

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 19 of this Circular apply throughout this Circular, including this cover page (unless the context indicates a contrary intention).

Action required

This Circular is important and should be read in its entirety, with particular attention to the section entitled "Action required by Adcock Ingram Shareholders", which commences on page 10.

If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant or other professional adviser immediately.

If you have disposed of all your Adcock Ingram Shares, please forward this Circular to the purchaser of such Adcock Ingram Shares or to the Broker, CSDP, banker, accountant or other agent through whom the disposal was effected.

Adcock Ingram and CFR do not accept responsibility, and will not be held liable, for any act of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of a CSDP or Broker or any registered holder of Adcock Ingram Shares to notify the holder of beneficial interests in those shares of the transactions contemplated in this Circular.



Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)

Registration number 2007/016236/06

Share code: AIP ISIN: ZAE000123436

("Adcock Ingram")



CFR Pharmaceuticals S.A.

(Incorporated in the Republic of Chile)

Chilean Tax ID: 76.116.242-K

Securities Regulation Registry number: 1067

Share code on the Santiago Stock Exchange: CFR

ISIN: CL0001762831

("CFR")

COMBINED CIRCULAR TO ADCOCK INGRAM SHAREHOLDERS

relating, among other things, to:

- a scheme of arrangement in terms of section 114 of the Companies Act proposed by the Adcock Ingram Board between Adcock Ingram and the holders of Adcock Ingram Ordinary Shares (other than the holder of the Treasury Shares), pursuant to which scheme, if implemented, CFR, through its wholly-owned subsidiary, CFR Inversiones, shall acquire all of the Scheme Shares from the Scheme Participants, and each Scheme Participant shall receive the Scheme Consideration, on the basis that each Scheme Participant shall, subject to the provisions of paragraph 6.3 of this Circular, be entitled to elect to receive:
 - a cash amount of R73.51 per Scheme Share held by such Scheme Participant; or
 - the Relevant Number of CFR Shares per Scheme Share held by such Scheme Participant; or
 - a combination of cash and CFR Shares;

Scheme Participants should be aware that their elections may not be given effect to in full and are dependent on the aggregation of the elections (and deemed elections) made by all Scheme Participants;

- the delisting of Adcock Ingram Shares from, and the listing by way of a secondary listing of CFR Shares on, the Main Board of the JSE in the "Health Care – Pharmaceuticals & Biotechnology – Pharmaceuticals" sector;
- the Phantom Scheme Offer;
- arrangements in respect of the participants in the Share Option Scheme;
- agreements concluded with each of Blue Falcon and the Bophelo Trust;

and incorporating, among other things:

1. a report prepared by the Independent Expert in terms of section 114(3) of the Companies Act;
2. a statement of Appraisal Rights in terms of section 164(2) of the Companies Act;
3. extracts of section 115 of the Companies Act dealing with the approval required for fundamental transactions;
4. historical and *pro forma* financial information in respect of Adcock Ingram and CFR;
5. notices convening the Combined General Meeting and the Ordinary General Meeting;
6. a form of proxy in respect of the Combined General Meeting (*green*) (for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only);
7. a form of proxy in respect of the Ordinary General Meeting (*yellow*) (for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only); and
8. a form of election, surrender and transfer in respect of the Scheme Shares (*blue*) (for use by Certificated Scheme Participants only);

and accompanied by:

- a Prospectus prepared in terms of the Companies Act, Companies Regulations and the Listings Requirements, in respect of CFR as it will be constituted after implementation of the Scheme.

Financial Adviser and Sponsor
to Adcock Ingram

Deutsche Bank

Deutsche Securities (SA) Proprietary Limited
(A non-bank member of the Deutsche Bank Group)



Financial Adviser to CFR

CREDIT SUISSE



Legal Adviser to Adcock Ingram
in South Africa

read hope phillips
ATTORNEYS

Legal Adviser to CFR
in South Africa

BG Bowman Gilfillan

Legal Adviser to Adcock Ingram
in Chile

PRIETO Y CIA.
ABOGADOS

Legal Adviser to CFR
in Chile

Honorato, Russi &
Eguiguren Limitada

Reporting Accountants
to Adcock Ingram



Reporting Accountants to CFR

Deloitte.

Independent Expert to the
Independent Board

J.P.Morgan

Public Relations Adviser
to Adcock Ingram

BRUNSWICK

Public Relations Adviser
to CFR

CollegeHill

Date of issue: 18 November 2013

This document is available in English only. Copies may be obtained from the registered office of Adcock Ingram and the financial adviser to Adcock Ingram, whose addresses are set out in the "Corporate Information and Advisers" section on page 1 of this Circular, from, Monday, 18 November 2013 until Wednesday, 18 December 2013. Copies of this document may also be found on Adcock Ingram's website: <http://www.adcock.com>.

This document, together with a non-official translation thereof into Spanish will be filed, as required by the Chilean Securities Market Law, with the SVS, with a copy provided to all stock exchanges on which CFR's shares are currently listed in Chile, and published on CFR's website <http://www.cfr-corp.com>.

The release, publication or distribution of this document in jurisdictions other than South Africa may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about and observe any applicable requirements in those jurisdictions. The information disclosed in this document may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction other than South Africa.

