and Machinery under the Nigerian Statement of Accounting Standards (SAS) and is retained on transition to IFRS.						
	Pharma Deko Plc leases some items of Plant and Machinery under finance lease agreements and details of the liability is included in note 13. These lease items are included in Plant and Machinery.						

FINANCIAL INFORMATION CONTINUED

7.3 Furniture and Fittings/Motor Vehicle

The cost model was used in the recognition of Furniture and Fittings/Motor Vehicle under the Nigerian Statement of Accounting Standards (SAS).
On transition to IFRS the cost model was retained.

7.4 Computer Equipment

The depreciation rate was changed from 10% to 33 1/3% to reflect the true useful live of Computer Equipment. The effect of this change in depreciation expense, recognised in cost of sales in the current and future periods is as follows:

	2011	2012	2013
	N'000	N'000	N'000
Increase (Decrease) in Depreciation	520	544	555

8 Inventories

	2012	2011	2010
	N'000	N'000	N'000
Raw materials	92,035	67,982	69,852
Finished goods	68,597	71,196	54,752
Packaging materials	154,294	84,833	31,094
Consumables	17,485	12,616	-
Work in Progress	8,882	17,723	679
	341,293	254,350	156,377

Inventories are measured at the lower of cost and net realisable value. In 2012, a total of N346,496,240 (2011:N448,872,666) inventories was recognised in cost of sales. There were no write-downs or reversal of write-downs of inventories in 2012 and 2011. However, inventory amount of N1,174,000 and N33,360,000 was written off as obsolete inventories from raw materials and packaging materials respectively in 2011 because they had turned obsolete. None of the inventories are pledged as securities for liabilities.

9 Trade Receivables

	2012	2011	2010	2008	2009
	N'000	N'000	N'000	N'000	N'000
Trade Receivables	225,114	224,521	266,517	223,433	492,706
Impairment of trade receivables	(136,043)	(126,333)	(126,333)	170,490	170,490
	89,071	98,188	140,184	52,943	322,216

Trade Receivables are non-interest bearing and are generally on a 30 day term.

Movements in the allowance for impairment of receivables is as follows:

At 1 January	126,333	126,333	170,490
Charge for the Year	17,874	-	-
Amounts Written-Off	(8,164)	-	(44,157)
Unused Amounts Reversed	-	-	-
At 31 December	136,043	126,333	126,333

FINANCIAL INFORMATION CONTINUED

10. Other Receivables					
	2012	2011	2010	2009	2008
	N'000	N'000	N'000	N'000	N'000
Staff Debtors	10,807	18,344	18,386	18,872	19,790
Cash Advance	19	1,309	240	-	-
Total Financial Assets	10,826	19,653	18,626	18,872	19,790
Sundry Receivables	89,052	72,482	33,500	75,956	32,375
Prepayments	2,279	29,361	3,845	54,903	15,523
Total Non Financial Assets	91,331	106,843	37,345	130,859	47,898
Total	102,157	126,496	55,971	149,731	67,688

Included in Staff Receivables is the unpaid amount of the Company shares allotted to interested employees of the Company In 2002, Interested employees of the Company were allotted the company's shares with an agreement that the allotted shares would be paid for by deducting the shares amount from the employees exit entitlement. The value of this transaction, N10,817,000, has been determined by multiplying the market value of the shares (as at grant date) by the number of shares allotted to the employees.

The prepayments comprises of payment made for rent and insurance (Life Assurance and Industry Risk Insurance).

11. Cash and Cash Equivalents					
	2012	2011	2010	2009	2008
	N'000	N'000	N'000	N'000	N'000
Oceanic Bank - (Bank of Industry Loan, Note 14)	100,896	693,000	693,000	-	-
Cash in other banks	21,210	68,277	10,290	2,507	32,023
Cash in hand	72	56	72	-	-
Cash and Cash Equivalents	122,178	761,333	703,362	2,507	32,023
Bank Overdrafts used for cash management purposes	(316,399)	(1,480,803)	(1,416,347)	(1,119,368)	(691,497)
Cash and Cash Equivalents in the Statement of Cash Flows	(194,221)	(719,470)	(712,985)	(1,116,861)	(659,474)

Included in the balance of Oceanic Bank Plc(now Ecobank Plc) is the sum of N100,607,000.00 being the balance in the account after the BOI intervention fund has been returned by Ecobank to BOI. The company does not, however, have access to it because of some unresolved issues between both parties.

FINANCIAL INFORMATION CONTINUED

12	Equity					
12.1	Share Capital					
	The share capital of Pharma Deko Plc consists only of fully paid ordinary shares that carry a par value of 50 kobo per share. These shares entitle the holders to dividend and repayment of capital(at liquidation).					
	Authorised Ordinary Share Capital					
		2012	2011	2010	2009	2008
		N'000	N'000	N'000		
	300,000,000 ordinary shares of 50k each	150,000	150,000	150,000	150,000	150,000
	Ordinary Shares Issued and Fully Paid					
	At 1 January	49,759	49,759	49,759	49,759	49,759
	Movement during the year	-	-	-	-	-
	At 31 December	49,759	49,759	49,759	49,759	49,759
		Number in thousand of shares	Number in thousand of shares	Number in thousand of shares	Number in thousand of shares	Number in thousand of shares
	At 1 January	99,518	99,518	99,518	99,518	99,518
	Movement during the year	-	-	-	-	-
	At 31 December	99,518	99,518	99,518	99,518	99,518
		2012	2011	2010	2009	2008
		N'000	N'000	N'000	N'000	N'000
12.2	Share Premium					
	At 1 January	236,060	236,060	236,060	236,060	158,840
	Movement during the year	-	-	-	-	77,220
	At 31 December	236,060	236,060	236,060	236,060	236,060
12.3	Revaluation Reserve					
	At 1 January	580,992	580,992	367,213	367,213	367,213
	Movement during the year	853,615	-	213,779	-	-
	At 31 December	1,434,607	580,992	580,992	367,213	367,213
12.4	Retained Earnings					
	At 1 January	(1,517,939)	(1,534,053)	(1,299,439) -	837,942 -	639,970
	Profit for the year	740,945	16,114	(464,095) -	461,497 -	197,972
	IFRS Adjustments	-	-	229,480	-	-
	At 31 December	(776,994)	(1,517,939)	(1,534,054) -	1,299,439 -	837,942

[illegible]

