

AUDITED GROUP RESULTS

For the year ended 30 September 2012



Heritage | Quality | Integrity

Table of Contents



Financial Results

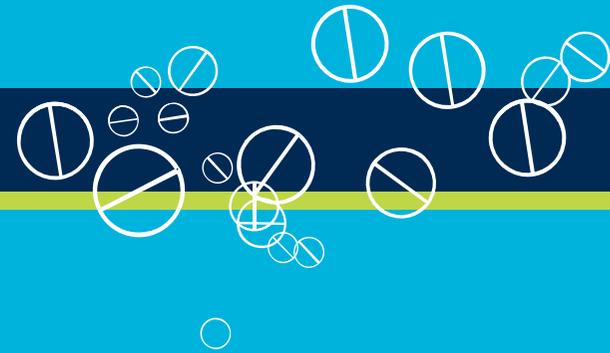
Operating Environment & Strategy

Business Performance:

Southern Africa

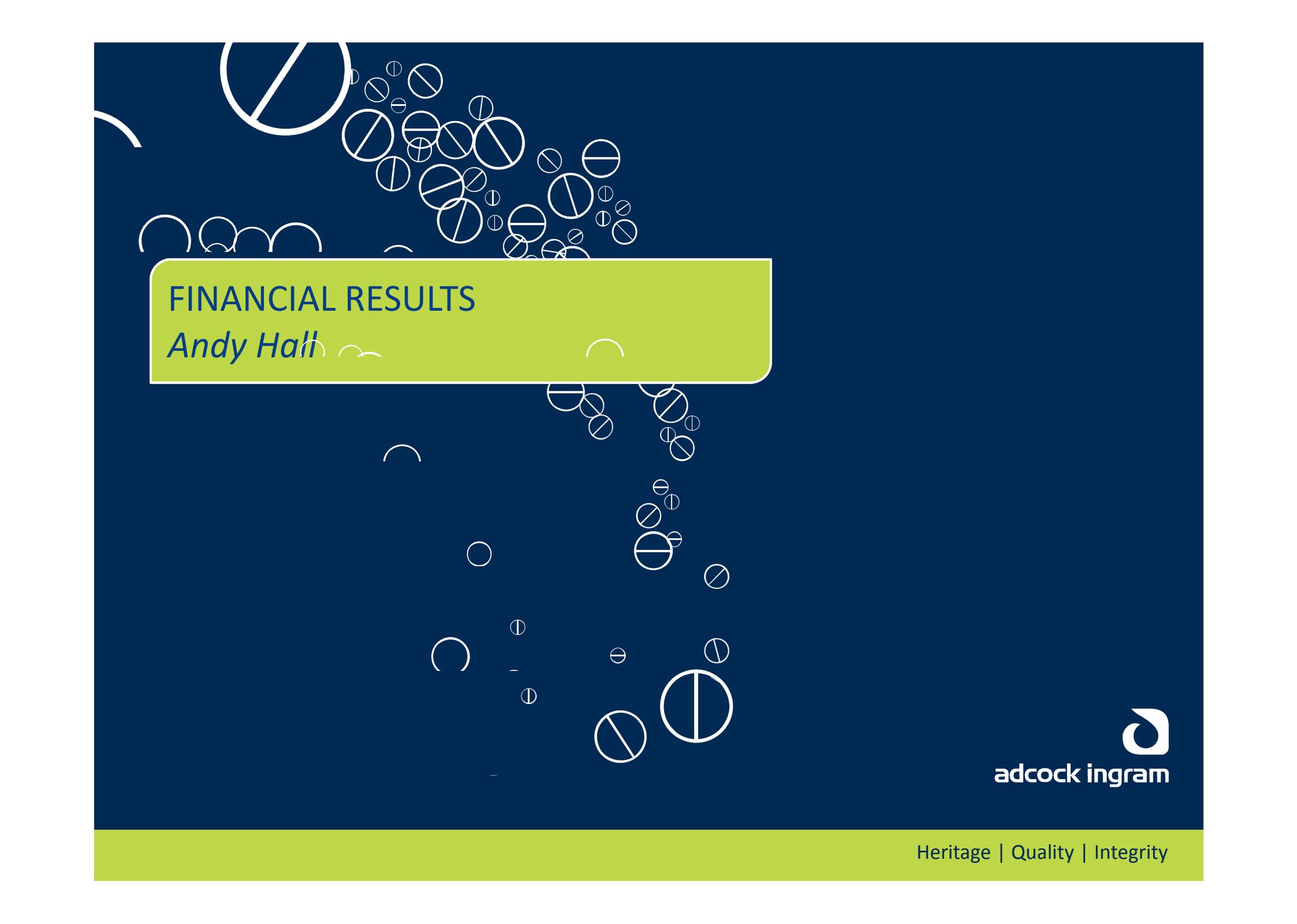
Rest of Africa

Outlook



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FINANCIAL RESULTS

Andy Hall



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FINANCIAL RESULTS

Salient Financial Features



Turnover	↑	3% to R4.6 billion
EBITDA	↓	16% to R986 million
HEPS	↓	9% to 422.4 cents
Distribution per share	↑	8% to 115 cents

FINANCIAL RESULTS

Income Statement



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	2012 R'm	2011 R'm	+/- %
Turnover	4,599.2	4,453.6	3.3
Gross profit	2,094.0	2,169.0	(3.5)
<i>Gross profit %</i>	46%	49%	
Operating profit	868.8	1,068.6	(18.7)
Income from investments	26.9	16.9	
Net financing (costs)/income	(8.4)	33.6	
Profit before tax	887.3	1,119.1	(20.7)
Income tax expense	(168.2)	(326.1)	
Profit after tax	719.1	793.0	(9.3)
Loss after tax for the year from a discontinued operation	-	(28.2)	
Non-controlling interests	(13.5)	(10.6)	
Net profit	705.6	754.2	(6.4)
HEPS (cents)	422.4	465.1	(9.2)

FINANCIAL RESULTS

Operating expenses



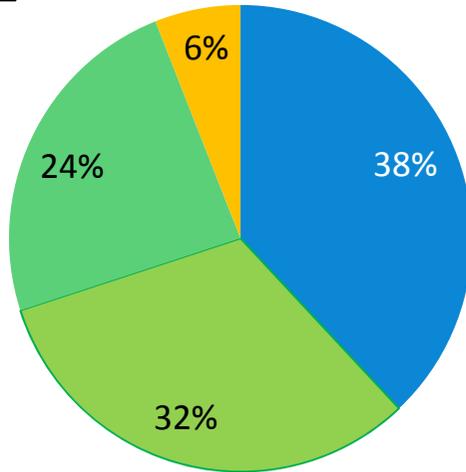
	2012 R'm	2011 R'm	+/- %
Selling and distribution	571.5	530.0	7.8
Marketing	208.6	207.0	0.8
Research and development	81.6	70.7	15.4
Fixed and administration	363.5	292.6	24.2
Total	1,225.2	1,100.3	11.4

FINANCIAL RESULTS

Geographical split

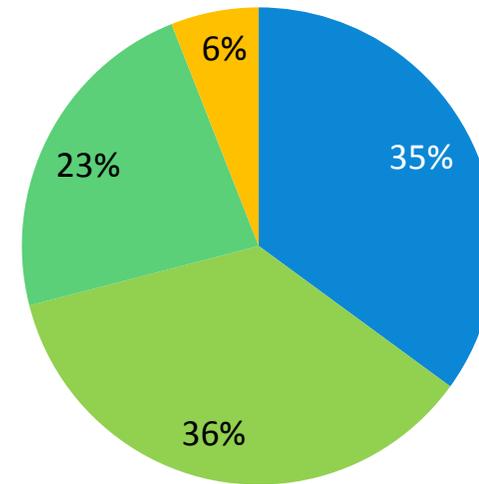


2012

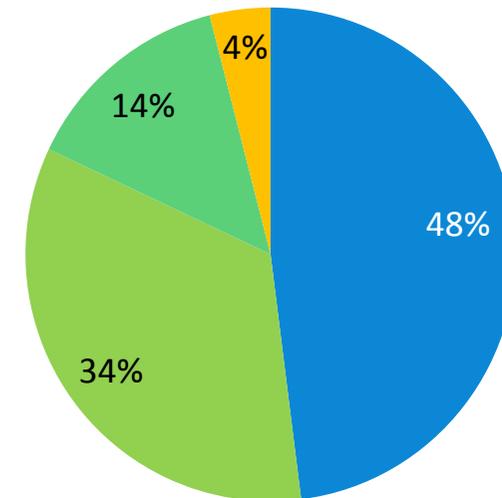
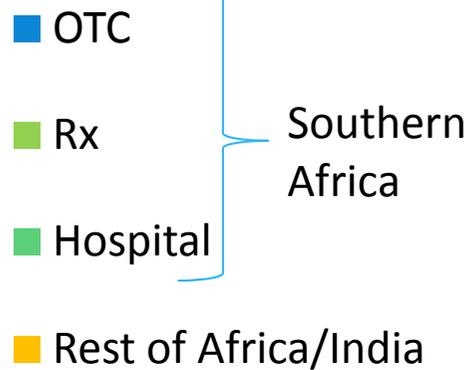
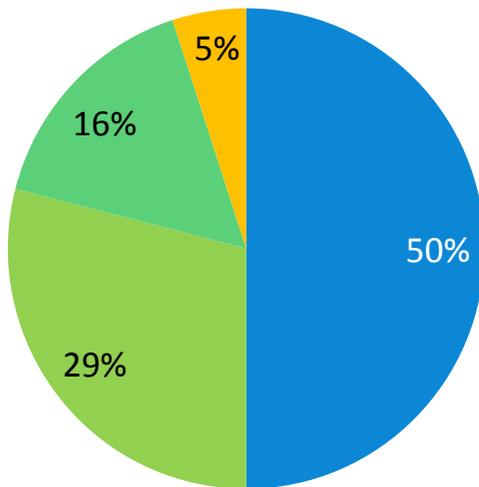


REVENUE

2011



CAM



FINANCIAL RESULTS

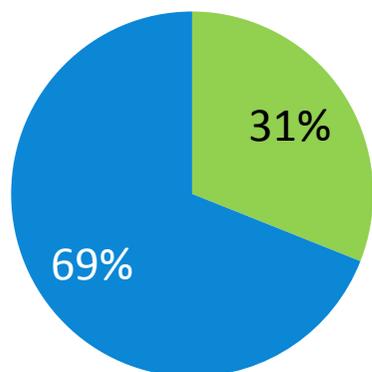
Segmental Analysis



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		2012	+/-	2011
		R'm	%	R'm
OTC	Turnover	1,791.9	11.4	1,608.0
	Gross Profit	995.8	4.4	954.1
	GP%	55.6%		59.3%
	Contribution after marketing (CAM)	660.5	(3.0)	680.7
	CAM%	36.9%		42.3%

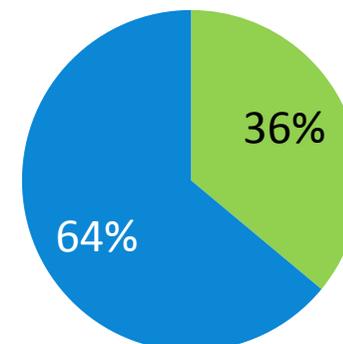
2012



TURNOVER

- FMCG
- Pharmacy

2011



FINANCIAL RESULTS

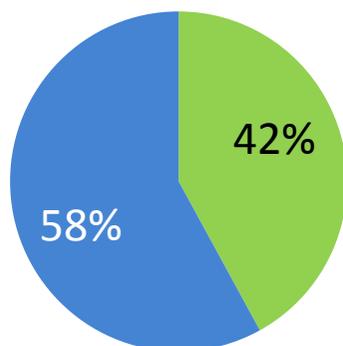
Segmental Analysis



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		2012 R'm	+/- %	2011 R'm
PRESCRIPTION	Turnover	1,520.2	(6.9)	1,632.1
	Gross Profit	641.0	(19.2)	793.7
	GP%	42.2%		48.6%
	Contribution after marketing (CAM)	371.8	(23.4)	485.2
	CAM%	24.5%		29.7%