This document and any accompanying documentation are not intended to, and do not, constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer, invitation or solicitation, or such offer, invitation or solicitation would require Adcock Ingram or CFR to comply with disproportionately onerous filing and/or disproportionately onerous regulatory obligations. This document does not constitute a prospectus or a prospectus equivalent document. However, it is accompanied by a prospectus in respect of CFR as it will be constituted after the Scheme. Adcock Ingram Shareholders are advised to read carefully any formal documentation in relation to the Transaction.

This offer by CFR is made for the securities of a South African company, being Adcock Ingram, by means of the Scheme. The offer is subject to disclosure requirements under South African law that are different from those of the United States of America ("US") and Chile. Financial statements included in this Circular have been prepared in accordance with South African accounting standards and International Financial Reporting Standards that may not be comparable to the financial statements of US or Chilean companies.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since Adcock Ingram is located in South Africa and CFR is located in Chile, and some of their officers and directors reside outside of the US. You may not be able to sue Adcock Ingram and/or CFR or their respective officers or directors in a foreign court, including South African and Chilean courts, for violations of US securities laws. It may be difficult to compel Adcock Ingram and/or CFR and their respective affiliates to subject themselves to a US court's judgment.

You should be aware that CFR may purchase Adcock Ingram Ordinary Shares otherwise than under the Scheme, such as in open market or privately negotiated purchases.

CORPORATE INFORMATION AND ADVISERS

Adcock Ingram Holdings Limited

Directors

KDK Mokhele (*Chairperson*)*
JJ Louw (*Chief Executive Officer*)
AG Hall (*Deputy Chief Executive Officer and
Financial Director*)
M Haus*§
T Lesoli*
PM Makwana*
CD Raphiri*
LE Schönknecht*
RI Stewart*
AM Thompson*

**Independent non-executive
§German*

Company Secretary

NE Simelane

Registered Office

Adcock Ingram Holdings Limited
(Registration number 2007/016236/06)
1 New Road
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(Private Bag X69, Bryanston, 2021) South Africa
Website: <http://www.adcock.com>

Date and place of incorporation:

4 June 2007, South Africa

Advisers and Sponsor

Financial Adviser and Sponsor

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Legal Adviser in Chile

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Independent Expert

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Public Relations Adviser

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Transfer Secretaries

Computershare Investor Services (Proprietary) Limited
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CORPORATE INFORMATION AND ADVISERS

CFR Pharmaceuticals S.A.

Directors

Alejandro Weinstein Crenovich (*Chairperson*)
Alberto Eguiguren Correa
Juan Bilbao Hormaeche
Juan Antonio Guzmán Molinari
Guillermo Tagle Quiroz
Eliahu Shohet
Nicolás Weinstein Manieu

Corporate Legal Secretary and Chief Chilean Legal Officer

Agustin Eguiguren
Registered Office
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Website: <http://www.cfr-corp.com>

Date and place of incorporation:

8 September 2010, Chile

Advisers

Financial Adviser

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Legal Adviser in South Africa

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Legal Adviser in Chile

Honorato, Russi & Eguiguren Limitada
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Reporting Accountants

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IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 19 of this Circular apply to this section on the Important Legal Notes (unless the context indicates a contrary intention).

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Adcock Ingram and CFR that are or may be forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning strategy; the economic outlook for the industry; production; cash, costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; and liquidity, capital resources, expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current views concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases. Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth (including in the pharmaceutical market), estimates of capital expenditures, acquisition strategy, future expansion prospects or future capital expenditure levels and the expected Rand to US\$ and/or the Chilean peso rate of exchange, sales forecasts and parameters and other economic factors such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Adcock Ingram and CFR caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Adcock Ingram and CFR operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions as regards Adcock Ingram and/or CFR, as communicated by Adcock Ingram and/or CFR in publicly available documents, all of which estimates and assumptions are inherently uncertain although Adcock Ingram and/or CFR believe them to be reasonable. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include matters not yet known to Adcock Ingram and/or CFR or not currently considered material by Adcock Ingram and/or CFR. Important factors that could cause actual events to differ materially from Adcock Ingram and/or CFR's expectations include the following: changes in political, economic, legal and social conditions in South Africa, Chile and elsewhere; fluctuations in currencies; future legislation, including regulations and rules, as well as changes in enforcement policies; and other factors beyond Adcock Ingram's and/or CFR's control.

Adcock Ingram Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Adcock Ingram and/or CFR not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Adcock Ingram and CFR have no duty to, and do not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

FOREIGN SHAREHOLDERS AND APPLICABLE LAWS

This Circular has been prepared for the purposes of complying with the Companies Act, the Takeover Regulations and the Listings Requirements, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa or the listings requirements of any securities exchange other than the JSE.

This Circular does not constitute a prospectus or a prospectus equivalent document. However it is accompanied by a prospectus in respect of CFR as it will be constituted after the implementation of the Scheme. Adcock Ingram Shareholders are advised to read this Circular, which contains the terms and

conditions of the Scheme, and the accompanying prospectus in respect of CFR, with care. Any decision to approve the Scheme or other responses should be made only on the basis of the information in this Circular and the accompanying prospectus in respect of CFR.