FINANCIAL INFORMATION CONTINUED

Pharma Deko Plc					
IFRS Financial Statements for the Year Ended 31 December 2012					
Notes to the Financial Statements (Cont'd)					
15	Post Employment Benefits				
The Company operates a defined contribution scheme wherein both the Company and the employees contribute 7.5% of the employee's total emolument (basic pay, housing and transport allowance) to a Pension Fund Administrator. As at 31 December 2012, the Company had a liability of N109,070,000 as unpaid pension contribution under this scheme.					
Defined Contribution Scheme					
	2012	2011	2010	2009	2008
	N'000	N'000	N'000	N'000	N'000
At 1 January	103,829	102,238	97,494	82,670	64,454
Provision for the year	26,232	17,818	14,985	14,824	18,216
Payments during the year	(20,991)	(16,227)	(10,241)	-	-
At 31 December	109,070	103,829	102,238	97,494	82,670
In addition to the above, the Company also operates a defined benefit scheme (staff gratuity) for its staff. As at 31 December 2012, the Company had a liability of N96,467,000 under this scheme.					
Defined Benefit Scheme					
	2012	2011	2010	2009	2008
	N'000	N'000	N'000	N'000	N'000
At 1 January	123,258	145,037	157,476	150,478	138,592
Provision for the year	13,501	7,021	5,431	6,998	15,432
Payments during the year	(40,292)	(28,800)	(17,871)	-	3,546
At 31 December	96,467	123,258	145,036	157,476	150,478
16	Loans and Borrowings – Current Financial Liabilities				
	2012	2011	2010	2009	2008
	N'000	N'000	N'000	N'000	N'000
Bank Overdrafts	326,758	1,093,826	1,072,332	824,749	427,153
Commercial Papers	429,721	386,977	344,015	294,619	256,367
	756,479	1,480,803	1,416,347	1,119,368	683,520
Bank overdrafts were obtained from various banks including Union Bank of Nigeria Plc, Zenith International Bank Plc and Skye Bank Plc. The bank overdrafts are secured by a negative pledge on fixed/floating assets of the Company. Bank Overdrafts includes N318,599million from Zenith International Bank Plc.					
The commercial papers comprise several issuances from both Financial Derivatives Company Limited N264,568,000 (2011:N259,187,000; 2010:223,875,000) and Chapel Hill Advisory Partners Limited N165,154,000 (2011:N166,516,000; 2010:N120,139,000) with a tenor of three months at different interest rates and roll over.					

FINANCIAL INFORMATION CONTINUED

17 Trade Payables – Current Financial Liabilities					
	2012	2011	2010		
	N'000	N'000	N'000		
Trade Payables	342,380	314,003	285,881		
Trade payables are measured at amortised cost. However, because the trade payables are non-interest bearing and have a settlement period of three months hence they are stated at the invoice amount.					
18 Other Payables					
	2012	2011	2010	2009	2008
	N'000	N'000	N'000	N'000	N'000
Financial Liability					
Obligation under Finance Lease (see note 13)	5,630	9,510	5,354	-	138,534
Sundry creditors (18.1)	125,600	136,546	159,469	94,684	30,223
Accruals	112,506	111,379	69,129	68,218	45,572
VAT payable	119,749	106,835	100,999	88,189	77,790
Employee Benefits – Unpaid Contribution (see note 15)	109,070	103,829	102,238	-	-
	472,555	468,099	437,189	251,091	292,119
Non Financial Liability					
Deferred rent income	1,400	1,108	1,109	-	-
Customers' deposits	-	15,134	30,668	26,707	203,765
	1,400	16,242	31,777	26,707	203,765
Total	473,955	484,341	468,966	277,798	495,884
Accruals represent the provisions for various fees outstanding at the end of the financial period. The accrued rent income is with respect to the company's warehouse space made available for rent. The customer deposits refers to deposit made by the company's customers for its various products.					
18.1 Sundry Creditors					
	2012	2011	2010	2009	2008
	N'000	N'000	N'000	N'000	N'000
Other Creditors	58,652	90,383	55,836	-	-
Industrial Training Fund	7,955	4,889	4,889	-	-
Co-operative Society Contribution	6,248	6,248	6,248	-	-
Union Dues	247	285	469	-	-
Withholding Tax on Dividend	231	231	231	-	-
Withholding Tax on Services	14,124	11,463	8,482	-	-
Pay As You Earn (PAYE)	20,170	14,829	13,524	-	-
Salaries and Wages Payable	2,055	7,318	23,085	-	-
Short Term Private Placement	15,018	-	45,805	-	-
Dividend Payable	900	900	900	-	-
	125,600	136,546	159,469	-	-

FINANCIAL INFORMATION CONTINUED

19 Finance Cost					
Finance cost for the period is as follows:					
	2012	2011	2010	2009	2008
	N'000	N'000	N'000	N'000	N'000
Interest on commercial papers	42,744	45,312	50,396	53,252	93,172
Interest on bank loan	24,958	8,055	27,271	-	36,464
Interest on finance lease	3,036	10,874	1,744	30,640	67,239
Interest on Private Placement	2,428	1,812	-	-	-
Loss on foreign exchange	687	-	-	-	-
Bank Charges	4,755	4,665	-	-	-
	78,608	70,718	79,411	83,892	196,875
Add: Interest on bank overdrafts (Discontinued Operations)	-	28,760	236,552	164,749	-
Total	78,608	99,478	315,963	248,641	196,875
20 Taxation					
20.1 Current Income Tax					
	Minimum Tax	Education Tax	Total		
	N'000	N'000	N'000		
At 1 January	10,114	2,991	13,105		
Charge for the Year	3,750	15,760	19,510		
Payments			(1,500)		
At 31 December	13,864	18,751	31,115		
The charge for taxation in this financial statement for the year ended 31 December 2012 is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004, section 28A (Minimum Tax Payable). The minimum tax has been computed using 0.5% of gross profit and 0.125% of turnover in excess of N500,000 resulting to an amount of N3,749,954.					
The Education tax is based on 2% of assessable profit for the period.					
20.2 Deferred Income Tax					
	2012	2011	2010	2,009	2,008
	N'000	N'000	N'000	N'000	N'000
Start of the Year	112,054	98,348	-	14,349	11,203
Charge/(Write back) for the year	(73,678)	13,706	98,348	1,042	3,146
End of the Year	38,376	112,054	98,348	15,391	14,349
The company has adopted the international Accounting Standard(IAS 12) on deferred taxation computation using the liability method.					
20.3 Tax Charge for the Year					
Below is the breakdown of the tax charge for year ended December 2012:					
	2012	2011	2,010	2,009	2,008
	N'000	N'000	N'000	N'000	N'000
Education Tax	15,760	2,991	-	-	-
Minimum Tax	3,750	4,423	1,175	1,042	3,146
Write back of Deferred Tax Liability	(73,679)	13,705	-	-	-
Total	(54,169)	21,119	1,175	1,042	3,146