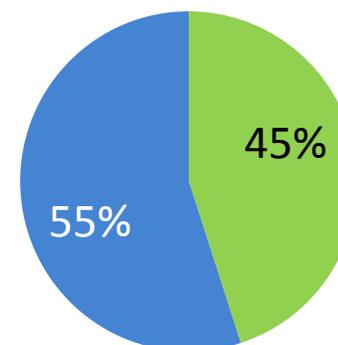
2012



TURNOVER

■ Generics
■ Branded

2011



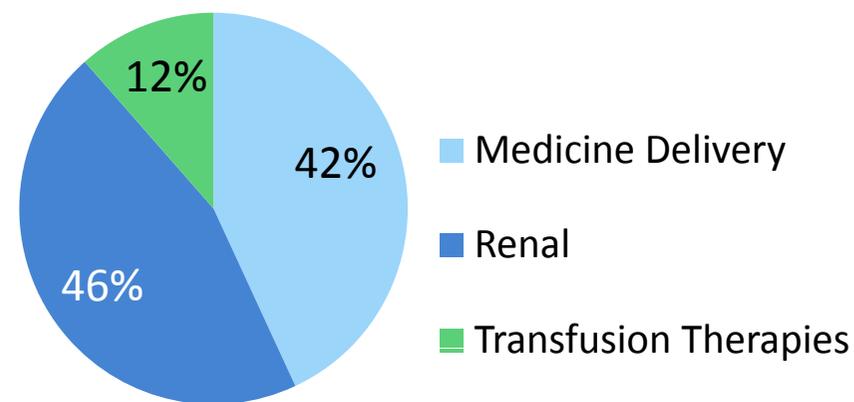
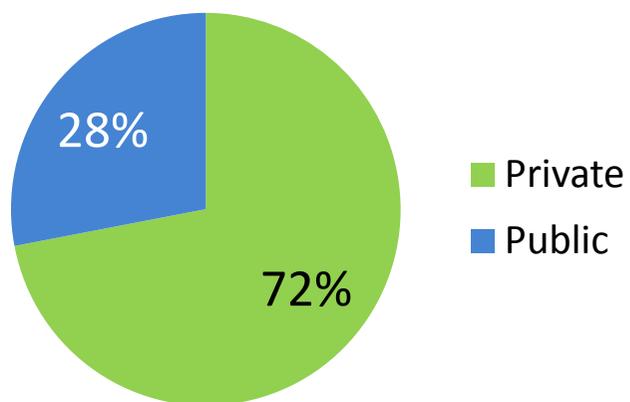
FINANCIAL RESULTS

Segmental Analysis



		2012 R'm	+/- %	2011 R'm
HOSPITAL	Turnover	1,123.8	6.4	1,056.7
	Gross Profit	351.5	8.2	324.9
	GP%	31.3%		30.7%
	Contribution after marketing (CAM)	213.4	5.0	203.3
	CAM%	19.0%		19.2%

2012 TURNOVER



FINANCIAL RESULTS

Headline Earnings



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	2012 R'm	+/- %	2011 R'm
Earnings from continuing operations	705.6		782.6
Loss/(profit) on disposal of plant & equipment, after tax	3.5		(0.9)
Impairments	1.9		12.2
Tax indemnity on discontinued operation	2.4		-
Headline earnings	713.4	(10.1)	793.9
HEPS (cents)	422.4	(9.2)	465.1

Financial Results

Statement of Financial Position



	2012 R'm	2011 R'm
Non-current assets	2,443	2,034
Property, plant & equipment	1,560	1,162
Intangible assets	711	728
Investments & loan receivable	167	140
Deferred taxation	5	4
Net current assets	1,340	1,644
Current assets	2,839	3,201
Inventories	956	864
Trade receivables & other receivables	1,320	1,203
Cash and cash equivalents	493	1,104
Taxation	70	30
Current liabilities	1,499	1,557
Short-term borrowings	431	496
Trade accounts payable	634	583
Other payables and provisions	434	478
Total	3,783	3,678

Financial Results

Statement of Financial Position



	2012 R'm	2011 R'm
Total shareholders' funds	3,423	3,085
Share capital and premium	564	782
Non-distributable reserves	356	371
Retained income	2,503	1,932
Non-controlling interests	138	138
Total equity	3,561	3,223
Long-term borrowings	105	347
Deferred tax	102	94
Post-retirement medical liability	15	14
Total	3,783	3,678

FINANCIAL RESULTS

Statement of Cash Flows



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	2012 R'm	2011 R'm
Profit before taxation from continuing operations	887	1,119
Loss before taxation from discontinued operations	-	(24)
Profit before taxation	887	1,095
Adjusted for:		
Non cash flow items	190	91
Cash operating profit	1,077	1,186
Working capital changes	(292)	(157)
Interest, dividends and taxation	(327)	(503)
Net cash inflow from operating activities	458	526
Cash flows from investing activities	(534)	(673)
Cash flows from financing activities	(534)	(180)
Net decrease in cash and cash equivalents	(610)	(327)

FINANCIAL RESULTS

Statement of Cash Flows



	2012 R'm	2011 R'm
Working capital changes	(292)	(157)
Increase in inventories	(141)	(184)
Increase in trade and other receivables	(128)	(60)
(Decrease) / Increase in trade and other payables	(23)	87

FINANCIAL RESULTS

Statement of Cash Flows



	2012 R'm	2011 R'm
Cash flows from investing activities	(534)	(673)
Cost of businesses acquired	-	(329)
Proceeds from disposal of business	-	85
Purchase of property, plant and equipment		
– Expansion	(277)	(172)
– Replacement	(235)	(261)
Purchase of intangible assets	(13)	-
Proceeds on disposal of property, plant and equipment	2	4
Increase in loans receivable	(11)	-

FINANCIAL RESULTS

Statement of Cash Flows



	2012 R'm	2011 R'm
Cash flows from financing activities	(534)	(180)
Acquisition of non-controlling interests	(11)	(9)
Proceeds from issue of share capital	7	3
Purchase of treasury shares	(46)	(291)
Distribution out of share premium	(179)	(137)
Net (decrease) / increase in borrowings	(305)	254

FINANCIAL RESULTS

Capex Programme



CAPITAL EXPENDITURE R'm

	F2009	F2010	F2011	F2012	F2013	F2014	F2015	TOTAL
Aeroton	50.1	127.5	119.6	98.6	25.7	9.5	20.2	451.2
Bangalore	13.0	9.0	2.2	2.5	6.9	4.4	3.7	41.7
Clayville	31.8	117.8	192.0	287.0	50.5	35.0	26.6	740.7
Wadeville	67.2	42.5	22.4	5.9	118.1	16.2	22.1	294.4
Distribution & other	66.5	36.2	96.8	117.8	96.8	5.0	5.0	424.1
TOTAL	228.6	333.0	433.0	511.8	298.0	70.1	77.6	1,952.1



AEROTON



BANGALORE



CLAYVILLE



WADEVILLE

Cosme Farma Laboratories Limited

Overview



40 year old business in India

Operations:	⊗ Goa and Mumbai
Ranked:	⊗ 55 out of 5 000 registered pharmaceutical companies
Sales force:	⊗ 1 000 staff
Coverage:	⊗ Nationwide to 150 000 physicians
Distribution:	⊗ In 27 states in India
Portfolio:	⊗ Circa. 55 products
Therapeutic classes:	⊗ Gynaecology, Gastro-Intestinal, Dermatology and Orthopaedic
Revenue:	⊗ Circa. Rs1.3bn (ZAR 206m*)



* Exchange rate ZAR:INR 6.3

Cosme Farma Laboratories Limited

Deal timeline



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Agreement signature: Jul 2012

FIPB approval: Nov 2012

Completion: Jan 2013

- ⊗ July 2012 - Asset Purchase Agreement signed
- ⊗ August 2012 - Ancillary Agreements signed:
 - ⊗ Escrow, Transitional Service Agreement, Manufacturing and Supply Agreement
- ⊗ 02 November 2012 - Foreign Investment Promotion Board ('FIPB') approval granted
- ⊗ November 2012 - Fulfilment of remaining Conditions Precedent
- ⊗ 31 January 2013 - Long stop date

Cosme Farma Laboratories Limited

Deal terms



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Purchaser	⊗ Adcock Ingram Healthcare Private Limited
Subject	⊗ The local, export and institutional business ⊗ Brands and trademarks
Offer consideration	⊗ Rs.4.8bn (ZAR 762m*) ⊗ 10% of purchase consideration in escrow for 6 months
Settlement mechanism	⊗ 100% in cash
Conditions	⊗ Necessary government, regulatory or other third party approvals
Effective date	⊗ January 2013
Other terms	⊗ Transition period of 18 months ⊗ Non-compete agreement for five years

* Exchange rate ZAR:INR 6.3



OPERATING ENVIRONMENT & STRATEGY
Dr Jonathan Louw

Operating environment



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Economic

- Cost push on labour, utilities and fuel
- Uncertain labour and trade environment
- Rand weakness

Facilities

- Major capital investment projects completed – Wadeville phase 3 underway
- Margin compression due to mix and factory upgrades
- International accreditations in process

Raw materials

- Depreciation of the Rand has put pressure on imports
- Modest cost increase inflationary on packaging materials and paracetamol
- Significant cost increases inflationary on key actives, sugars, vitamins, oils & waxes
- Global Codeine supply constraints

Customers

- Down trading to economy brands and smaller pack sizes continues
- Growth in wellbeing continues
- PPPFA working in public sector
- Generic market still growing
- Price pressure in prescription sector

Regulatory environment



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Single Exit Price (SEP)

- Negotiations with the Department of Health (DoH) for 2013 have begun
- DoH's proposal of 6% does not fully mitigate Rand weakness and input costs

International Benchmark Pricing (IBP)

- Focus on branded products under patent
- Minimal impact on Adcock Ingram
- Uncertain implementation timeline

Logistics fees

- Impact on Adcock Ingram likely to be manageable
- Submissions made by industry and Adcock Ingram
- Uncertain implementation timeline