The Scheme may be affected by the laws of the relevant jurisdictions of Adcock Ingram Shareholders not resident in South Africa. Such non-resident Adcock Ingram Shareholders should inform themselves about, observe, and advise Adcock Ingram in writing of, any applicable legal requirements of such jurisdictions. Any failure to comply with such applicable requests or requirements may constitute a violation of the laws of such jurisdiction. It is the responsibility of any non-resident Adcock Ingram Shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in respect of such jurisdiction.

This Circular and any accompanying documentation are not intended to, and do not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer, invitation or solicitation, or such offer, invitation or solicitation would require Adcock Ingram or CFR to comply with disproportionately onerous filing and/or other disproportionately onerous regulatory obligations. In those circumstances or otherwise if the distribution of this Circular and any accompanying documentation in jurisdictions outside of South Africa are restricted or prohibited by the laws of such jurisdiction, this Circular and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed. Adcock Ingram Shareholders who are not resident in South Africa must satisfy themselves as to the full observance of the laws of any applicable jurisdiction concerning their election to receive the Share Consideration, including any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such other jurisdictions and are required to advise Adcock Ingram of all such filing or regulatory obligations as Adcock Ingram or CFR may be required to comply with in such jurisdictions in relation to the Transaction. Adcock Ingram, CFR and their respective boards of directors accept no responsibility for the failure by an Adcock Ingram Shareholder to inform itself about, or to observe, any applicable legal requirements in any relevant jurisdiction, nor for any failure by Adcock Ingram or CFR to observe the requirements of any jurisdiction.

Without derogation from the above, these materials are not an offer for sale of, or solicitation for offers to purchase or subscribe for securities in the United States. The securities referenced herein have not been registered under the US Securities Act of 1933, as amended (the "Securities Act") and may not be offered, exercised, or sold in the United States absent registration or an exemption from registration under the Securities Act. CFR does not intend to register any part of the offering in the United States or to conduct a public offering of securities in the United States.

Without derogation from the above, this communication is only being distributed to and is only directed at: (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Articles 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The CFR Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

If the offer to or receipt by an Adcock Ingram Shareholder of the Share Consideration would require Adcock Ingram or CFR to comply with disproportionately onerous filing and/or other disproportionately onerous regulatory obligations in the jurisdiction in which such Adcock Ingram Shareholder is resident or has its registered address (a "Cash-Only Shareholder"), such Cash-Only Shareholder will be deemed to have elected to receive or deemed to elect to receive the Cash Consideration, irrespective of its actual election.

The Scheme is governed by the laws of South Africa (excluding the conflicts of laws rules of that jurisdiction to the extent such rules indicate the application of the laws of any other country) and is subject to applicable South African laws and regulations, including the Companies Act, the Takeover Regulations and the Listings Requirements.

Any Adcock Ingram Shareholder who is in doubt as to its position, including, without limitation, tax status and effects, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

CURRENCIES

All references in this Circular to “Rand”, “R” or “ZAR” or “cents” are references to the lawful currency of South Africa. All references to “Chilean peso”, “CLP”, “Peso” or “Ch\$” are references to the lawful currency of Chile. All references in this Circular to “US Dollars”, “\$” or “US\$” are references to the lawful currency of the United States of America.

TIMES

All references in this Circular to times are to South African Standard Time.

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SALIENT FEATURES

The definitions and interpretations commencing on page 19 of this Circular apply to this Salient Features section.

- CFR wishes, through its wholly owned subsidiary CFR Inversiones, to acquire all of Adcock Ingram's Ordinary Shares, save for the Treasury Shares, by way of a scheme of arrangement in terms of section 114 (read with section 115) of the Companies Act.
- The total aggregate scheme consideration (based on an attributed value of ZAR2.334 per CFR Share) will be settled partly in cash and partly in CFR Shares, as follows:
 - a minimum of 51.0% and up to a maximum of 64.3% will be settled in cash in South African Rand; and
 - a minimum of 35.7% and up to a maximum of 49.0% will be settled in CFR Shares.
- The offer mix referred to above is dependent on the results of the Capital Increase.
- In terms of the Scheme, each Adcock Ingram Ordinary Shareholder may benefit from a mix-and-match facility, whereby it may elect, prior to settlement, to receive ZAR73.51 per Adcock Ingram Ordinary Share or the "Relevant Number" of CFR Shares (approximately 31.5 CFR Shares) per Adcock Ingram Ordinary Share or any combination of cash and CFR Shares. The aggregate amount of cash and the aggregate number of CFR Shares being offered to Adcock Ingram Ordinary Shareholders will, however, not change because of the mix-and-match facility or the elections made thereunder. Accordingly, the elections made by Adcock Ingram Ordinary Shareholders will be considered and, if necessary, adjusted equitably after taking into account the aggregate amount of cash and CFR Shares available, being the aggregate determined pursuant to the Capital Increase. To the extent that an Adcock Ingram Ordinary Shareholder does not make any election, he will (unless he is a Cash-Only Shareholder) be deemed to have elected to receive his Scheme Consideration in the Relevant Ratio.
- Following the implementation of the Scheme, Adcock Ingram will become an indirect subsidiary of CFR and will be delisted from the JSE and CFR will be listed in the "Health Care – Pharmaceuticals & Biotechnology – Pharmaceuticals" sector on the JSE by way of a secondary listing.
- Adcock Ingram's Independent Board has appointed JPMorgan as its independent expert in terms of the Takeover Regulations to consider the terms of, among other things, the Scheme and to give an opinion on whether or not the Scheme is fair and reasonable to Adcock Ingram Ordinary Shareholders.
- JPMorgan has indicated that, in its view, the terms and conditions of the Scheme are fair and reasonable to Adcock Ingram Ordinary Shareholders.
- The Adcock Ingram Board has resolved to support and to facilitate the Scheme. The Adcock Ingram Board and the Independent Board are recommending to Adcock Ingram Shareholders that they vote in favour of all resolutions required to implement the Scheme.
- Adcock Ingram has received irrevocable undertakings from Mazi Capital, Visio Capital, ABSA Asset Management, Tiger Brands, Afena Capital, 36One, Blue Falcon and the Mpho ea Bophelo Trust to vote in favour of, or to recommend to their clients to vote in favour of, the Scheme and letters of support from Shareholders, collectively holding Adcock Ingram Ordinary Shares equating to 36.8% of the Adcock Ingram Ordinary Shares.
- The attention of Scheme Participants is drawn to the provisions of Annexure 10 which sets out the tax implications of the Scheme for Scheme Participants who are residents of South Africa.