FINANCIAL INFORMATION CONTINUED

21	Reconciliation of Profit before Taxation to Cash generated by Operating Activities				
				N'000	N'000
	Profit before taxation			686,776	37,233
	Adjustments to reconcile Net profit to Net Cash provided by Operating Activities				
	Depreciation			100,924	93,303
	Exchange gain			(8)	(1)
	Interest expense			78,608	70,718
	Rent income on warehouse			(20,443)	(19,297)
	Sale of scrap			(3,445)	(2,790)
	Changes in Operating Assets and Liabilities				
	(Increase)/Decrease in Inventories			(86,943)	(97,975)
	(Increase)/Decrease Trade debtors			9,117	41,995
	(Increase)/Decrease Other Debtors and Prepayments			24,339	(70,526)
	Increase/(Decrease) in Trade Creditors			28,378	28,122
	Increase in revaluation reserve			853,614	-
	Increase/(Decrease) in Other Creditors			(260,118)	20,526
	Increase/(Decrease) in Loans and Borrowings			(724,324)	64,456
	Decrease in retirement benefits			(26,791)	(21,779)
				(27,092)	106,752
	Cash provided by operating activities			659,684	143,985
22	Related party transactions				
a	The company's guest house located at Awka close, Agbara Estate belongs to Mr. Alegieuno, a Director of the Company. The rent of the				
b	The Chairman of the Board of Directors is related to:				
	(i) The Legal Adviser to the Company - Chief Rotimi Williams Chambers. In 2012, services valued at N13,304,141 was rendered to the				
	(ii) The Secretary to the Company - Unity Trustees Limited. The value of services rendered to the company during the year is N2,047,500				
	During the year, transactions between the related parties and the Company were conducted at arm's length.				
23	Contingencies				
	Contingent liabilities in respect of pending litigations as provided by the company's solicitor which amounted to N13,664,000 (20				
24	Approval of Financial Statements				
	The financial statements were approved by the Board of Directors on				
25	Explanation of Transition to IFRS				
	The company's 2011 IFRS financial statements are prepared in accordance with IFRSs.				
	The accounting policies set out in note 3 have been applied in preparing the financial statements for the period ended 31 December				

PROFIT FORECAST

LETTER FROM THE COMPANY ON PROFIT FORECAST

Date

The Directors
Integrated Trust & Investments Limited
2nd Floor, 61 Marina
Lagos.

Dear Sir,

REPORT ON PROFIT FORECASTS

The Directors of Pharma Deko Plc hereby present the Profit Forecasts of the company for the years ended 31st December 2013, 2014, 2015 and 2016. The Directors are of the opinion that barring unforeseen circumstances and based on the assumptions stated, the company's profit before tax will be N43.006 Million, N254,832 Million, N440,577 Million and N1.168Billion respectively.

The Directors confirm that the company's Financial Forecasts have been properly compiled based on the assumptions made by the board and are presented on a basis consistent with the accounting policies normally adopted by the company.

We accept responsibility accordingly.

Yours faithfully,
For: **Pharma-Deko Plc**

MANAGING DIRECTOR

COMPANY SECRETARY

PROFIT FORECAST (CONTINUED)

PROFIT AND LOSS STATEMENT

The Directors are of the opinion that subject to unforeseen circumstances and based on the assumptions stated below, the profit before taxation for the years ending 31 December 2013, 2014, 2015 and 2016 will be in the order of N43.006 Million, N254.832 Million, N440.577 Million and N1.168 Billion respectively.

Pharma-Deko Plc PROFIT FORECAST

	2013 N'000	2014 N'000	2015 N'000	2016 N'000
Turnover	1,242,957	2,596,868	3,894,067	5,560,306
Cost of Sales				
Materials	385,317	779,060	1,129,279	1,556,886
Personnel Cost (Wages)	111,866	207,749	311,525	444,824
Depreciation	93,222	103,875	136,292	130,667
Factory expenses	161,584	337,593	506,229	722,840
Total costs	751,989	1,428,277	2,083,326	2,855,217
Gross Profit Margin	490,968	1,168,591	1,810,741	2,705,089
Distribution expenses				
Haulage	(62,147.87)	(168,277.06)	(292,055.02)	(361,419.91)
Personnel cost & Others	(64,633.79)	(92,188.82)	(128,504.21)	(136,227.50)
Depreciation	(9,943.66)	(25,968.68)	(38,940.67)	(55,603.06)
Marketing Support	(74,577.45)	(220,993.48)	(369,936.36)	(389,221.44)
	(211,302.77)	(507,428.03)	(829,436.27)	(942,471.91)
Administrative expenses				
Personnel costs	(174,014.05)	(208,398.67)	(292,487.27)	(305,816.84)
Depreciation	(12,429.57)	(25,968.68)	(38,940.67)	(55,603.06)
Other Expenses	(90,735.90)	(103,874.73)	(144,508.83)	(166,809.19)
	(277,179.52)	(338,242.07)	(475,936.76)	(528,229.09)
Operating Profit/Loss	2,485.91	322,920.55	505,368.12	1,234,387.99
Other income	109,131.67	2,596.87	3,894.07	4,170.23
Interest Payable and Simil	(68,611.25)	(70,684.93)	(68,684.93)	(69,813.93)
Profit/(Loss) before taxatic	43,006.33	254,832.49	440,577.26	1,168,744.29
Taxation @32%	(13,762.03)	(81,546.40)	(140,984.72)	(373,998.17)
Profit/(Loss) after taxation	29,244.30	173,286.09	299,592.53	794,746.12
EPS (Post rights) kobo	10	58	100	265
Dividend Per Share(Kobo)	10	25	50	75
Ordinary Share Fully Subs	299,518	299,518	299,518	299,518
Dividend Payout Ratio	100%	43%	50%	28%

PROFIT FORECAST (CONTINUED)