Product registrations

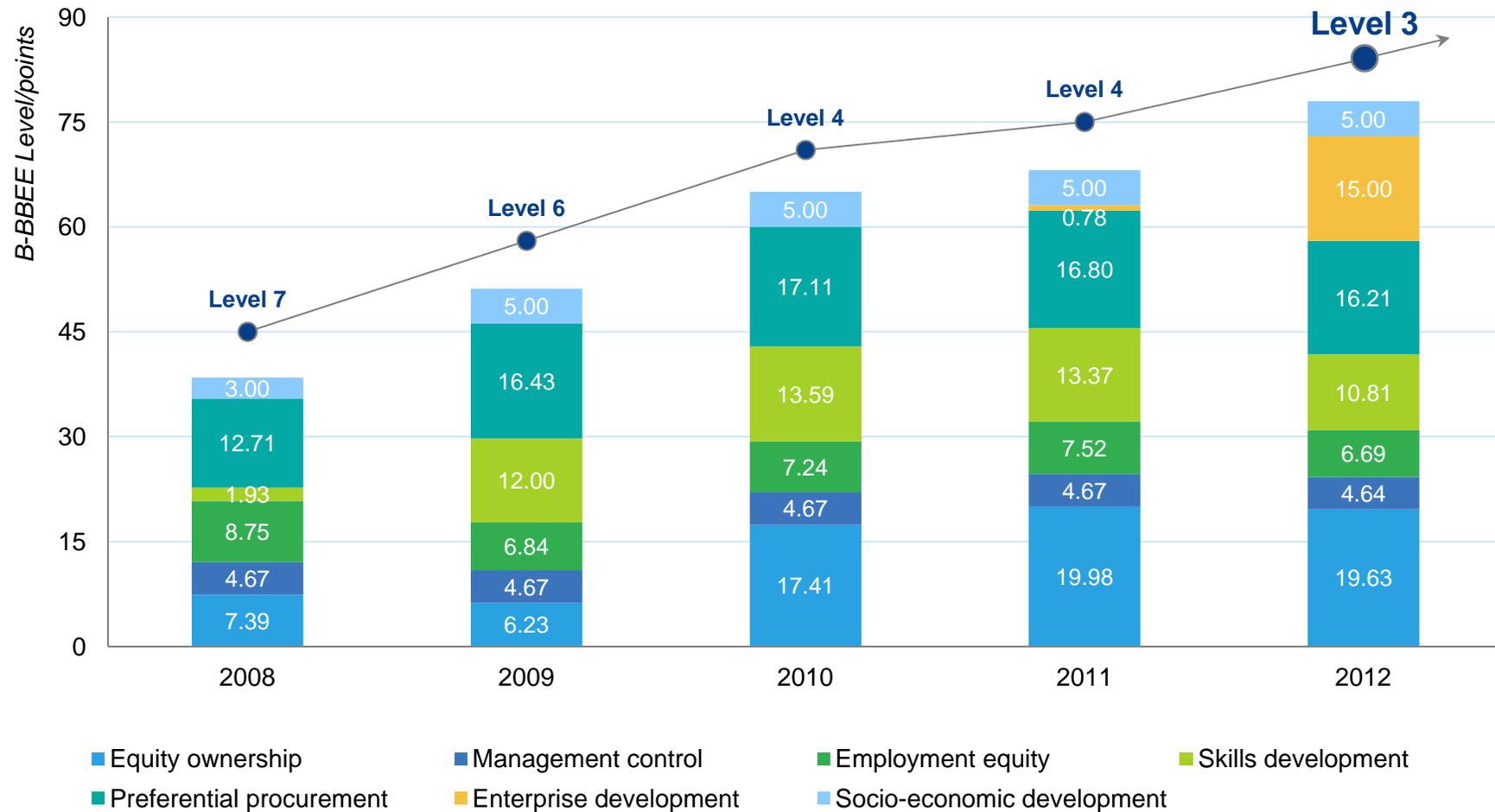
- Medicines Control Council (MCC) delays continue
- 663 dossiers at MCC
- 36 dossiers registered in FY2012
- SAHPRA not yet established

Complementary and Alternative Medicines Regulations (CAMS)

- Regulations will be published post SAHPRA establishment
- Focus on GMP status of suppliers in interim
- Alignment with international regulations and CPA expected

Operating environment

B-BBEE



Another milestone achieved in driving transformation

Operating environment

Owner driver scheme – enterprise development



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Broad Based Black Economic Empowerment Verification Certificate

A Controlled Verification Certificate issued to

Adcock Ingram Holdings Limited and Subsidiaries

Level 3 Contributor

Measured Entity (Full List of Entities Listed on Page 2 of Certificate)

Company Name: Adcock Ingram Holdings Limited and Subsidiaries
 Registration Number: 2007016238/07
 VAT Number: See Page 2
 Address: 1 New Road, Midrand, 1685

BBBEE Status	
BBBEE Status Level	Level 3
Elements Obtained	EQ: 19.25 points; MG: 4.64 points; EE: 6.89 points; SD: 10.21 points; PP: 16.81 points; ED: 15 points; SED: 5 points
Black Ownership	100.00% Black Ownership; 0.00% Black Woman Ownership
Value Adding Vendor	Yes
BEE Procurement Recognition	100%
Issue Date	01/11/2012
Expiry Date	31/10/2013
Control Code Number	ELC3586GENBB
Version	Final
Applicable Scorecard	Codes - Generic
Applicable BBBEE Codes	Generic Codes Gazetted on 9 February 2007

BEE Procurement Recognition Levels	
Level	Qualification
1	>100% 10%
2	>25% <100 10%
3	>10% <25 10%
4	>5% <10 10%
5	>2.5% <5 10%
6	>1.25% <2.5 10%
7	>0.625% <1.25 10%
8	>0.3125% <0.625 10%
Non-Compliant	<0.3125% 0%



Empower Logic (Pty) Ltd
 Reg. No.: 1986/09/20/307
 BBBEE Verification Agency
 P.O. Box 111
 Member - Verification Committee

SANAS Accredited



BVAD18

This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. The objective of our verification is to verify the validity and accuracy of the BBBEE status represented by the measured entity. Empower Logic is not responsible for ensuring completeness of information provided to support the BBBEE status.

Level 3 B-BBEE

Retained customer delivery knowledge



Strict driver selection procedures

New fleet upgraded to higher Pharma standards



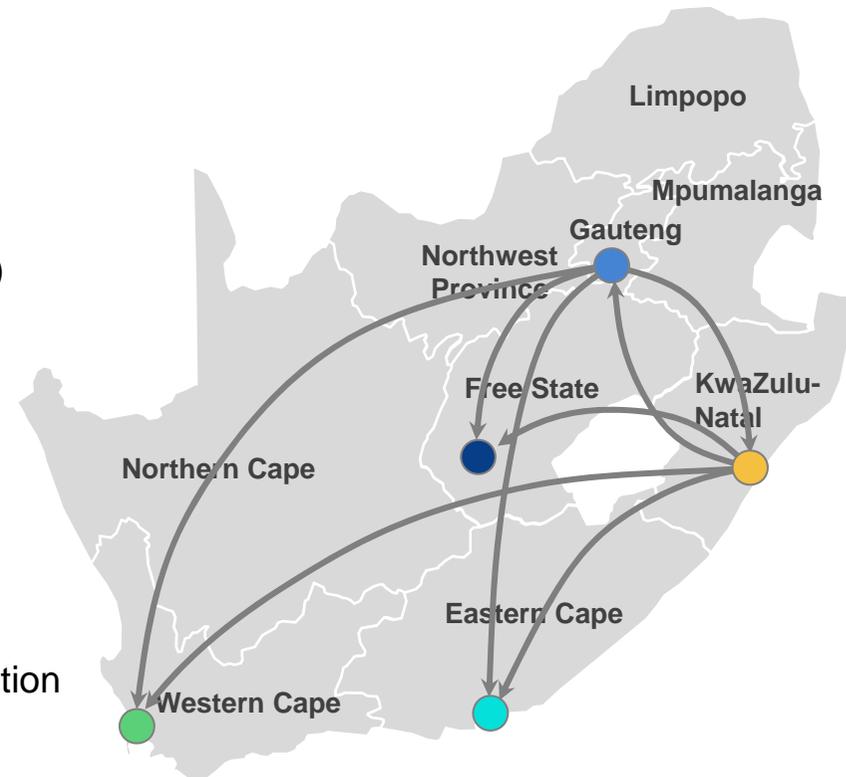
Successful owner driver scheme implementation

Heritage | Quality | Integrity

Operating environment

Logistics

- ◉ Distributes more than a third of SA's volume
- ◉ Upgraded to highest Pharma standards
- ◉ Increased capacity in Gauteng and Western Cape
- ◉ Enhanced warehouse management system (WMS)
- ◉ Integrated NutriLida and Critical Care into the Pharmaceuticals distribution network
- ◉ R65m automation upgrade to picking and sortation equipment in Midrand
- ◉ R20m facility upgrade in Cape Town
- ◉ Attracting additional multinational company distribution contracts
- ◉ Transport optimisation through new owner driver fleet



The only in-house pharmaceutical distribution network in the country

Operating environment

Distribution Centre Upgrades

Midrand

- ⊗ Manage greater complexity
- ⊗ Better service to customers with improved lead times
- ⊗ Improved security by reducing touch points
- ⊗ Enhanced picking and packing accuracy
- ⊗ Increased throughput by containing cost
- ⊗ Attracts more multinational partners

Cape Town

- ⊗ Upgraded to highest pharmaceutical standards
- ⊗ Expansion capabilities
- ⊗ Increase direct deliveries to pharmacy, hospital and FMCG customers in the region
- ⊗ Has the capacity to take on additional distribution for multinationals



State of the art distribution centres

Operating environment

Clayville High Volume Liquid (HVL) Plant



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- ⊗ Helps to address the nation's burden of disease in children and those who cannot consume tablets and capsules
- ⊗ Adcock Ingram has a market share of 40% circa in liquids
- ⊗ Production commenced in September 2012
- ⊗ Ample future capacity of 20m litres to supply the growing liquids market
- ⊗ Local economies of scale in bulky high volume liquids
- ⊗ FDA and WHO accreditation planned
- ⊗ Environmentally friendly technologies:
 - ⊗ Geothermal air-conditioning
 - ⊗ Heat exchangers on all air handling units
 - ⊗ Recovery of reverse osmosis water
 - ⊗ Effluent treatment and energy efficient lighting

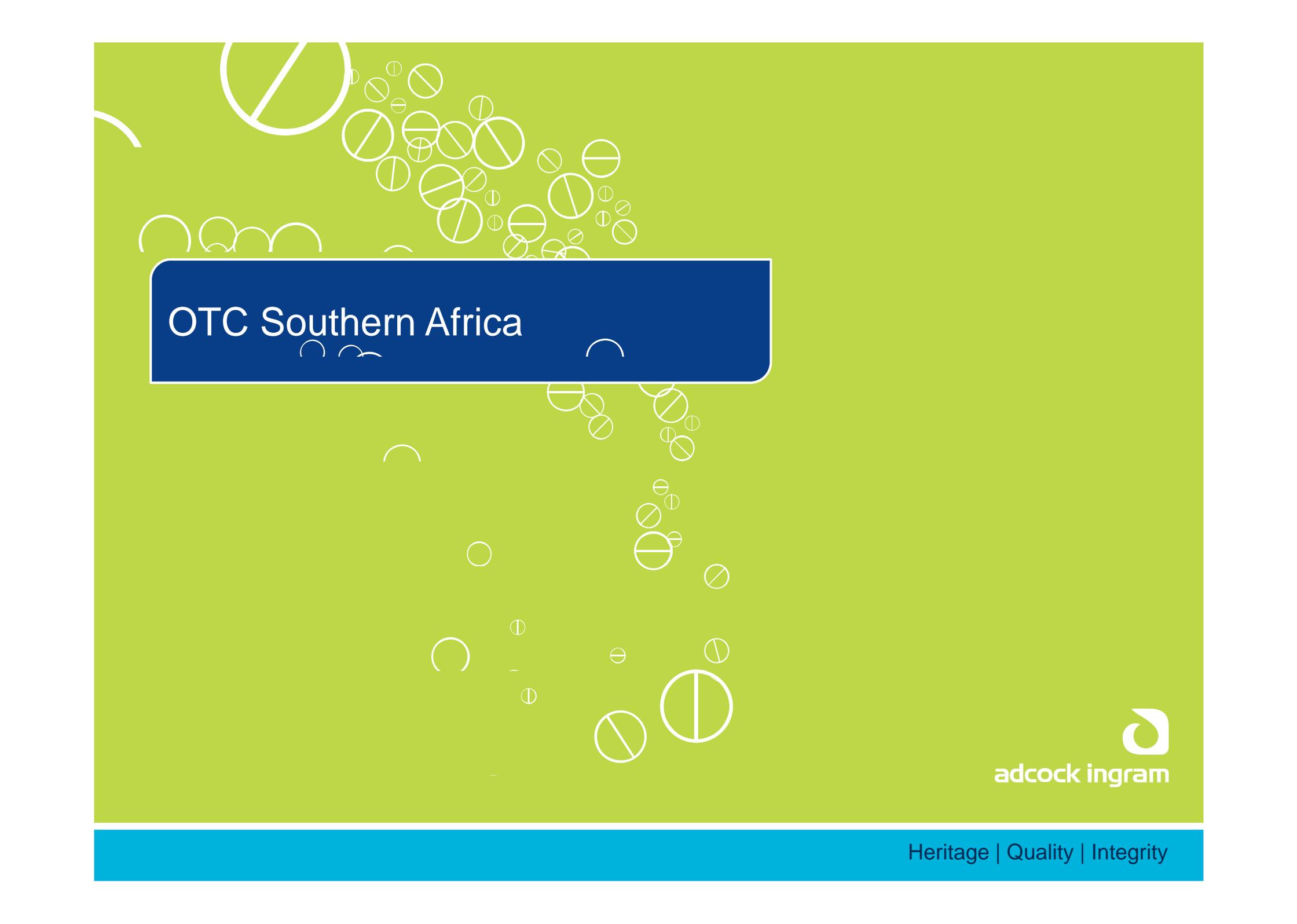


Local Centre of Excellence for Liquids

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Business Performance
Southern Africa