ACTION REQUIRED BY ADCOCK INGRAM SHAREHOLDERS

The definitions and interpretations commencing on page 19 of this Circular apply to this section on the Action Required by Adcock Ingram Shareholders (unless the context indicates a contrary intention).

Two General Meetings are to be convened to consider the Scheme Resolutions. The rationale for this approach is set out in paragraph 37 of this Circular.

The General Meetings are scheduled to be held in the Auditorium at Adcock Ingram's offices, 1 New Road, Midrand, Gauteng, South Africa with the Combined General Meeting commencing at 10h00 and the Ordinary General Meeting commencing at 10h30, or ten minutes after the conclusion or adjournment of the Combined General Meeting, whichever is the later, on Wednesday, 18 December 2013 to consider and, if deemed fit, to approve the Scheme.

A notice convening each General Meeting is attached to, and forms part of, this Circular.

1. IF YOU HAVE DEMATERIALIZED YOUR ADCOCK INGRAM ORDINARY SHARES AND DO NOT HAVE "OWN NAME" REGISTRATION

1.1 Voting at the General Meetings

- 1.1.1 You may be contacted by your duly appointed CSDP or Broker in the manner stipulated in the custody agreement between you and your CSDP or Broker in order to obtain your voting instructions in relation to the General Meetings.
- 1.1.2 If you have not been contacted by your CSDP or Broker, it is advisable for you to contact your CSDP or Broker immediately and to furnish your CSDP or Broker with your voting instructions in relation to the General Meetings in the manner and by the cut-off time stipulated by your CSDP or Broker in terms of the custody agreement between you and your CSDP or Broker.
- 1.1.3 If your CSDP or Broker does not obtain voting instructions from you, your CSDP or Broker will be obliged to act in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or Broker.
- 1.1.4 You **must not** complete either of the attached forms of proxy.

1.2 Attendance at the General Meetings

- 1.2.1 In accordance with the custody agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to: (i) attend, speak and vote at the General Meetings or (ii) send a proxy to represent you at the General Meetings.
- 1.2.2 Your CSDP or Broker should then issue the necessary letter(s) of representation to you for you or your proxy to attend, speak and vote at the General Meetings.

1.3 Elections

- 1.3.1 Subject to paragraph 1.3.5 below, you must advise your CSDP or Broker in the manner stipulated in the custody agreement governing the relationship with your CSDP or Broker, as to the number of Adcock Ingram Ordinary Shares in respect of which you elect to receive the Share Consideration and the number of Adcock Ingram Ordinary Shares in respect of which you elect to receive the Cash Consideration in order for your CSDP or Broker to provide such election to the Transfer Secretaries by no later than 12h00 on the Business Day before the Scheme Record Date.
- 1.3.2 All such elections are, among other things, subject to the limitations and other provisions set out in paragraph 6.3 of this Circular.
- 1.3.3 Subject to paragraph 1.3.5 below, if you fail to advise your CSDP or Broker of your election, your CSDP or Broker will make an election on your behalf in the manner stipulated in the custody agreement governing the relationship with your CSDP or Broker.

- 1.3.4 If your CSDP or Broker does not make such an election timeously, you will (unless you are a Cash-Only Shareholder) be deemed to have elected to receive cash and CFR Shares in the Relevant Ratio.
- 1.3.5 If you are a Cash-Only Shareholder, you will be deemed to have elected to receive the Cash Consideration irrespective of your actual election.
- 1.3.6 If your CSDP or Broker exercise Appraisal Rights on your behalf so that you/they are a Deemed Scheme Participant in respect of your Adcock Ingram Ordinary Shares, you will (unless you are a Cash-Only Shareholder) be deemed to have elected to receive cash and CFR Shares in the Relevant Ratio.

1.4 **Election, surrender and transfer form**

You **must not** complete the election, surrender and transfer form.

1.5 **Settlement of Scheme Consideration**

If the Scheme becomes operative, you will have your account held at your CSDP or Broker debited with the Adcock Ingram Ordinary Shares you are transferring in terms of the Scheme and credited with the Scheme Consideration. If you become a Deemed Scheme Participant, the Scheme Consideration will be credited to your account held at your CSDP or Broker on the date set out in paragraph 6.5 of this Circular.