BALANCE SHEET

IFRS Financial Statements of Financial Position June 30th, 2013.				
STATEMENT OF FINANCIAL POSITION	AS AT DEC.'2013	AS AT DEC.'2014	AS AT DEC.'2015	AS AT DEC.'2016
NON CURRENT ASSET	N''000	N''000	N''000	N''000
PROPERTY, PLANT AND EQUIPMENT	2,424,584	2,475,436	2,410,881	2,363,765
	2,424,584	2,475,436	2,410,881	2,363,765
CURRENT ASSETS				
Stocks(Inventories)	390,672	449,672	567,568	679,057
Trade Receivables	91,324	102,824	114,424	94,424
Other Receivables and prepayments	106,746	148,813	105,813	202,314
cash and bank balances	25,245	254,560	281,876	826,937
	613,987	955,869	1,069,681	1,802,732
Total Assets	3,038,571	3,431,305	3,480,562	4,166,497
Equity and liabilities				
Share capital	149,759	149,759	149,759	149,759
Share premium	481,751	481,751	481,751	481,751
Revaluation reserve	1,434,607	1,434,607	1,434,607	1,434,607
Retained Earning	(747,750)	(574,464)	(274,871)	519,875
Total Equity	1,318,367	1,491,653	1,791,246	2,585,992
Obligatin under finance lease	-	-	-	-
Long Term Loans	-	931,000	700,000	480,000
Employee Benefits	102,695	118,695	135,695	153,304
Deferred Tax Liability	38,376	38,376	38,376	38,376
Total Non Current Liabilities	141,071	1,088,071	874,071	671,680
Short Term Loans	725,365	283,365	171,365	33,365
Trade Payables	374,309	199,309	219,309	203,217
Other Payables	439,843	329,291	419,955	643,818
Taxation	39,617	39,617	4,617	28,426
Total Current Liabilities	1,579,134	851,582	815,246	908,826
Total Liabilities	1,720,204	1,939,652	1,689,316	1,580,505
Total Equity and Liabilities	3,038,571	3,431,305	3,480,562	4,166,497

PROFIT FORECAST (CONTINUED)

ASSUMPTIONS

Inflow

Financing the three (3) years business strategic plan will be from 3 key sources:

- i. Internally Generated Income
- ii. Right issue
- iii. Long Term Loan

Turnover:

Projected sales on Consumer Business Group of No.614billion in 2013 we expected a stable growth rate in sales over the next four years up to N3.3billion in 2016.

Rights Issue:

A success rate of 100% is assumed at price of N1.80 per share that will result in proceeds of N258m net of issuing expenses. It is expected that proceeds will be received in the fourth quarter 2013.

Long Term Loan

The injection of N990million long term loan as Capital Investment & working Capital, Procurement of Factory Ultra Modern Carbonated Bottling Machine will assist in achieving the set Projected Sales, reduce operational cost and increase cash inflow.

Cash/ Credit Sales Policy

Consumer: 100% Consumer sales on cash and carry basis

Pharmaceutical: Less than 2% credit sales are expected for the period.

Cost of Sales:

Purchases of materials: 60 days materials Purchase cover for local purchases &120 days materials purchase cover for imported purchases.

Direct Labour Expenses: it is made up of Salary and Wages of Production Staffs, Salary & Wages are paid in arrears of one month.

Direct Expenses: it comprises Salaries & Wages of Engineering etc. There is a 16% provision on forecast Sales.

Distribution/Haulages expenses are on cash and carry.

PROFIT FORECAST (CONTINUED)

Long Term Loan Plus Interest Repayment:

Loan @ 7% p.a. 12months Interest moratorium 72 months repayment period

Commercial Papers: Pay down on the CPs to Chapel Hill & FDC after due negotiation to be financed through other Short term funds pending the approval of the Bailout funds.

Government Policy & Exchange Rate

It is not expected that Government policy will have any reasonable impact on the company Business Operation

An average exchange rate of N160 per US Dollars. It is expected that Federal Government policy on importation of will not limit the company ability to sell more of its flagship products within the next 3 years.

Inflation Rate:

It is expected that the inflation rate would not exceed 10% during the period of the forecast.

PHARMA
DEKO

STATUTORY AND GENERAL INFORMATION

i. Incorporation and Share Capital History

Pharma Deko Plc was incorporated in 1969 as a Private Limited Liability Company under the Companies Act of 1968 as Parke-Davis Company (Nig.) Ltd. In 1980 the company was converted to a Public Limited Liability and changed its name to Pharma Deko Plc and its shares were subsequently listed on the Nigerian Stock Exchange. As at the date of the Rights Circular the company had an Authorised Share Capital of N150,000,000 divided into 300,000,000 ordinary shares of 50kobo each and Paid-up Capital of N49,759,000 divided into 99,518,000 ordinary shares of 50kobo each.

The following changes have taken place in the Company's authorized and issued share capital since incorporation.

Date	Authorised Share Capital		Issued and Fully Paid		Consideration
	Increase	Cumulative	Increase	Cumulative	
	=N=	=N=	=N=	=N=	
1968	1,000	1,000	1,000	1,000	Cash
1978	3,551,000	3,552,000	3,551,000	3,552,000	Scrip
1978	1,448,000	5,000,000	1,448,000	5,000,000	Scrip
1986	15,000,000	20,000,000	15,000,000	20,000,000	Scrip
1997	30,000,000	50,000,000	10,000,000	30,000,000	Scrip
2008	100,000,000	150,000,000	19,759,000	49,759,000	-

ii. Shareholding Structure

(a) Pre-Issue

The paid-up share capital of the Company as at the date of this Rights Circular was held as follows:

S/NO	SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE HOLDING
1	CHAPELHILL NOMINEE	5,928,381	5.93%
2	MR. C.C. CHIKELUBA	7,032,558	7.07%
3	SHORELINE POWER COMPANY LIMITED	9,442,520	9.49%
4	UNITED INVESTMENT LIMITED	20,957,200	21.06%
6	OTHER INVESTORS	56,157,341	56.43%
	Total	99,518,000	100.00%

(b) Post Issue

If the shareholders take up their Rights in full, the Company's Paid-Up Share Capital at the conclusion of the Rights Issue will increase to 249,518,000 ordinary shares of 50k each and will be beneficially held as follows:

STATUTORY AND GENERAL INFORMATION (CONTINUED)