OTC Southern Africa



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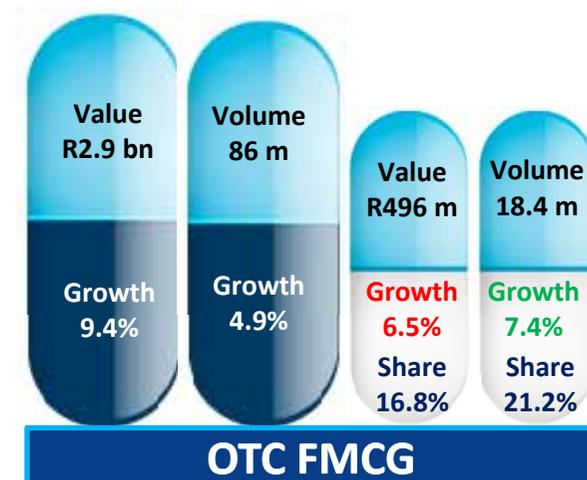
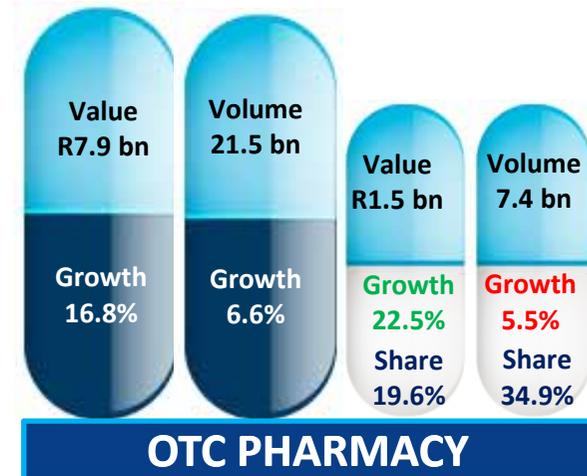
Business overview

- ⊗ Business performance has been impacted by 3 key considerations:
 - ⊗ The acquisition of NutriLida
 - ⊗ Supply constraints on complementary products
 - ⊗ Aggressive competitor activity
- ⊗ The acquisition of NutriLida entrenches Adcock Ingram as number 1 in the VMS category in FMCG
- ⊗ Umbrella branding continues to drive growth in key brands
- ⊗ Stock availability and visibility on shelf remains critical



Performance

- ⊗ Category leadership in core categories of Analgesics, VMS, Colds & Flu
- ⊗ Continued in-market growth across channels
 - ⊗ 22.5% in pharmacy
 - ⊗ 6.5% in FMCG
- ⊗ Top 10 brands
 - ⊗ Generate 48% of OTC revenue
 - ⊗ Brand value in excess of R40m



Source: IMS TPM-MAT Sep 2012, Aztec YTD Sep 2012
 Value IMS – Sales into trade @ SEP
 Value Aztec – Retail selling price to consumer
 Volume IMS – Counting Units
 Volume Aztec – Units (Selling unit)

Core brands deliver a healthy performance

OTC Product Portfolio



Pain

- Panado
- Compral
- Betapyn
- Betagesic
- Lotem
- Spasmend
- AdcoDol
- Syndol
- Pynstop
- Mypaid

Pharmacy rank #1
FMCG rank #2



Colds and flu

- Corenza
- Grippon
- Alcophyllex
- Cepacol
- Medikeel
- Dilinct
- Expigen
- LCC
- Adco Sinal
- DPH
- Adco Linctopent

Pharmacy rank #1
FMCG rank #7



Allergy

- Allergex
- Allergex ND
- Allergex eye drops
- Adco-cetirizine
- Mepyramal Cream

Pharmacy rank #2



Digestive wellbeing

- Citro-Soda
- Freshen
- Scopex
- Pectrolyte
- Inteflora
- ProbiFlora
- LP299V
- Adco-Loperamide
- Medigel
- Mayogel
- Vomifene

Pharmacy rank #1
FMCG rank #2



Supplements

- Unique
- ViralGuard
- ArthroGuard
- Bestum
- Bioplus
- Vita-thion
- Gummyvites
- ADDvance
- Spirulina
- Pro-oxiden
- Liviton

Pharmacy rank #2
FMCG rank #1



Health and Hygiene

- TLC
- Topicals
- GynaGuard
- ISDIN:
- Ureadin
- Nutratopic
- Betalfatrus
- Iralfaris

Pharmacy rank #6

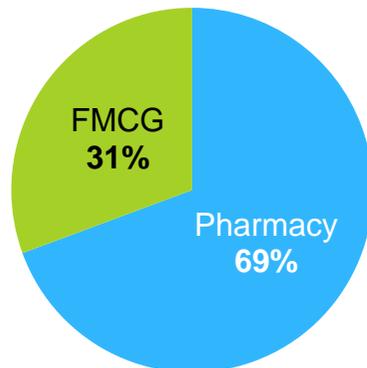
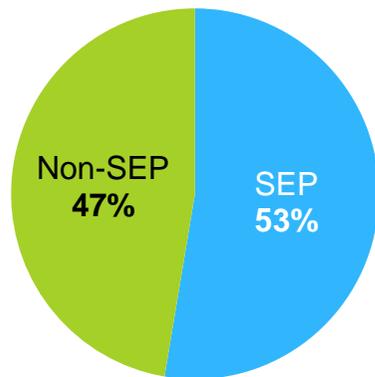
Source: IMS TPM MAT/9/2012 / Aztec Sep 2012 MAT

Diversity in product portfolios gives Adcock Ingram the leading edge

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Balanced OTC portfolio

Revenue 2012



- Leverage growth in self-care
- Improve access to the consumer
- Leverage core brands
- Growth in adjacent categories
- Reduce reliance on SEP



New growth opportunities in adjacent categories

Pharmacy landscape

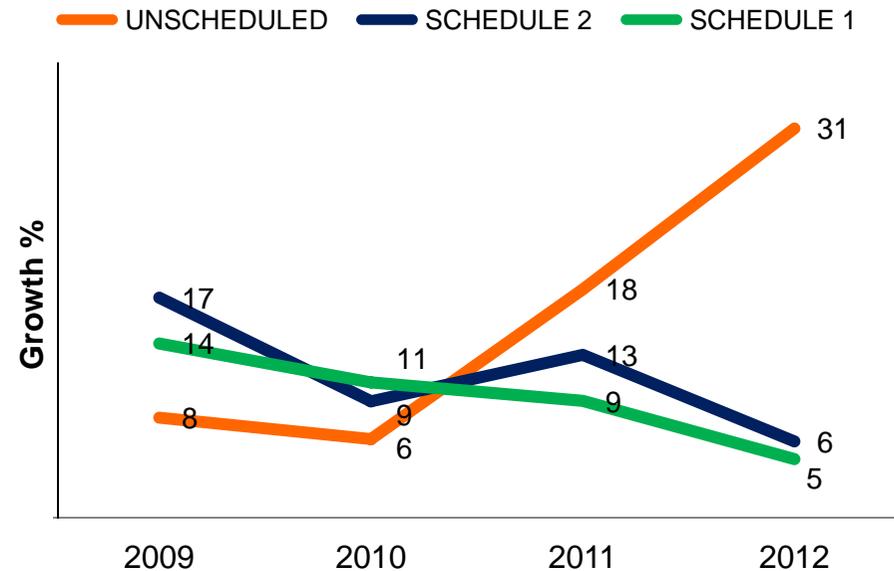
Key global health consumer trends....



Source: Datamonitor Global Mega Trends 2010



OTC Market Growth by Schedule driven by non-scheduled products



Source: IMS MAT Sept 2012

Not Scheduled includes:

- ⊗ Schedule 0
- ⊗ Complementary Alternative Medicines
- ⊗ Personal Care

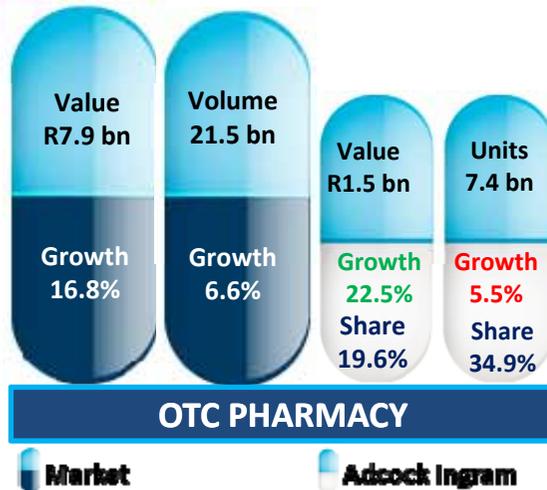
Growth a result of

- ⊗ Wellness trend
- ⊗ Proactive health management
- ⊗ Increased pick-up of Not-Scheduled products by IMS

Growth in unscheduled products due to wellness trend and increased regulation

Pharmacy Market Performance

IMS



Pharmacy Performance	Market		Adcock Ingram			Market		Adcock Ingram		
	Volume million	Volume Growth %	Volume Share %	Vol Share Change		Value R'm	Value Growth %	Value Share %	Value Share Change	
Analgesics (N2B2)	2 118	8.1	51.3	-1.0	↓	736	13.6	58.3	-1.7	↓
Colds & Flu (R5A, R5C & R2A)	4 756	-5.2	53.0	2.0	↑	1 071	4.2	30.6	0.2	↑
VMS & Tonics	10	14.6	19.0	-0.1	↓	318	58.9	13.1	2.3	↑
Digestive (A7F, G4X, A7B, A3A, A3C)	705	5.9	49.9	-3.1	↓	416	30.3	44.7	5.1	↑
Allergy R2A	662	8.5	51.7	0.0	↑	346	12.9	15.4	-0.9	↓
Total OTC (All categories)	21 519	6.6	34.9	-0.7	↓	7 869	16.8	19.6	0.5	↑

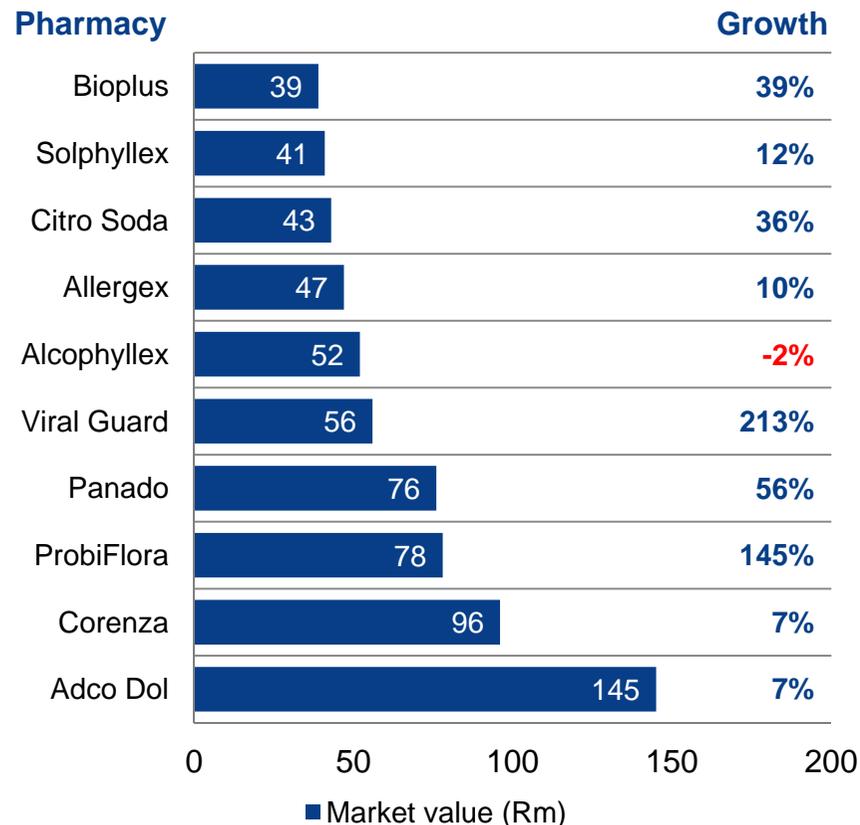
Source: IMS TPM-MAT Sep 2012
 Value IMS – Sales into trade @ SEP
 Volume IMS – Counting Units