2. **IF YOU HAVE DEMATERIALISED YOUR ADCOCK INGRAM ORDINARY SHARES WITH “OWN NAME” REGISTRATION**

2.1 **Voting, attendance and representation at the General Meetings**

- 2.1.1 You may attend, speak at and vote at the General Meetings (or if you are a company or other body corporate, be represented by a duly authorised person).
- 2.1.2 If you do not wish to or are unable to attend the General Meetings and wish to be represented thereat, you must complete and return the applicable form of proxy in accordance with the instructions therein to the Transfer Secretaries by hand to 70 Marshall Street, Johannesburg, or by post to PO Box 61051, Marshalltown, 2107, to be received no later than 10h00, in respect of the Combined General Meeting, and 10h30, in respect of the Ordinary General Meeting, on Friday, 13 December 2013. Forms of proxy may also be handed to the chairperson of the applicable General Meetings up to 10 minutes before that meeting (including any postponed or adjourned meeting) is due to commence.

2.2 **Elections**

- 2.2.1 Subject to paragraph 2.2.5 below, you must advise your CSDP or Broker, in the manner stipulated in the custody agreement governing the relationship with your CSDP or Broker, as to the number of Adcock Ingram Ordinary Shares in respect of which you elect to receive the Share Consideration and the number of Adcock Ingram Ordinary Shares in respect of which you elect to receive the Cash Consideration in order for your CSDP or Broker to provide such election to the Transfer Secretaries by no later than 12h00 on the Business Day before the Scheme Record Date.
- 2.2.2 All such elections are, among other things, subject to the limitations and other provisions set out in paragraph 6.3 of this Circular.
- 2.2.3 Subject to paragraph 2.2.5 below, if you fail to advise your CSDP or Broker of your election, your CSDP or Broker will make an election on your behalf in the manner stipulated in the custody agreement governing the relationship with your CSDP or Broker.
- 2.2.4 If your CSDP or Broker does not make such an election timeously, you shall (unless you are a Cash-Only Shareholder) be deemed to have elected to receive cash and CFR Shares in the Relevant Ratio.
- 2.2.5 If you are a Cash-Only Shareholder, you will be deemed to have elected to receive the Cash Consideration irrespective of your actual election.
- 2.2.6 If you are a Deemed Scheme Participant, you will (unless you are a Cash-Only Shareholder) be deemed to have elected to receive cash and CFR Shares in the Relevant Ratio.

2.3 Election, surrender and transfer form

You **must not** complete the election, surrender and transfer form.

2.4 Settlement of Scheme Consideration

If the Scheme becomes operative, you will have your account held at your CSDP or Broker debited with the Adcock Ingram Ordinary Shares you are transferring in terms of the Scheme and credited with the Scheme Consideration on the Scheme Implementation Date. If you become a Deemed Scheme Participant, the Scheme Consideration will be credited to your account held at your CSDP or Broker on the date set out in paragraph 6.5 of this Circular.

3. IF YOU HAVE NOT DEMATERIALISED YOUR ORDINARY SHARES

3.1 Voting, attendance and representation at the General Meetings

3.1.1 You may attend, speak at and vote at the General Meetings (or if you are a company or other body corporate, be represented by a duly authorised person).

3.1.2 If you do not wish to or are unable to attend the General Meetings and wish to be represented thereat, you must complete and return the applicable form of proxy in accordance with the instructions therein to the Transfer Secretaries by hand to 70 Marshall Street, Johannesburg, or by post to PO Box 61051, Marshalltown, 2107, to be received no later than 10h00, in respect of the Combined General Meeting, and 10h30, in respect of the Ordinary General Meeting, on Friday, 13 December 2013. Forms of proxy may also be handed to the chairperson of the applicable General Meetings up to 10 minutes before that meeting (including any postponed or adjourned meeting) is due to commence.

3.2 Elections

3.2.1 Subject to paragraph 3.2.4 below, you must, by completing the attached form of election, surrender and transfer (*blue*) advise the number of Adcock Ingram Ordinary Shares in respect of which you elect to receive the Share Consideration and the number of Adcock Ingram Ordinary Shares in respect of which you elect to receive the Cash Consideration. All such elections are subject to the limitations and other provisions set out in paragraph 6.3 of this Circular.

3.2.2 If you wish to receive the Cash Consideration by EFT, you must complete Section 3 of Part B of the form of election, surrender and transfer (*blue*).

3.2.3 If your election is not received by the Transfer Secretaries by 12h00 on the Business Day before the Scheme Record Date, you will (unless you are a Cash-Only Shareholder) be deemed to have elected to receive cash and CFR Shares in the Relevant Ratio.

3.2.4 If you are a Cash-Only Shareholder, you will be deemed to have elected to receive the Cash Consideration irrespective of your actual election.

3.2.5 If you are a Deemed Scheme Participant, you will (unless you are a Cash-Only Shareholder) be deemed to have elected to receive cash and CFR Shares in the Relevant Ratio.

3.3 Surrender of documents of title

3.3.1 If the Scheme becomes operative, you will be required to surrender your documents of title in respect of all of your Adcock Ingram Ordinary Shares in order to claim your Scheme Consideration.