S/NO	SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE HOLDING
1	CHAPELHILL NOMINEE	14,820,953	5.96%
2	MR. C.C. CHIKELUBA	17,581,395	7.07%
3	SHORELINE POWER COMPANY LIMITED	23,606,308	9.49%
4	UNITED INVESTMENT LIMITED	52,393,000	21.06%
6	OTHER INVESTORS	140,393,353	56.43%
	Total	248,795,009	100.00%

The excess units of 723,000 shares will be sold to shareholders or other applicants who apply for additional shares under the rights issue.

iii, Directors Beneficial Interest

As at the date of this Rights Circular, the issued and fully paid up shares of Pharma Deko Plc were beneficially held as follows:

S/NO	DIRECTORS	DIRECT	INDIRECT
1	MR. F.R.A. WILLIAMS (JNR)	1,927,057	20,957,200
2	MR. J. A. ABIBU	431,122	-
3	MR. C.C. CHIKELUBA	7,032,558	-
4	MR. K.A. LAWSON	300,000	-
5	MR. S.U. OSAI	4,908,531	-
6	MR. G.A. ALEGIEUNO	200,000	-
7	ALHAJI B. ZAKARIYAU	-	4,779,240
8	CHIEF J.O. ANYIGBO	1,000,000	-
9	MR. I.O. BAJULAIYE	-	-
	Total	199,036,000	100.00%

iv. Indebtedness

As at June 30, 2013, the date of the last management accounts, the Company had no outstanding debentures, mortgages, loans, charges or other similar or material contingent liabilities or other similar indebtedness, other than in the ordinary course of business.

N:K

Current:

Bank Overdrafts

326,758,000.00

Commercial Papers

429,721,000.00

Total

756,479,000.00

The Company has appointed a Financial Adviser to restructure its loan obligations with a view to drastically reducing the burden of cost of finance as part of strategies to enhance its future profits

STATUTORY AND GENERAL INFORMATION (CONTINUED)

v **Working Capital**

The Directors of the Company, having regard to the Company's present financial position and the anticipated proceeds from the Rights Issue, are of the opinion that the company will have adequate working capital for its immediate and prospective funding needs.

i. **Material Contracts**

The following contract that has been entered into by the Company is material to this Issue:

"A Vending Agreement between Integrated Trust and Investments Limited and Pharma Deko Plc under which Integrated Trust and Investments Limited has agreed to offer, on behalf of the Company, 150,000,000 Ordinary shares of 50k each, by way of a Rights Issue".

Other than as stated above, the Company, as at the date of this Rights Circular, does not have subsisting or any material contracts other than those entered into in the ordinary course of business.

vii. **Claims and Litigation**

The Company is involved in 12 cases with a total amount of N1,229,841,081.27 being claimed against it and the sum of N716,630,404.34 being its claim against others. The Solicitors to the Issue are of the opinion that the contingent liabilities arising from the cases against the Company are not likely to exceed N.

viii. **Consents**

The following have given and not withdrawn their consents to the issue of this Rights Circular with their names included in the form and context in which they appear:

a) Directors:

Mr. Folarin R.A. Williams
Mr. Adekunle Abibu
Mr. Isaac Bajulaye
Mr. Godwin A. Alegieuno
Mr. Collins C. Chikeluba
Mr. Steve U. Osai
Mr. Kolapo A. Lawson
Mr. Joe O. Anyigbo
Alhaji Bala Zakariyau

b) Company Secretary

Unity Trustees Limited

c) Issuing House

Integrated Trust & Investments Limited

d) Joint Stockbrokers to the Issue

Integrated Trust & Investments Limited

ICMG Securities Limited

e) Auditors

SIAO (Chartered Accountants)

f) Solicitors to the Company

Chief Rotimi Williams Chambers

g) Solicitors to the Issue

George Etomi & Partners

h) Registrars to the Issue

Meristem Registrars Limited

i) Registrars to the Company

Apel Capital & Trust Limited

j) Receiving Banker

First City Monument Bank Plc

STATUTORY AND GENERAL INFORMATION (CONTINUED)

ix. Issue Costs and General Expenses

The cost and expenses of the Issue, including fees payable to the Securities & Exchange Commission, the Nigerian Stock Exchange, CSCS and professional parties, brokerage commission, printing, distribution and publicity costs as well as advertisement and other expenses estimated at N11,209,750.00 representing 4.14% of the Issue proceeds are payable by the Company.

x. Documents Available for Inspection

Copies of the following documents are available for inspection at the office of Integrated Trust & Investments Limited, 2nd Floor, 61 Marina, Lagos during normal business hours on week days (except public holidays) from September 16, 2013 to October 18, 2013.

- i) Memorandum and Articles of Association of the Company;
- ii) Certificate of Incorporation of the Company;
- iii) Certified copy of Resolution of the shareholders at the AGM of the Company dated Thursday, 25th April, 2013 authorizing the Issue;
- iv) Resolution of the Board authorizing the Rights Issue;
- v) Audited financial statements of the Company for the five years ended December 31, 2012;
- vi) The profit forecast for the three years ending, December 31, 2016
- vii) The material contracts referred to in (vi) above;
- viii) Certificate of Increase in the Authorised Share Capital of the Company;
- ix) The written consents referred to in (viii) above;
- x) SEC Approval of the Rights Issue; and
- xi) Schedule of Claims and Litigations with Solicitor's opinion mentioned in (vii) above.

xi Relationship between the Issuer and its Advisers

The Chairman of the Board of Directors (Chief Folarin Rotimi Williams) of Pharma Deko Plc is the Managing Partner of Chief Rotimi Williams Chambers, the Company's Solicitors.

Save as disclosed above, there is no other known relationship between the Issuer and its advisers other than in the ordinary course of business.

xii Unclaimed Dividend Policy

Pharma Deko Plc advises its shareholders at Annual General Meetings to write to the Registrars or the Company Secretary or call at the office of the Registrars during normal working hours to collect their unclaimed dividend warrants. Further more members are urged to advise the Registrars or the Company Secretary of any change of address or situation particularly as it relates to dividend warrants and bonus shares.

xiii Declarations

Except as otherwise disclosed in this Rights Circular:

- (a) No share of Pharma Deko Plc is under option or agreed conditionally or unconditionally to be put under option
- (b) No commission, discounts, brokerage or other special terms have been granted by Pharma Deko to any person in connection with the offer or sale of any share of the company
- (c) Same as disclosed, herein, the Directors of Pharma Deko have not been informed of any holding representing 5% or more of the issued share capital of the company.