Top 10 Pharmacy and FMCG brands

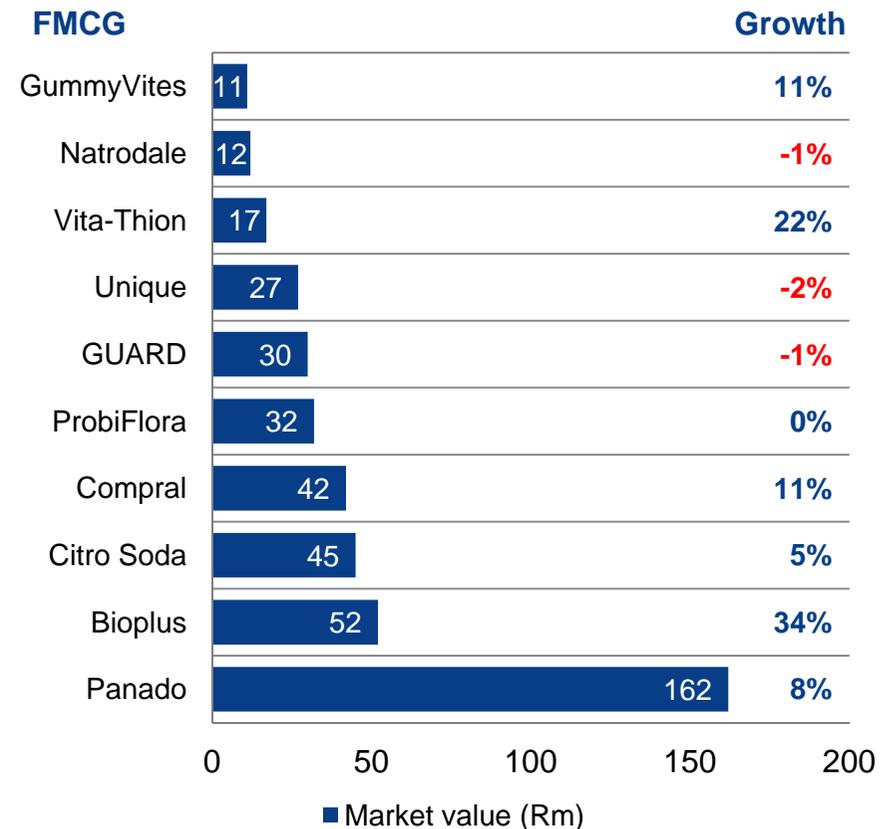


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3 brands ranked in Top 5 of the OTC Pharmacy market



3 brands ranked in Top 5 of the OTC FMCG market



Source: IMS MAT September 2012, Source: Aztec MAT Sep 2012

Acquisitions, innovation and umbrella branding strategies strengthen AI's core brands

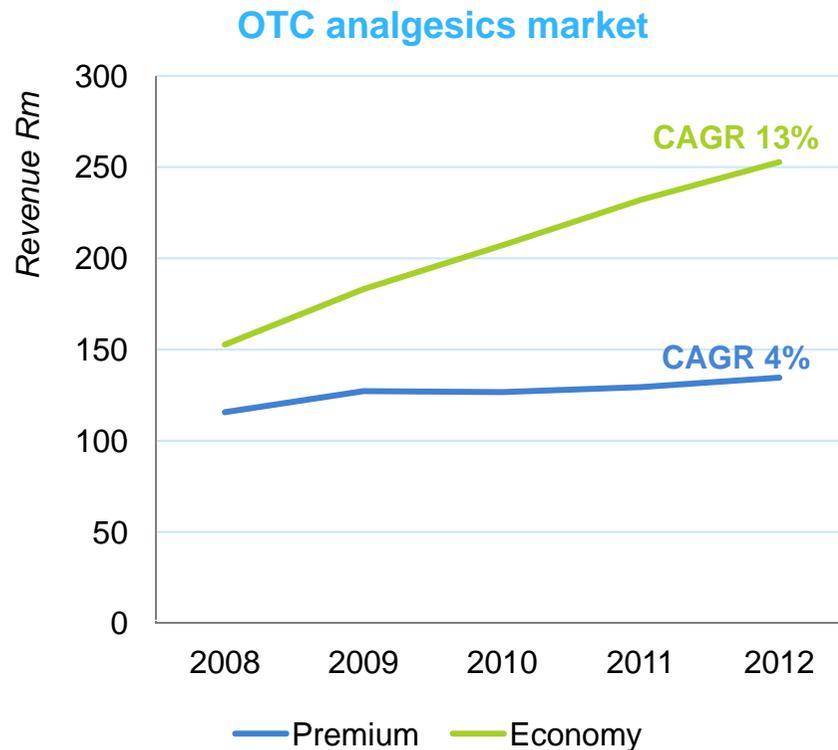
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The challenge in Pharmacy



Analgesics

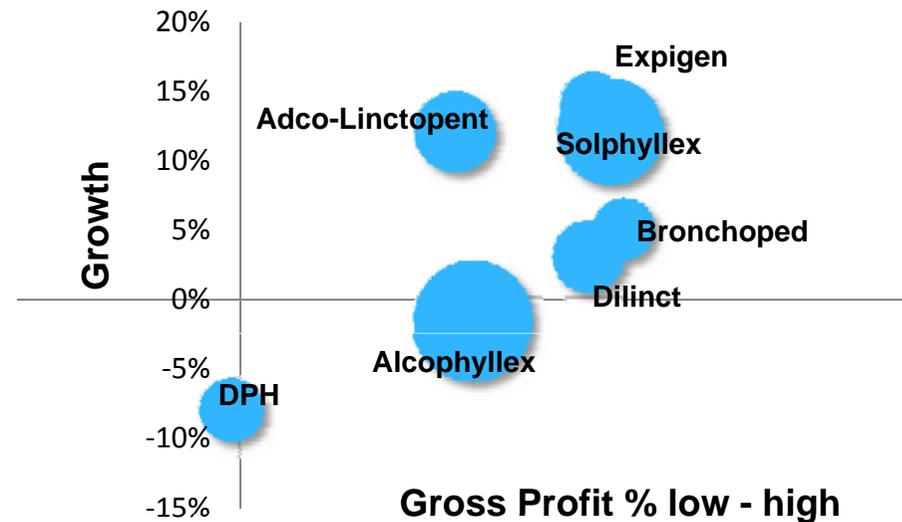
- Codeine portfolio under price pressure from cheaper competitors



Source: IMS MAT Sep 2012

Coughs

- Adcock Ingram's balanced portfolio of volume and value drivers
- Change in mix towards high value products
 - Solphyllex, Adco-linctopent, Expigen
- Challenge is to protect high volume products that provide access and affordability
 - Alcophyllex, DPH



A balanced portfolio with strong tactical execution required in pharmacy

Heritage | Quality | Integrity

The challenge in FMCG

- ❖ House brands gain share and have increased buying power in CAM's category
- ❖ Innovation and new channel entrants are driving growth ahead of the market in CAM's and Schedule 0
- ❖ Innovation, initiatives in-store and direct to consumer help retain core brand focus foothold in CAM's and Schedule 0



Innovation, trade relationships and shelf impact are the key to success

Wellness a strategic driver of growth



Probiotics **#1** position through thought leadership and robust growth strategy



Feminine care **#1** position in an adjacent market segment



Supplements **#1** position in category through acquisition of high equity brands and robust strategy

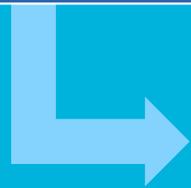


Source: IMS TPM MAT Sep 2011 & 2012; Internal Sales Data FY 2011, 2012, Aztec Sep 2012

Acquisitions assist in achieving category and thought leadership

Heritage | Quality | Integrity

PRESCRIPTION PHARMACEUTICALS



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SPECIALISED HEALTHCARE



Heritage | Quality | Integrity

- ⊗ **Definition:** specialised healthcare
- ⊗ Deals with **drugs and treatment** used in conjunction with **health care professionals** only



the **drug component** reflects medicines prescribed by a registered physician and thereafter dispensed with a prescription from a licensed professional



the **treatment component** relates to invasive and non-invasive technologies supporting select and potentially dire morbidities'

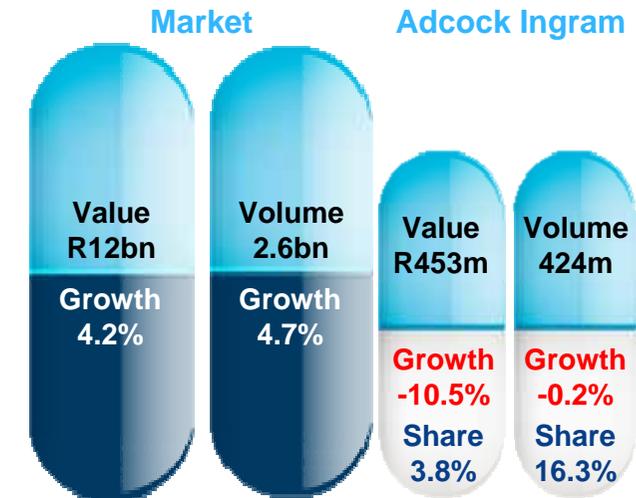
...not all conventional pharmaceuticals, extension into treatment

Specialised healthcare

- ⊗ Largely dominated by global multinationals
- ⊗ Originator prescription medicines - pre and post patent
- ⊗ Highly regulated
- ⊗ Higher priced, lower volume category
- ⊗ Caters largely for 'insured lives' - medical aid patients
- ⊗ Funding pressure
- ⊗ Technology slow-down
- ⊗ High threat from generic and therapeutic substitution
- ⊗ Pressure on multinationals
 - ⊗ Increasing intensity of competitive environment leads to coalition opportunities

Rank 2008	Company	Rank 2012	
# 2	Sanofi Aventis	# 1	▲
# 1	Pfizer	# 2	▼
# 3	GSK / Aspen	# 3	▶
# 4	Astra Zeneca	# 4	▶
# 7	Adcock Ingram	# 5	▲

Source: IMS, TPM, September 2012



ETHICAL PRESCRIPTION MARKET

Note: Excl. collaborations

Note: Incl. collaborations

Performances reflected in increase in market ranking

Ethical Prescription

Element of growth (non-generic products)	Percentage (%)
Market growth	4
• New products	1
• Line extensions	0
• Price	0
• Volume	3

New product introductions support ¼ of the growth in this category - supporting thesis of slow-down in introduction of new technologies

Volume growth supports balance of growth in category. Suggests slow-down in demand for generally more expensive RX products in this category in move to generic and/or therapeutic alternatives in OTC