3.3.2 If you wish to surrender your documents of title in anticipation of the Scheme becoming operative, you should complete Part B of the attached election, surrender and transfer form (*blue*) and return it, together with the documents of title for all your Adcock Ingram Ordinary Shares in accordance with the instructions therein, to the Transfer Secretaries by hand to 70 Marshall Street, Johannesburg, or by post to PO Box 61763, Marshalltown, 2107.

3.3.3 Your attention is drawn to the fact that if you surrender your documents of title in respect of your Adcock Ingram Ordinary Shares in advance, you will be unable to dematerialise and/or trade in those shares on the JSE from the date of surrender. However, your right to attend and vote at the General Meetings will remain unaffected.

- 3.3.4 Documents of title surrendered in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries, at your risk, pending the Scheme becoming operative.
- 3.3.5 If the Scheme does not become operative, any documents of title surrendered will be returned within five Business Days after it becomes known that the Scheme will not become operative, by registered post, at your risk, to the return addresses specified on the form of election, surrender and transfer (*blue*), or if no return address is specified on the form of election, surrender and transfer (*blue*), the address recorded in the Register.

3.4 Scheme Consideration

- 3.4.1 If the Scheme becomes operative and if the attached form of election, surrender and transfer (*blue*) together with the relevant documents of title have been properly surrendered to the Transfer Secretaries:
 - 3.4.1.1 on or before 12h00 on the Business Day before the Scheme Record Date, to the extent you are entitled to receive:
 - 3.4.1.1.1 the Cash Consideration, you will have cheques posted to you, at your risk, within five Business Days of the Scheme Implementation Date, unless you have elected to receive the Cash Consideration by way of EFT by completing the relevant section of the form of election, surrender and transfer form (*blue*), in which case the Cash Consideration will be paid to you on the Scheme Implementation Date by way of EFT; and
 - 3.4.1.1.2 the Share Consideration, you will have such consideration credited on the Scheme Implementation Date to an issuer initiated dematerialised account maintained by the Transfer Secretaries or another entity in South Africa appointed by CFR. Your attention is drawn to paragraph 15 of this Circular regarding the manner in which this account will be regulated and dealt with;
 - 3.4.1.2 after 12h00 on the Business Day before the Scheme Record Date, to the extent you are entitled to receive:
 - 3.4.1.2.1 the Cash Consideration, you will have cheques in respect of the Cash Consideration posted to you, at your risk, or paid to you by way of an EFT (if this option was selected on the form of election, surrender and transfer (*blue*)), within five Business Days of the Transfer Secretaries receiving your documents of title and completed form of election, surrender and transfer (*blue*); and
 - 3.4.1.2.2 the Share Consideration, you will have such consideration credited on the Scheme Implementation Date to an issuer initiated dematerialised account maintained by the Transfer Secretaries or another entity in South Africa appointed by CFR. Your attention is drawn to paragraph 15 of this Circular regarding the manner in which this account will be regulated and dealt with.
- 3.4.2 If you become a Deemed Scheme Participant, you will need to surrender your documents of title, together with a completed form of election, surrender and transfer (*blue*), to the Transfer Secretaries, and will have the Share Consideration credited to an issuer initiated dematerialised account maintained by the Transfer Secretaries or another entity in South Africa appointed by CFR and cheques in respect of the Cash Consideration posted to you, at your risk, or paid to you by way of an EFT (if this option was selected on the form of election, surrender and transfer (*blue*)), within five Business Days of the later of the date on which the Transfer Secretaries receive your documents of title and completed form of election, surrender and transfer (*blue*) and the date on which you notify the Transfer Secretaries and Adcock Ingram in writing that you are no longer a Dissenting Shareholder. You will be deemed to have elected to receive a combination of cash and CFR Shares in the Relevant Ratio;

3.4.3 If you fail to surrender your documents of title and submit a completed form of election, surrender and transfer (*blue*) to the Transfer Secretaries, the relevant Scheme Consideration will be held in trust by Adcock Ingram (or any third party nominated by it for this purpose) for the benefit of the Scheme Participants concerned, until lawfully claimed by such Scheme Participants, for a maximum period of three years, after which such consideration shall be made over to the Guardians Fund. For the avoidance of doubt, no interest will accrue in accordance with this paragraph 3.4.3 for the benefit of the Scheme Participants on the Scheme Consideration held by Adcock Ingram. You will be deemed to have elected to receive a combination of cash and CFR Shares in the Relevant Ratio.

4. **ADCOCK INGRAM “A” ORDINARY AND ADCOCK INGRAM “B” ORDINARY SHAREHOLDERS’ Voting, attendance and representation at the Combined General Meeting**

- 4.1 You may attend, speak at and vote at the Combined General Meeting (or if you are a company or other body corporate, be represented by a duly authorised person).
- 4.2 If you do not wish to or are unable to attend the Combined General Meeting and wish to be represented thereat, you must complete and return the applicable form of proxy in accordance with the instructions therein to the Transfer Secretaries by hand to 70 Marshall Street, Johannesburg, or by post to PO Box 61051, Marshalltown, 2107, to be received no later than 10h00 on Friday, 13 December 2013. Forms of proxy may also be handed to the chairperson of the Combined General Meeting up to 10 minutes before that meeting (including any postponed or adjourned meeting) is due to commence.