(d) There are no founders, management or deferred shares or options outstanding in Pharma Deko Plc

STATUTORY AND GENERAL INFORMATION (CONTINUED)

- (e) There are no material service agreements between Pharma Deko and any of its Directors and employees other than in the ordinary course of business.
- (f) No Director of Pharma Deko Plc has had any interest, direct or indirect in any property purchased or proposed to be purchased by the company in the five years prior to the date of this Rights Circular.
- (g) No member, director or key management staff of Pharma Deko Plc has been involved in any petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;

**PHARMA
DEKO**

PROVISIONAL ALLOTMENT LETTER

PHARMA DEKO PLC,
Plot C 15/3
Agbara Industrial Estate
Ogun State
.....2013.

Dear Sir/Madam,

RIGHTS ISSUE OF 150,000,000 ORDINARY SHARES OF 50KOBOS EACH AT N1.80 PER SHARE

1. Provisional Allotment

The letter from the Chairman dated August 1, 2013, on page 11 of this Rights Circular, contains Particulars of the Rights Issue of 150,000,000 Ordinary shares of 50 kobo each at N1.80 per share. The Securities & Exchange Commission has approved the Issue, and the Directors of your Company have provisionally allotted to you the number of shares set out on the front page of the Acceptance/Renunciation Form, in the proportion of Three new Ordinary shares for every Two Ordinary shares of 50k each registered in your name at the close of business on August 16, 2013

The new Ordinary shares will rank, pari-passu with the existing Ordinary shares of the Company. You may accept all or some of the shares provisionally allotted to you or renounce your Rights (all or some of them). Shareholders accepting the provisional allotment in full should complete Box B of the Acceptance/Renunciation Form, while those renouncing their rights partially or in full should complete Box C of the Form. You may also apply for additional shares over and above your provisional allotment as described in 2 C below.

2. Acceptances and Payment

(a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete Box B of the Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with a bank cheque/draft for the full amount payable should be lodged with any of the Receiving Agents listed on pagesof this document not later than 5.00 p.m. on..... **The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located** and crossed "PHARMA DEKO RIGHTS" with your name, address and daytime telephone number (if any) written on the back of the cheque/draft. All cheques or drafts will be presented upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid will be rejected and returned through the post at the Provisional allottee's risk.

(b) Partial Acceptance

To accept your provisional allotment partially, please complete item (1) of Box C and submit your Acceptance/Renunciation Form to any of the Receiving Agents listed on Page.....of this document together with a cheque or bank draft made payable to the Receiving Agent for the full amount in respect of the number of shares you have decided to accept.

If you wish to renounce your provisional allotment partially or in full and to trade all or some of your renounced Rights on the floor of The Nigerian Stock Exchange ("The Exchange"), please complete item (iii) of Box C and submit your Acceptance/Renunciation Form to a Stockbroker (**NOT A BANK**) of your choice, together with the payment for any provisional allotment you are accepting partially. The Stockbroker will guide you on the procedure for trading your Rights.

PROVISIONAL ALLOTMENT LETTER (CONTINUED)

(c) Applying for Additional shares

This may be done by any one or both of the following processes:

i) Purchasing Rights on the floor of The Exchange.

Rights can **only** be purchased through any of the Stockbrokers listed on pages of this document. The Stockbroker will guide you regarding payment. Shareholders who purchase shares on the floor of The Exchange are guaranteed of the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased (see item 3 below).

ii) Applying for shares not taken by other shareholders

Complete item (ii) of Box B of the Acceptance/Renunciation Form. Payment should be made in accordance with (a) above. Shareholders who apply for additional shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares they apply for (see item 4 below).

The receipt of any payment with your Acceptance/Renunciation Form will constitute an acceptance of all or part of this allotment on the terms of this Issue, subject to the Memorandum and Articles of Association of the Company and to the clearance of the Securities & Exchange Commission. If payment is not received by 2013 the provisional allotment will be deemed to have been declined and will be cancelled.

3 Trading in Rights

The Exchange has approved trading in the Rights of Pharma Deko Plc shares between September 16, and October 18, 2013 at the bid/offer price quoted on the floor of The Exchange subject to the rules of the Securities & Exchange Commission. Any Shareholder wishing to renounce his/her Rights, partially or in full, may trade the renounced Rights on the floor of The Exchange between these dates. Please, complete item (iii) of Box C of the Acceptance/Renunciation Form and contact your Stockbroker for assistance. If you wish to purchase renounced Rights also contact your Stockbroker who will guide you regarding payment and the procedure for purchasing the Rights. Any purchased Rights may also be traded between these dates.

4. Allotment of Additional Shares

Rights which are not taken up by the close of the Rights Issue, will be allotted to the existing shareholders who have applied for additional shares over and above their Rights under the terms of the Issue on a basis to be determined by the Directors of the Company and the Joint Issuing Houses and cleared by the Securities & Exchange Commission. Any unsubscribed portion shall revert to the Company as part of its un-issued authorized share capital and shall be warehoused and sold on the floor of The Nigerian Stock Exchange.

5. Share Certificates/ E- Allotment

At the completion of the Issue, the ordinary shares will be registered and transferable in units of 50 kobo each. The CSCS Account of shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are hereby advised to state the name of their respective stockbrokers and their clearing house numbers in the relevant spaces on the Acceptance form. Certificates of shareholders that do not provide their CSCS Account details will be dispatched by registered post not later than 15 days from the date of allotment.

6. Surplus Subscription Monies

If any application for additional shares is not accepted or is accepted for fewer shares than the

number applied for, a cheque for the balance of the amount paid will be returned by registered

PROVISIONAL ALLOTMENT LETTER (CONTINUED)

post, within five (5) working days after the date of allotment.

7 Rounding Principle

The allocation of Rights Issue shares will be such that shareholders will not be allocated a fraction of a Rights Issue share and as such any shareholding giving rise to a fraction of less than one of a Rights Issue share will be rounded up to the nearest whole number.

Thank you.

Yours faithfully,

Unity Trustees Limited.
Company Secretary

RECEIVING AGENTS

A copy of this Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at August 16, 2013. The completed Acceptance/Renunciation Forms may be returned to any of the following Receiving Agents to whom brokerage will be paid at the rate of 75 Kobo per N100 worth of shares allotted in respect of Acceptance Forms bearing their official stamp.