- Generic volume growth +11%
- OTC volume growth +17%

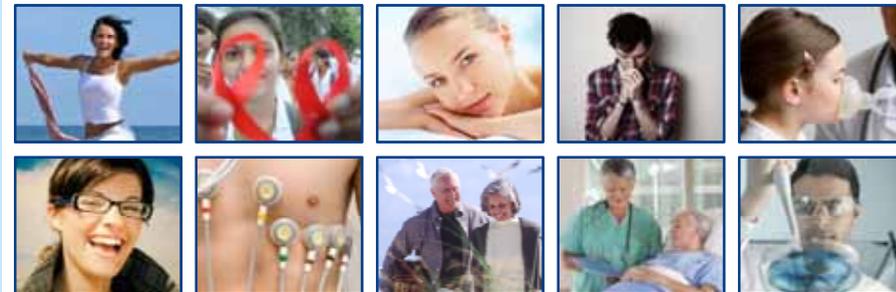
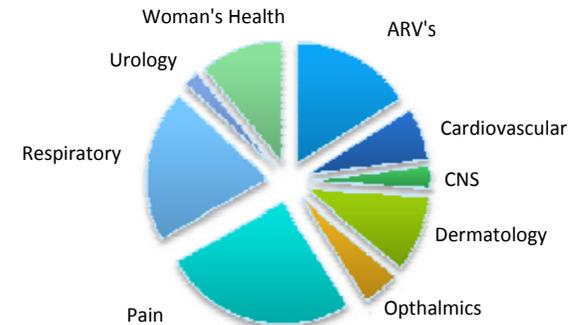
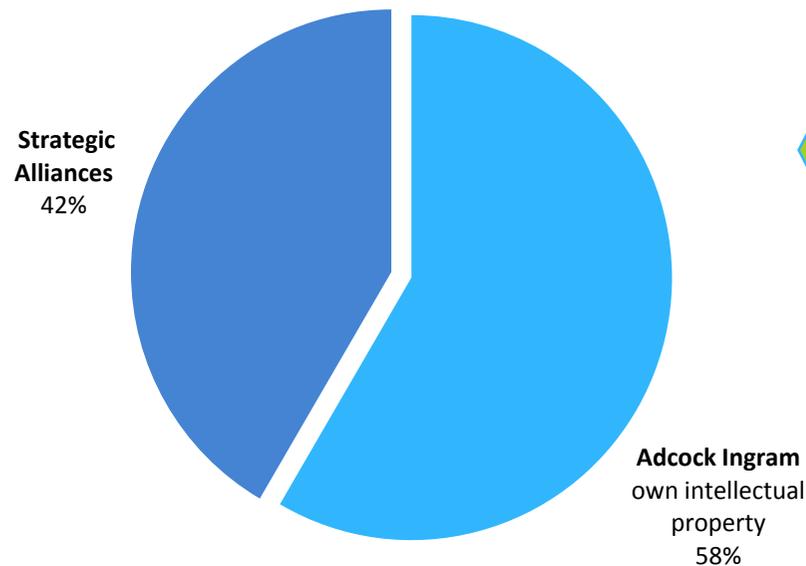


Source: IMS, Monthly National Audit Feedback Report, September 2012

Prescription ethical market reflects slow growth – largely volume-based

Ethical Prescription

Operational Composition



Strategically business comprises two components:

- Product where IP (intellectual property) resides with Adcock Ingram, and
- Strategic Alliances – products where Adcock Ingram contracts to assist in marketing, sales, distribution and manufacturing

- **Operational** composition supports depth of knowledge, directed towards a **customer centric** focus
- Each therapeutic area is honed to support a clinical value proposition
- Capitalise on critical mass in therapeutic class

Mix in Adcock own IP and Alliances merged into operational portfolios

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Specialised healthcare Segmentation



- Targeted **therapeutic** focus
- Clinical solutions transformed into commercial value
- Build depth in knowledge, skill and competence
- Thought leader development and leading relationships
- Leading technologies
- Capitalise on critical mass in therapeutic class
- Leverage operations to support additional dossiers, acquisitions and partners

Source:

- IMS, TPM, MAT, R value, September 2012, ATC 4, inclusive of **all** Adcock Ingram product S3 – S6
- Renal – internal data

Leadership positions created through carefully crafted strategies & focus

Ethical Prescription

Class leading performances

Core Brands in Prescription Pharmaceuticals

	R'000's	Share %	Evolution index
Myprodol	84 703	11.7	100
Celestamine	60 672	21.0	115
Estrofem	50 482	30.4	103
Solphyllax	40 742	9.1	105
Macaine	28 378	53.5	104
Activelle	27 394	22.7	97
Nasonex aqueous	26 793	12.1	88
Roaccutane	26 209	18.5	113
Fosavance	22 357	32.4	114
Fortzaar	22 130	11.1	103
Stopayne	20 037	1.4	108
Urizone	17 855	44.6	109
Elocon	17 851	9.8	99
Quadriderm	17 393	30.9	107
Maxalt	16 927	52.8	105
Betadine	15 823	15.8	71
Xylotox	15 354	98.4	100
Spersadex	15 052	23.5	116



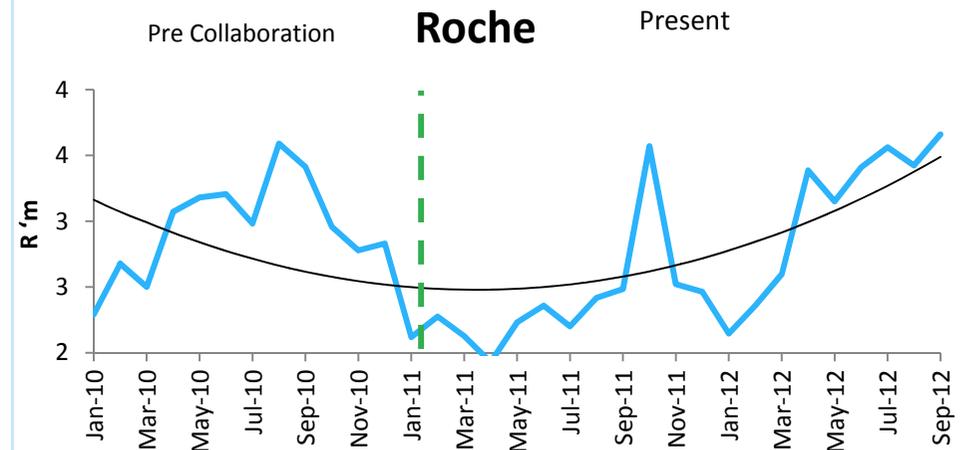
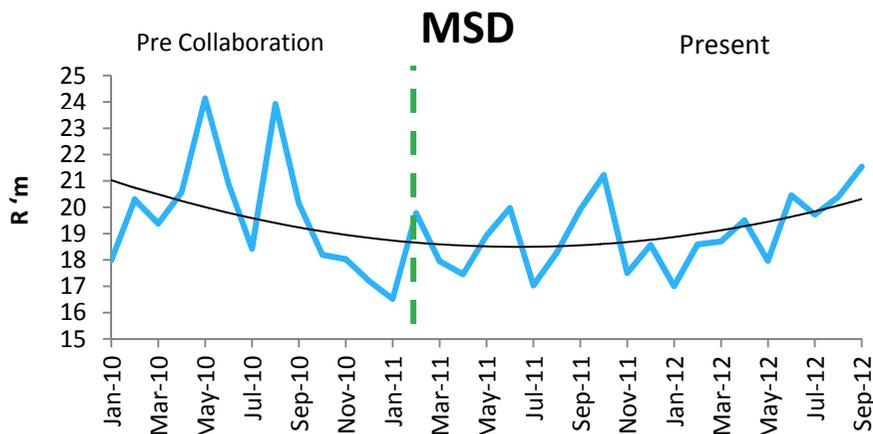
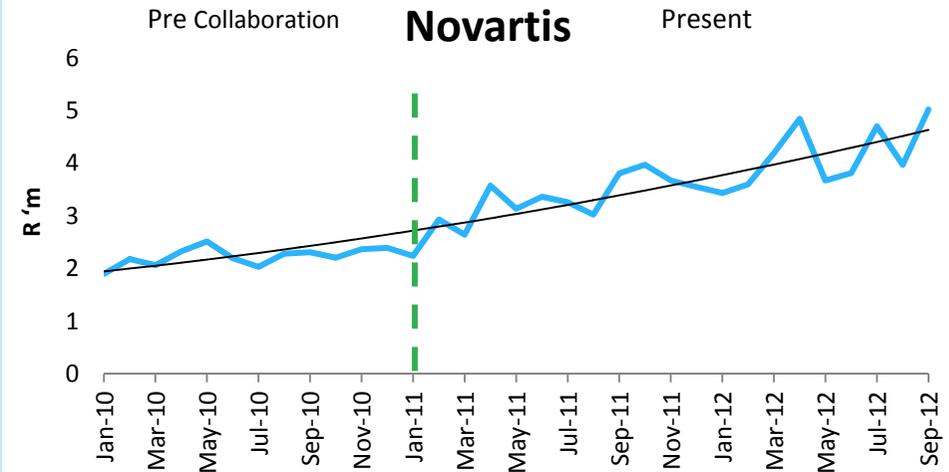
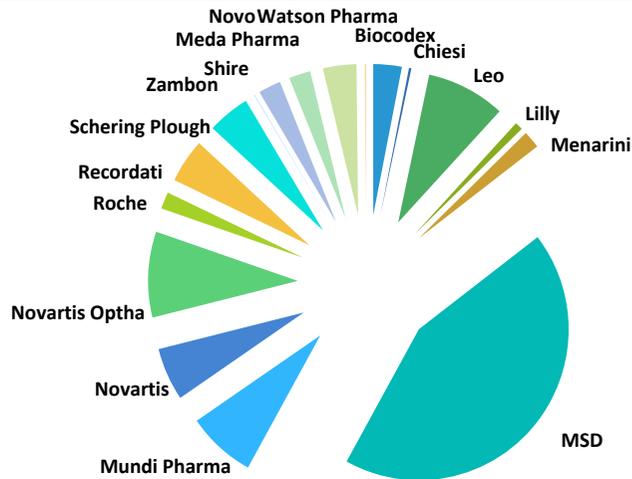
Source:

- IMS, TPM, MAT, R value, September 2012
- Prescription products including multinational Brands
- Products are measured in respective ATC's except Celestamine (ATC2), Urizone and Quadriderm (ATC3) - these products have more than 99% market share in their respective ATC 4's
- The following products are recorded within 2 ATC's
 - Stopayne (N2B1 and N2B2)
 - Betadine (D8A0 and G1D0)
 - Spersadex (S1B0 and S1C1)

Core brands consistently outperform the market!

Specialised healthcare

Multinational partner of choice strategy



(Source: IMS, TPM, September 2012) Note: polynomial trendlines

Unfailing turn-around strategies deliver results!

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Specialised healthcare

Multinational partner of choice strategy



Multinationals	Adcock Ingram	Adcock Ingram future
<ul style="list-style-type: none"> • Evaluation of Global strategy and footprint • Specialisation in select therapeutic areas • New technologies • Limited resources • Product life cycle • Increased loss of exclusivity • Generic capability increasingly more aggressive 	<ul style="list-style-type: none"> • Local empowered partner • Non conflicting shareholding • Solid principles of Governance • Agile deal structures • Successful track record • Integrated infrastructure with critical mass 	<ul style="list-style-type: none"> • Expanded product basket • New alliance partners • Acquisitive opportunities