5. **GENERAL**

- 5.1 If you wish to dematerialise or rematerialise your Adcock Ingram Ordinary Shares, please contact your Broker or CSDP. You **do not** need to dematerialise your Adcock Ingram Ordinary Shares to receive the Scheme Consideration.
- 5.2 The contents of this Circular does not purport to constitute personal legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Scheme for each Adcock Ingram Shareholder. Shareholders are accordingly advised to consult their relevant professional advisers about their personal legal, regulatory and tax positions regarding the Scheme and, in particular, the receipt of the Scheme Consideration.
- 5.3 Shareholders are advised that no dematerialisation or rematerialisation of Adcock Ingram Ordinary Shares may take place from the commencement of business on the Business Day following the Scheme LDT. The Scheme LDT is expected to be on Friday, 28 February 2014.
- 5.4 If documents of title relating to any Scheme Shares to be surrendered are lost or destroyed, certificated Scheme Participants should nevertheless return the attached form of election, surrender and transfer (*blue*) duly signed and completed to the Transfer Secretaries by hand to 70 Marshall Street, Johannesburg, or by post to PO Box 61763, Marshalltown, 2107, together with an indemnity form, which is obtainable from the Transfer Secretaries.
- 5.5 Adcock Ingram may dispense with the surrender of documents of title upon production of evidence satisfactory to Adcock Ingram and CFR that the documents of title relating to the Scheme Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to Adcock Ingram and CFR. Indemnity forms are obtainable from the Transfer Secretaries.
- 5.6 Adcock Ingram Shareholders are advised that, in terms of section 115(3) of the Companies Act, Adcock Ingram may in certain circumstances not proceed to implement the Scheme, notwithstanding that the Scheme may have been approved at the General Meetings, without the approval of Court. A copy of section 115 of the Companies Act pertaining to the required approval(s) for the Scheme is set out in Annexure 12 to this Circular.

6. **ELECTRONIC PARTICIPATION**

- 6.1 Adcock Ingram Shareholders are advised in terms of section 63(3) of the Companies Act, that while the General Meetings will be held in person, Adcock Ingram Shareholders (and/or their proxies)

¹ The Adcock Ingram “A” Ordinary Shareholder and the Adcock Ingram “B” Ordinary Shareholder will be required by CFR, pursuant to the “A” Ordinary Agreement and the “B” Ordinary Agreement respectively, not to vote their A Ordinary Shares and B Ordinary Shares respectively, at the Combined General Meeting.

may participate in (but not vote at) the Relevant General Meeting(s) by electronic communication, as contemplated in sub-section 63(2) of the Companies Act, and Adcock Ingram Shareholders and/or their proxies will be able, at their own expense, to participate in (but not vote at) the Relevant General Meeting(s) by means of a teleconference facility.

- 6.2 Arrangements to participate in the Relevant General Meeting(s) should be made through the office of the Company Secretary.

7. **DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS**

Adcock Ingram Ordinary Shareholders who wish to exercise their rights in terms of section 164 of the Companies Act are referred to paragraph 6.8 of this Circular and the statement of their rights set out in Annexure 13. Adcock Ingram Ordinary Shareholders who wish to exercise their rights in terms of section 164 of the Companies Act are required, before the applicable Scheme Resolution to approve the Scheme is voted on at the Relevant General Meeting, to give notice to Adcock Ingram in writing objecting to such Scheme Resolution, and to vote against the applicable Scheme Resolution(s) at the Relevant General Meetings.

SALIENT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretations commencing on page 19 of this Circular shall apply throughout this section (unless the context indicates a contrary intention).

2013

Record date to determine which shareholders are entitled to receive the Circular	Friday, 8 November
Circular issued to Adcock Ingram Shareholders and notice convening the General Meetings released on SENS on	Monday, 18 November
Notice convening the General Meetings published in the South African press on	Tuesday, 19 November
Last day to trade Adcock Ingram Ordinary Shares on the JSE in order to be recorded in the Register on the Voting Record Date in order to be eligible to vote at the General Meetings (<i>see note 1 below</i>) on	Friday, 29 November
CFR Pre-emptive rights procedure expected to commence on	Friday, 29 November
Voting Record Date on which Adcock Ingram Shareholders must be recorded in the Register in order to vote at the General Meetings by close of trading (<i>see note 2 below</i>) on	Friday, 6 December
Last date and time to lodge forms of proxy for the Combined General Meeting with the Transfer Secretaries by 10h00 on	Friday, 13 December
Last date and time to lodge forms of proxy for the Ordinary General Meeting with the Transfer Secretaries by 10h30 on	Friday, 13 December
Last date and time for Adcock Ingram Ordinary Shareholders to give notice in terms of section 164 of the Companies Act objecting to the special resolution approving the Scheme at the Combined General Meeting by 10h00 on	Wednesday, 18 December
Last date and time for Adcock Ingram Ordinary Shareholders to give notice in terms of section 164 of the Companies Act objecting to the special resolution approving the Scheme at the Ordinary General Meeting by 10h30, or 10 minutes after the conclusion or adjournment of the Combined General Meeting, whichever is the later on	Wednesday, 18 December
Combined General Meeting to be held at 10h00 on	Wednesday, 18 December
Ordinary General Meeting to be held at 10h30, or 10 minutes after the conclusion or adjournment of the Combined General Meeting, whichever is the later on	Wednesday, 18 December
Results of General Meetings released on SENS on	Wednesday, 18 December
Results of General Meetings published in the South African press on	Thursday, 19 December