The Issuing House and the Company cannot accept responsibility for the conduct of any of the institutions listed below. Shareholders are therefore advised to conduct their own inquiries before choosing an agent to act on their behalf. Evidence of lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to liability on the part of either the Issuing House or the Company under any circumstances.

BANKS:

Access Bank Plc
Mainstreet Bank Ltd
Diamond Bank Plc
Ecobank Nigeria Plc
Equitorial Trust Bank Ltd
Fidelity Bank Plc
First Bank of Nigeria Plc
First City Monument Bank Plc

Guaranty Trust Bank Plc
Keystone Bank Limited
Nigeria International Bank Limited
Skye bank Plc
Enterprise Bank Limited

Stanbic IBTC Bank Plc
Standard Chartered Bank
Sterling Bank Plc
United Bank for Africa Plc
Union Bank of Nigeria Plc
Unity Bank Plc
Wema Bank Plc
Zenith Bank Plc

STOCKBROKERS AND OTHERS:

AAA Stockbrokers Ltd
Adamawa Securities Ltd
Afribank Capital Markets Limited
AIL Securities Ltd
Alangrange Securities Limited
Alliance Capital Mgt co. Ltd
Altrade Securities Ltd
AMYN Investments Ltd
Anchoria Investment & Securities Ltd
APT Securities & Funds Ltd
Associated Asset Managers Ltd
Atlas Portfolio Ltd
Belfry Investment & Sec. Ltd
Best Link Investment Ltd
Bestworth Assets & Trust Ltd
BFCL Assets & Securities Ltd
BGL Securities Ltd
BSD Securities Ltd
Bytofel Trust & Securities Ltd
Calyx Securities Limited
Cashcraft Asset Management Limited
Camry Securities Limited
Capital Assets Ltd
Capital Bancorp Ltd
Capital Express Securities Ltd
Capital Trust Brokers Ltd
Calyx Securities Ltd.
Centre Point Investment Ltd
Century Securities Ltd

Clearview Investment Company Ltd.
Citi Investment Capital Limited
City-Code Trust & Investment Co Ltd
Compass Investment & Securities
Consolidated Investment Ltd
Cooper Fleming Stockbrokers Ltd
Core Trust & Investment Ltd
Cordros Capital Limited

Foresight Securities Investments Ltd.
Forte Asset Management Ltd
Forthright Securities & Investments Ltd
Fountain Securities Ltd
FSDH Securities Limited
Future View Financial Services Ltd
Gidauniya Investments & Securities Ltd
Global Assets & Management Ltd
Golden Securities Ltd
Greenwich Trust Ltd
GTI Capital Ltd
GT Securities Limited
Heartbeat Investments Ltd
Hedge Securities & Investments Ltd
Horizon Stockbrokers Ltd
IBTC Asset Management Ltd
ICMG Securities Ltd
ICON Stockbrokers Ltd
Ideal Securities & Investments Ltd
Independent Securities
Intercontinental Securities Ltd
Integrated Trust & Investments Ltd
International Standard Securities Ltd
Interstate Securities Ltd
Investment Centre Ltd
Investment Masters & Trust Ltd
Jenkins Investment Ltd
Kapital Care Trust & Securities Ltd
Kinley Securities Ltd
Kundila Finance Services Ltd
Lambeth Trust & Investment Co Ltd
LB Securities Ltd
Lead Capital Ltd
Lighthouse Asset Management Ltd
Lion Stockbrokers Limited
Maclaize Trust & Securities Ltd
Magnartis Finance & Investment Limited
Mainland Trust Ltd

Premium Securities Ltd
Professional Stockbrokers Ltd
Pivot Trust & Investment Ltd
Profund Securities Ltd
PSL Securities Ltd
Pyramid Securities Ltd
Quantum Securities Ltd
Reading Investments Ltd
Regency Assets Management Ltd
Resano Securities Ltd
Resort Securities & Trust Ltd
Reward Investments & Securities Ltd
Rivtrust Securities Ltd
Rolex Securities Ltd
Rostrum Investments & Securities Ltd
Royal Crest Finance Ltd
Santrust & Securities Ltd
Securities Solutions Ltd
Securities Trading & Investment Ltd
Securities Transaction & trust Co Ltd
Security Swaps Ltd
Shelong Investment Ltd
Sigma Securities Ltd
Signet Investments Securities Ltd
SMADAC Securities Ltd
Solid Rock Securities & Investment Ltd
Spring Stockbrokers Limited
Springboard Trust & Investment Ltd
Stanbic Equities Nigeria Ltd
Stanwal Securities Ltd
Strategy & Arbitrage Ltd
Summa Guaranty & Trust Co Ltd
Summit Finance Company Ltd
Supra Commercial Trust Ltd
TFS Securities Ltd
Tiddo Securities Ltd
Tomil Trust Ltd
Topmost Finance & Investment Ltd

Counters Trust Securities Ltd
Cowry Asset Management Ltd
Crossworld Securities Ltd
Crownwealth Assets Management
CSL Stockbrokers Ltd

Maninvest Securities Ltd
Marimpex Finance & Investment Ltd
Marina Securities Ltd
Maven Asset Management Ltd
Maxifund Investments & Securities Ltd

Tower Assets Management Ltd
Tower Assets Management Ltd
Tower Securities & Investment Co Ltd
Traders Trust & Investment Co Ltd
Trans Africa Financial Services Ltd

De-Canon Investment Ltd
De-Lords Securities Ltd
Denham Management Ltd
Dependable Securities Ltd
Dynamic Portfolio Ltd
EBN Securities Ltd
Emerging Capital Ltd
Empire Securities Ltd
Enterprise Stockbroker Plc
ESL Securities Limited
ESS Investment & Trust Ltd
Eurocomm Securities Ltd
Excel Securities Ltd
Express Portfolio Services Ltd
F & C Securities Ltd
Falcon Securities Ltd
FBN Capital Limited
Finmal Finance Services Ltd
Fidelity Union Securities Ltd
First Alstate Securities
First Equity Securities Ltd
First Stockbrokers Ltd
FIS Securities Ltd