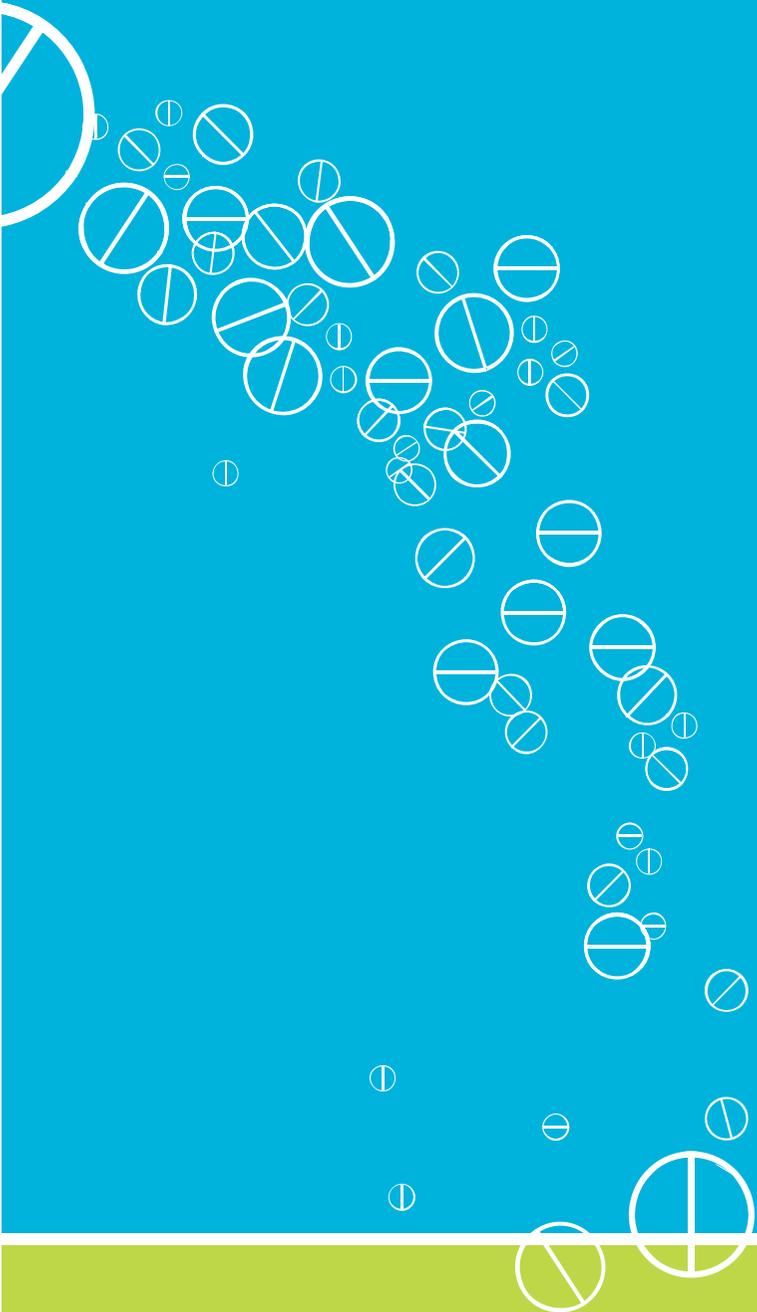
Adcock Ingram set to gain from increased opportunities as MNC's ally



OPERATING ENVIRONMENT
GENERICS



Heritage | Quality | Integrity



ABRIDGED AUDITED GROUP RESULTS

For the year ended 30 September 2012



Heritage | Quality | Integrity

Generic product portfolio



Generics

- Adco-Simvastatin
- Adco-Bisocor
- Adco-Atenolol
- Gen-Payne
- Serez
- Adco-Alzam
- Adco-Zolpidem
- Adco-Dapamax
- Adco-Omeprazole
- Adco-Zetomax

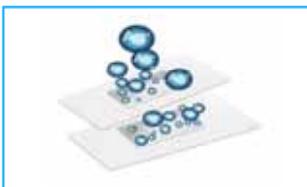
Gen-Payne
CAPSULES



Medicine delivery

- Adco Granisetron
- Sabax Ciprofloxacin
- Adco Ceftriaxone
- Sabax Metronidazole
- Sabax Intravenous solutions
- Sabax Irrigation solutions
- Sabax Mini-Bags
- Sabax Pour bottles

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generics



Wound care

- Prontosan
- Calgitrol
- Scarban
- Dermanet
- Jetox
- Sofisorb
- Alle
- Draina S
- Askina Sorb
- Flexima

Prontosan[®]



Nutrition

- Oliclinomel N4
- Oliclinomel N6
- Oliclinomel N7
- Oliclinomel N8
- Cernevit
- Potassium Phosphate
- Vitafusal
- TPN filter sets

OliClinomel



Transfusion therapies

- Blood packs
- AccuVein
- Leucodepletion filters
- T-Sol
- Alyx Kits
- Blood sets
- Anticoagulant solution
- Platelet additive solution

AccuVein[®]

***Diversity in the product portfolio (breadth and depth)
gives Adcock Ingram Generics the edge in the commodity business***

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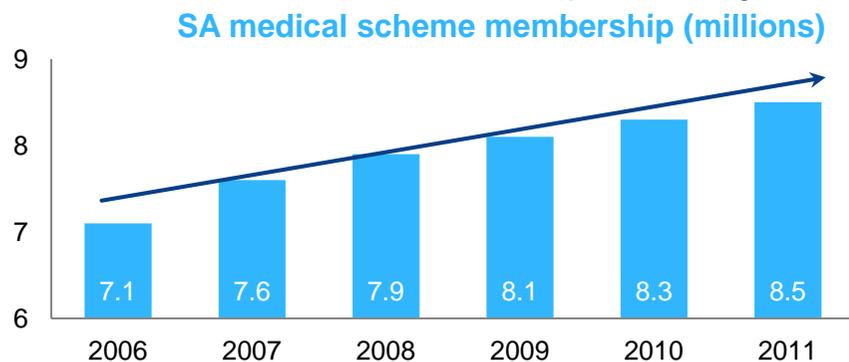
Operating environment

⦿ The opportunity

- ⦿ Under penetrated in a growing market
- ⦿ Upgraded factories and distribution
- ⦿ Significant pipeline to capitalise on patent expiries
- ⦿ Critical mass in core portfolios
- ⦿ Value proposition based on heritage and trust

⦿ Strong market fundamentals

- ⦿ Patient access improving through low cost medical aid
- ⦿ Patient access to newer therapies
- ⦿ Ageing population increasing demand on chronic medication
- ⦿ SA disease burden (HIV) significant
- ⦿ General medical aid membership increasing



Source: Council for Medical Scheme

“Overall generic market is growing at 13,4%,
of which 5,4% derived from new products”

Source: IMS Sept 2012



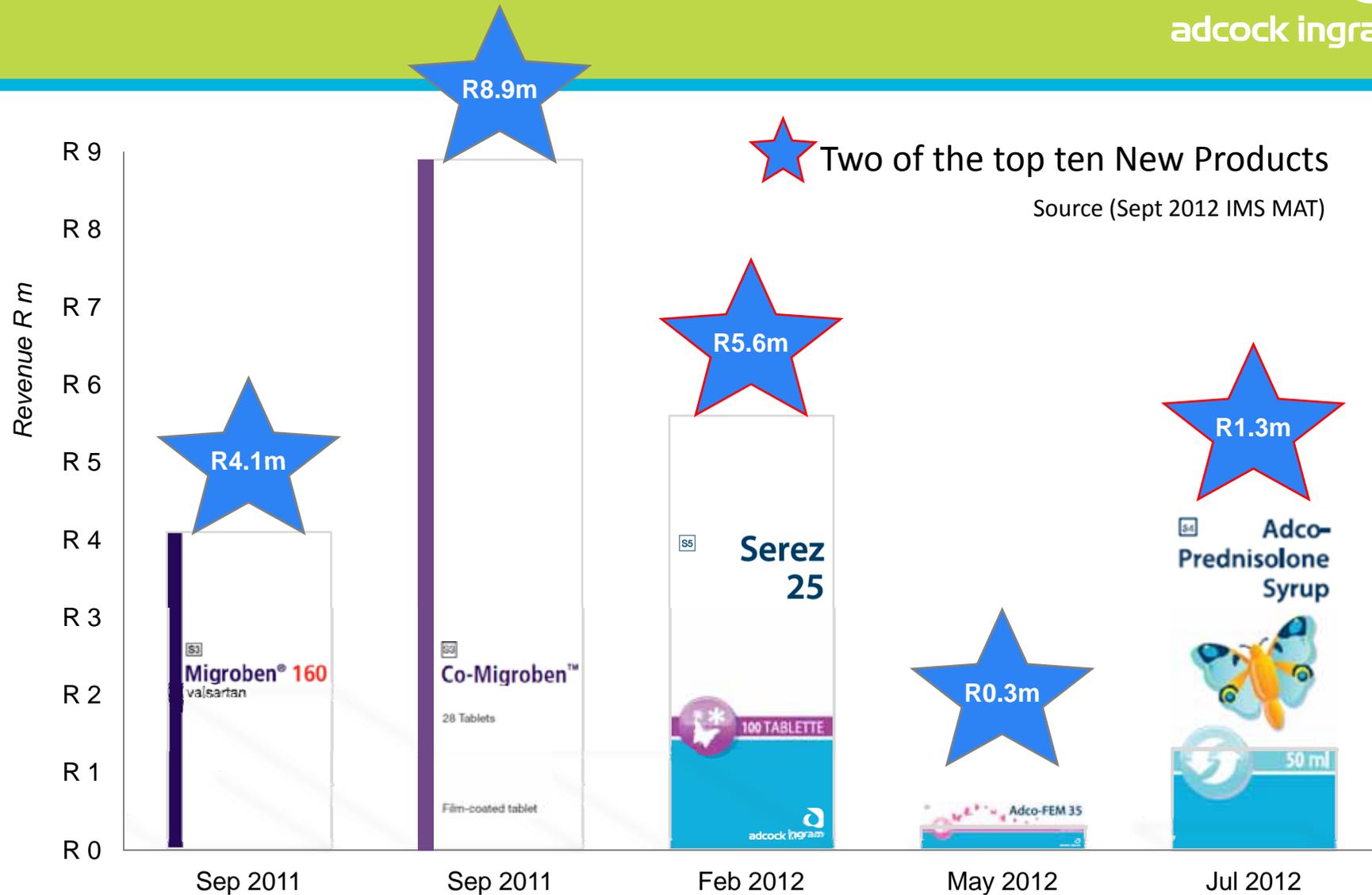
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generics
CUPs



High risk operating environment with high reward potential

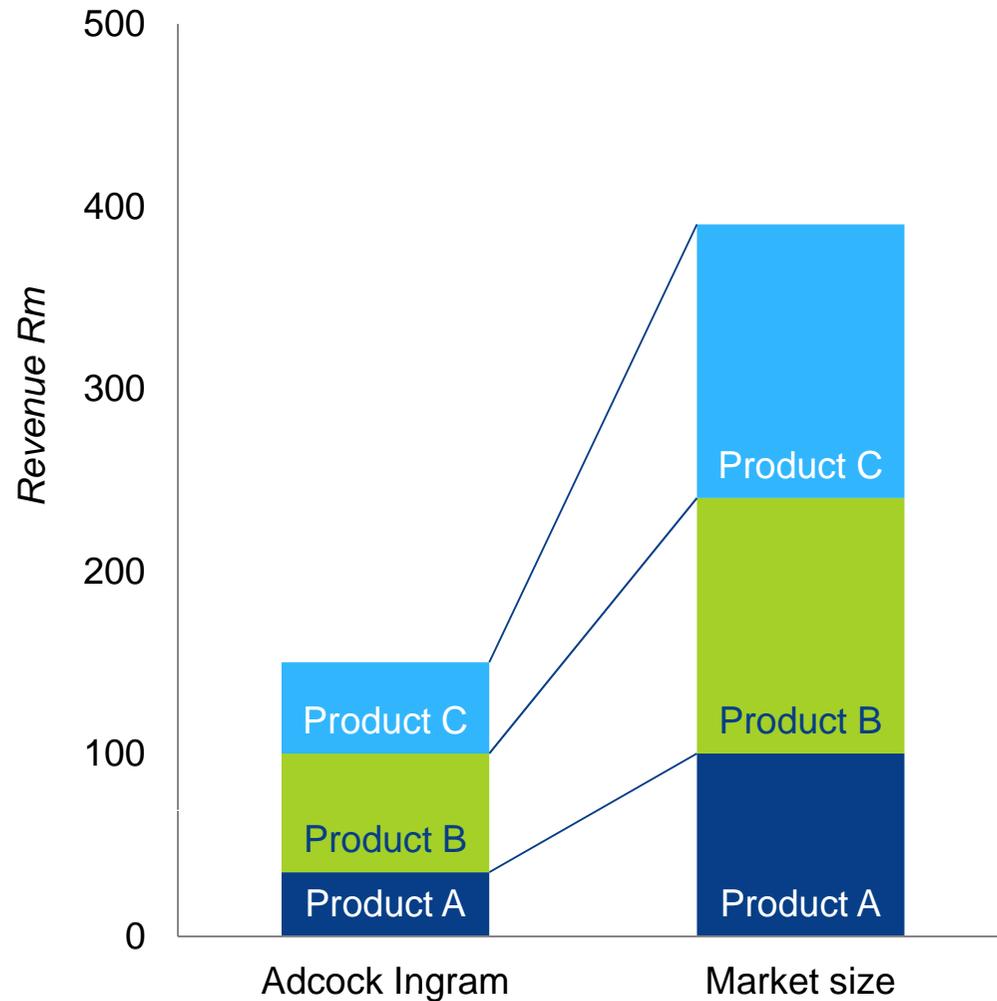
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New product launches



Pipeline starting to deliver

2013 launch opportunities

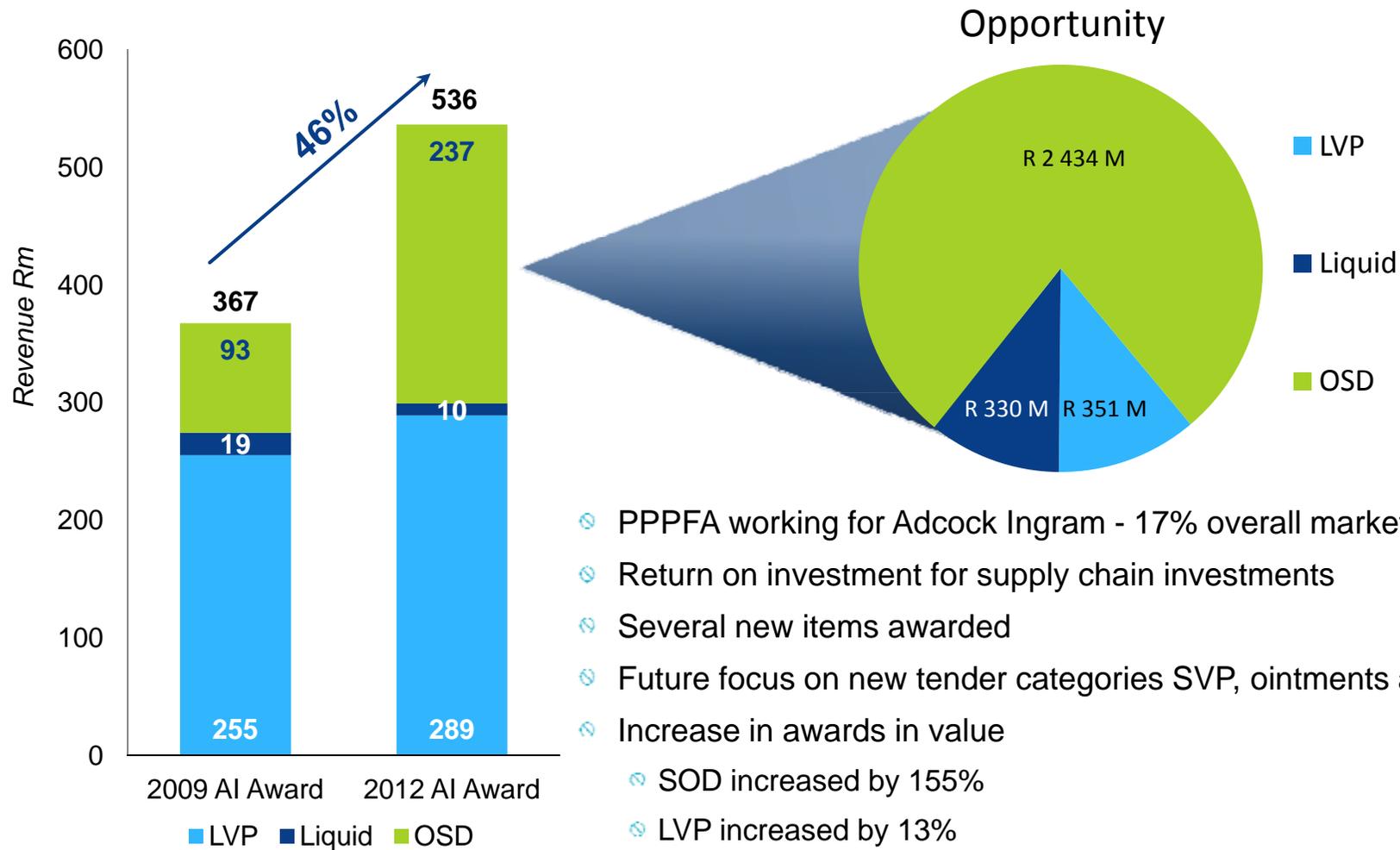


- Opportunity: 15-30% market share
- Leverage the current resource base to drive profitability
- Contribute to overall efficiencies in the supply chain
- Medium term patent opportunity still significant
- New non-SEP hospital products



Significant pipeline potential

Tender awards 2009 vs. 2012



Tender successes

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Operating environment

Hospital – medicine delivery



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- ⊗ Ageing medical insured population growing - older patients admitted more often and stay longer
- ⊗ Private Hospital Groups growing capacity - beds
 - ⊗ Netcare 2%
 - ⊗ Mediclinic 5%
 - ⊗ Life 7%
- ⊗ Annual negotiations with hospital groups for formulary inclusion
- ⊗ Aggressive global and local competitors



CODE/KODE LEV 500

S4

LEVOTAV IV 500

(INTRAVENOUS INFUSION)
For IV use only
100 ml

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Growing opportunity in hospital sector

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Operating

“Doing the basics”

Supply

Range

Access

Promotion

Price

What's working

- Pipeline starting to deliver
- Core products gaining market share
- Tenders

What remains challenging

Price deflation due to:

- Customer pressure, house brands
- Funder pressure
- Central government procurement



Rest of Africa

Operating environment



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Economic

- Increasing competition from local companies and MNCs looking for emerging market growth opportunities
- All the regions are exposed to currency fluctuation risk
- Lack of scale economies due to small size of individual markets

Technological

- Sub-optimal infrastructure (transport, communications, power) adds to cost of operation

Political

- Local company preference in government procurement of pharmaceuticals

Our operations on the continent

Market Access

- Affordability - pack formats, economies of scale, price-points
- Supply chain - insufficient high quality warehousing and distribution

OTC (Pharma & FMCG)
Distribution

Private Market

- Growing middle class with higher disposable incomes
- Greater health awareness
- Increasing disease burden
- Prescription medication on the rise
- Increasing consumerism

PHARMA Rx
Demand creation/
pull distribution

Public Market

- National Health Insurance Schemes
- Multi-lateral funding support for government pharmaceutical procurement
- Under-treated chronic disease opportunities (renal, diabetes, hypertension, etc.)

CRITICAL CARE
Tenders and
installed base

Kenya:

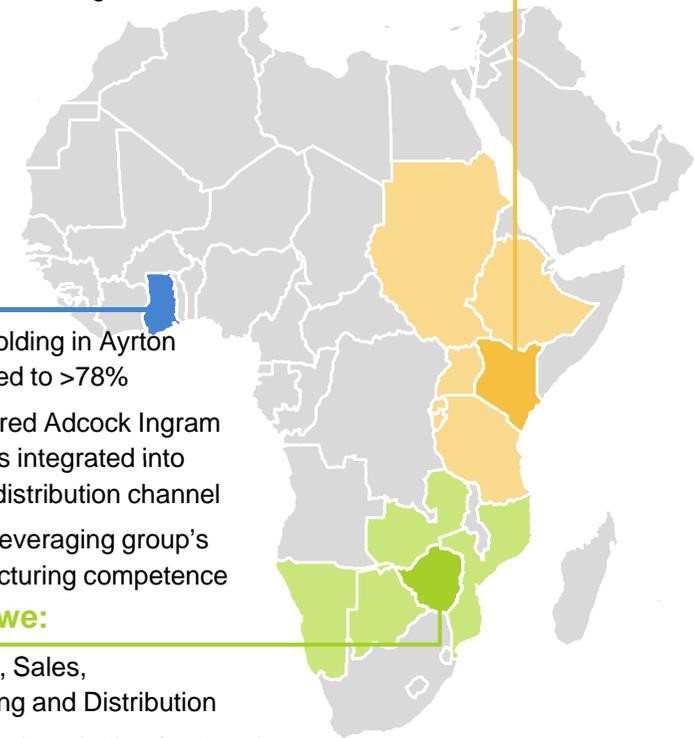
- Adcock Ingram East Africa
- 100% owned subsidiary
- Sales, Marketing and Distribution

Ghana:

- Shareholding in Ayrton increased to >78%
- Registered Adcock Ingram products integrated into Ayrton distribution channel
- Ayrton leveraging group's manufacturing competence

Zimbabwe:

- Datlabs, Sales, Marketing and Distribution
- Sales and marketing front end
- In-market distribution capabilities

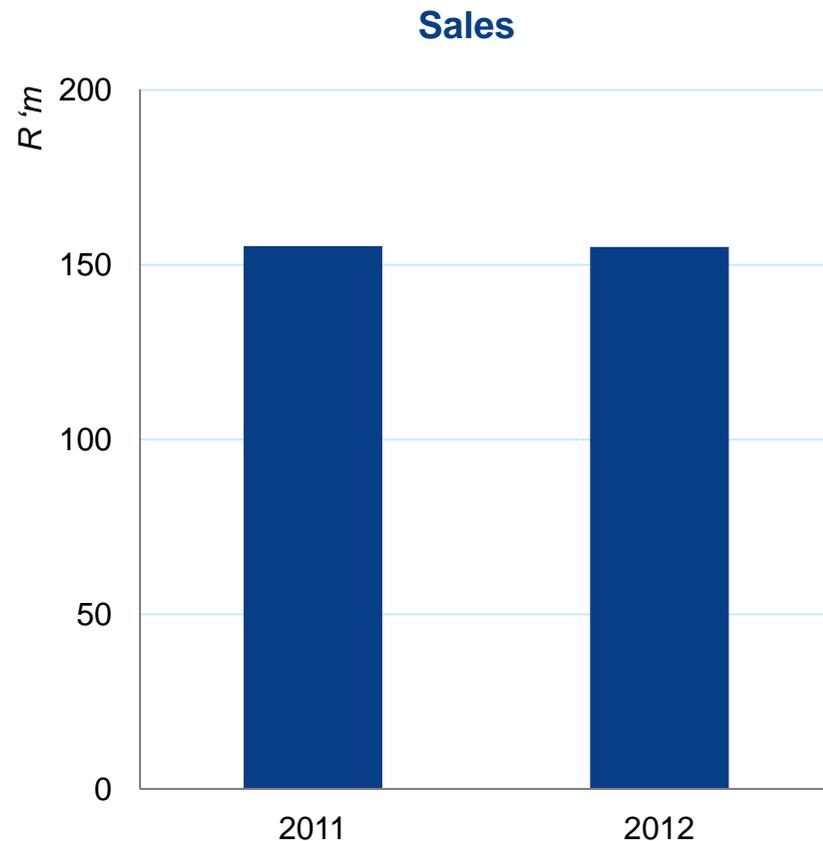


Market opportunities abound

2013 outlook remains positive despite a flat performance in 2012



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- ⦿ Significant improvements in customer service levels in terms of supply
- ⦿ Harmonisation of regulatory requirements in East Africa
- ⦿ Expansion of our pan-African footprint with a broader therapeutic offering
- ⦿ Nigeria office opened to explore distribution and acquisition opportunities
- ⦿ Leveraging of the manufacturing, sales and marketing infrastructure in Datlabs (Zimbabwe)
- ⦿ Operational excellence and organisational capability will be key

A positive 2013 outlook

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- ⦿ International accreditation of facilities remains a key focus
- ⦿ Acquisitions of businesses and brands in Africa and India
- ⦿ Multinational partner of choice strategy to continue
- ⦿ New generic product launches
- ⦿ Economic climate remains uncertain
- ⦿ Consumer spending is concerning
- ⦿ Margins will continue to be impacted by cost pressures and ZAR weakness



THANK YOU



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