MBC Securities Ltd
MBL Financial Services Ltd
Mega Equities Ltd
Mercov Securities Ltd
Meristem Securities Ltd
Metropolitan Trust Nigeria Ltd
Midas Stockbrokers Ltd
Midland Capital Markets Limited
Mission Securities Ltd
Molten Trust Ltd
Mountain Investment & Securities Ltd
Newdevco Finance Securities Ltd
Nigerian International Securities Ltd
Nigerian Stockbrokers Ltd
Omas Investments & Trust Ltd
OMF Securities & Finance Ltd
Options Securities Ltd
P.S.I. Securities Ltd
Partnership Investment Co Ltd
Peninsula Asset Management & Inv. Co.
Perfecta Investment Trust Ltd
Pilot Securities Limited
Pinefields Investment Services Ltd

Tropics Securities Ltd
Trust Yield Securities Ltd
Trusthouse Investment Ltd
TRW Stockbrokers Ltd
UBA Global Markets Ltd
UIDC Securities limited
UNEX Securities & Investment Ltd
Union Capital Markets Ltd
Valmon Securities Ltd
Valueline Securities & Investment Ltd
Vetiva Capital Management Limited
Vision Trust & Investment Ltd
Viva Securities Ltd
Wizetrade Capital Asset Management
WSTC Financial Services Ltd
Yobe Investment & Securities Ltd
Zenith Securities Limited

ACCEPTANCE/RENUNCIATION FORM



PHARMA DEKO PLC RC 6711

Rights Issue of

150,000,000 Ordinary shares of 50 kobo each

at
₦1.80 per share

ACCEPTANCE LIST
OPENS
September 16, 2013

ACCEPTANCE LIST CLOSES
October 18, 2013

PAYABLE IN FULL ON ACCEPTANCE

integratedtrust
RC 155399

INTEGRATED TRUST & INVESTMENTS LIMITED

ACCOUNT NUMBER:
NAME:
UNITS HELD:
PROVISIONAL ALLOTMENT:
AMOUNT DUE:

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

1. Acceptance and /or Renunciation must be made on the prescribed form. Photocopies of the Acceptance/ Renunciation Form will be rejected.
2. Allottees should complete only ONE of the Boxes marked 'B' and 'C' on the reverse of this Form.
3. Shareholders accepting the provisional allotment in full, should complete Box 'B' and submit their Acceptance/Renunciation Form to any of the Receiving Agents listed in the Rights Circular together with a bank draft or cash for the full amount payable on acceptance. The cheque or draft must be drawn on bank in the same town or city in which the Receiving Agent is located and crossed "PHARMA DEKO RIGHTS". If payment is not received by the close of the Issue, the provisional allotment will be deemed to have been declined and will be cancelled.
4. Shareholders accepting their provisional allotment partially should complete item (i) of Box 'C' and submit their Acceptance/ Renunciation Form to any of the Receiving Agents listed in the Rights Circular together with a cheque or bank draft to the Receiving Agent for the amount payable for the partial acceptance.
5. Shareholders renouncing the provisional allotment partially or in full, who also wish to trade their renounced Rights on the floor of The Nigerian Stock Exchange ("The Exchange"), should complete item (iii) of Box 'C'. They should obtain a Transfer Form from their Stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Acceptance/Renunciation Form and a cheque or bank draft made payable to the Stockbroker for any partial acceptance. If payment is not received by =====, the provisional allotment will be deemed to have been declined and will be cancelled.
6. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced Rights, and/ or apply for additional shares by completing item (ii) of Box 'B'.
7. All cheques or bank drafts will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reason, will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance/Renunciation Form is lodged.
8. Joint Allottees must sign on separate lines in the appropriate section of the Acceptance/Renunciation Form.
9. Acceptance/Renunciation Forms of Corporate Allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designations.

FOR REGISTRAR'S USE ONLY

Number of Ordinary shares Accepted	Additional Ordinary shares applied for	Additional Ordinary shares allotted	Total amount payable (₹)	Amount paid (₹)	Amount to be returned cheque /Bank /draft number (₹)

STAMP OF RECEIVING AGENT

PHARMA
DEKO

ACCEPTANCE/RENUNCIATION FORM

Care should be taken to comply with the instructions set out on the front of this form. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Bank Manager, Solicitor, Accountant or any other professional adviser for guidance.

To the Issuing House:



NAME OF STOCKBROKER.....CHN.....CSCS A/C No.....

A TRADING IN RIGHTS

- Shareholders who renounce their Rights partially or in full may trade their renounced rights on the floor of The Exchange. The renounced Rights will be traded on The Exchange at the quoted bid/Offer price.
- Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced Rights (see iv), and/or apply for additional shares by completing item (ii) of box "B" below.
- Shareholders who purchase Rights on the floor of The Exchange are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of Box "B" will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.
- If you wish to purchase renounced rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing PHARMA DEKO PLC RIGHTS

B FULL ACCEPTANCE/REQUEST FOR ADDITIONAL ORDINARY SHARES

- I/We accept in full, the provisional allotment shown on the front of this form (Please tick)

- I/We also apply for additional Ordinary Shares:

Number of Additional Ordinary shares applied for	Additional amount payable at N1.80 per share
	N

I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me, in accordance with the Provisional Allotment Letter contained in the Rights Circular.

- I/We enclose my/our cheque/bank draft for N..... being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (ii) above.

Cheque details: Name of bank/branch:

Cheque number:

Bank Account No:

Date:

Name (in block letters):Next of kin:

Signature:Mother's Maiden Name:

Name (in block letters):

Next of Kin:

Mother's Maiden Name (in block letters):

Incorporation Number and Seal of
Corporate Allottee

Daytime Telephone Number

C RENUNCIATION OR PARTIAL ACCEPTANCE

1	2	3
Number of Ordinary shares accepted	Amount payable at N1.80 per share	Number of Ordinary shares renounced

- I/We accept only the number of Ordinary Shares shown in Column 1 above and enclose my/our cheque/bank draft for the value shown in Column 2 above.

Cheque details: Name of bank/branch:Cheque number:

- I/We hereby renounce my/our Rights of the Ordinary shares shown in Column 3, being the balance of the Ordinary Shares allotted to me/us.

- I/We confirm that I/we wish to trade my/our Rights of-----Ordinary Shares (being my/our renounced shares as shown in Column 3 above) on the floor of The Nigerian Stock Exchange. I/We shall obtain a Transfer Form from my/our Stockbroker, complete it in accordance with his instructions and return it to the Stockbroker with this form.

Signature:Next of kin:Date:

Name (in block letters):Mother's Maiden Name:

Signature:Next of kin:

Name (in block letters):Mother's Maiden Name:

Daytime Telephone Number

Incorporation Number and Seal of
Corporate Allottee