If the Scheme is approved by Adcock Ingram Shareholders at the General Meetings:

Last date on which Adcock Ingram Shareholders can require Adcock Ingram to seek court approval in terms of section 115(3)(a) of the Companies Act on	Friday, 27 December
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2014

Last date on which Adcock Ingram Shareholders can apply to the Court in terms of section 115(3)(b) of the Companies Act on	Monday, 6 January
Last date for Adcock Ingram to notify shareholders who objected to either of the Scheme Resolutions, of the approval of the Scheme Resolutions on	Monday, 6 January
Outcome of the Capital Increase and the final offer mix and the Relevant Ratio expected to be released on SENS on	Thursday, 16 January
Outcome of the Capital Increase and the final offer mix and the Relevant Ratio expected to be published in the South African press on	Friday, 17 January

If no Adcock Ingram Shareholders exercise their rights in terms of section 115 of the Companies Act:

Scheme Finalisation Date expected to be on or about	Friday, 21 February
Scheme Finalisation Date announcement expected to be released on SENS on or about	Friday, 21 February
Scheme Finalisation Date announcement expected to be published in the South African press on or about	Monday, 24 February
Scheme LDT expected to be by close of trading on	Friday, 28 February
Suspension of listing of Adcock Ingram Ordinary Shares on the JSE expected to be at commencement of trading on	Monday, 3 March
Expected date of the Secondary Listing and commencement of trading under the JSE code CRF and ISIN: CL0001762831 at the commencement of trade on	Monday, 3 March
A shareholder is not entitled during the period from commencement of trade on the first Business Day following the Scheme LDT until the Scheme Implementation Date to sell CFR Shares on the JSE unless a valid election has been submitted by him or on his behalf, in terms of paragraphs 1.3, 2.2 or 3.2 (as relevant) of the section entitled "Action Required by Adcock Ingram Shareholders" commencing on page 10, in which event he shall be entitled to sell no more than that number of CFR Shares equal to the lower of: (a) the number of CFR Shares that he would have received if he had elected to receive the Scheme Consideration in the Relevant Ratio for all his Scheme Shares and (b) the Relevant Number of CFR Shares multiplied by the number of Scheme Shares for which he has elected the Share Consideration	Monday, 3 March to Monday, 10 March
Elections in respect of Scheme Consideration to be received by the Transfer Secretaries by 12h00 on the Business Day prior to the Scheme Record Date, which is expected to be on	Thursday, 6 March
Scheme Record Date expected to be by close of trading on	Friday, 7 March
Scheme Implementation Date expected to be on	Monday, 10 March
Subject to the delayed implementation provisions regulating Deemed Scheme Participants, settlement of the Scheme Consideration expected to occur to Certificated Scheme Participants (if the form of surrender and transfer (<i>blue</i>) and documents of title are received by the Transfer Secretaries on or before 12h00 on the Business Day before the Scheme Record Date) on	Monday, 10 March
Subject to the delayed implementation provisions regulating Deemed Scheme Participants, Dematerialised Scheme Participants expected to have their accounts held at their CSDP or Broker credited with the Scheme Consideration on or about	Monday, 10 March
Delisting of Adcock Ingram Ordinary Shares from the JSE expected to be at the commencement of trade on	Tuesday, 11 March

Notes:

- The above dates and times are subject to such changes as may be agreed to by Adcock Ingram and CFR (and, to the extent necessary, the TRP, JSE, SVS and other regulatory authorities). Without limiting the foregoing, if the Conditions Precedent are not fulfilled or waived (as the case may be) by Friday, 21 February 2014, or if the Conditions Precedent are fulfilled or waived (as the case may be) before that date, a revised timetable will be released on SENS and published in the South African press.
- Adcock Ingram Ordinary Shareholders should note that, as trade in Adcock Ingram Ordinary Shares on the JSE is settled in the electronic settlement system used by Strate, settlement of trades takes place five Business Days after the date of such trades. Therefore, Adcock Ingram Ordinary Shareholders who acquire Adcock Ingram Ordinary Shares on the JSE after Friday, 29 November 2013, being the last day to trade in Adcock Ingram Ordinary Shares so as to be recorded in the Register on the Voting Record Date, will not be entitled to vote at the General Meetings.
- Adcock Ingram Ordinary Shareholders who wish to exercise their Appraisal Rights are referred to Annexure 13 to this Circular for purposes of determining the relevant timing for the exercise of their Appraisal Rights. The exercise of Appraisal Rights may result in changes to the above salient dates and times and Adcock Ingram Ordinary Shareholders will be notified separately of the applicable dates and times resulting from any such changes.

4. Adcock Ingram Ordinary Shareholders who wish to exercise their right in terms of section 115(3) of the Companies Act, to require the approval of a court for the Scheme, should refer to Annexure 12 to this Circular which includes an extract of section 115 of the Companies Act. Should Adcock Ingram Ordinary Shareholders exercise their rights in terms of section 115(3) of the Companies Act, the dates and times set out above will not be relevant. Adcock Ingram Ordinary Shareholders will be notified separately of the applicable dates and times under this process.
5. Dematerialised Shareholders, other than those with "own name" registration, must provide their CSDP or Broker with their instructions for voting at the General Meetings by the cut-off time and date stipulated by their CSDP or Broker in terms of their respective custody agreements between them and their CSDP or Broker.
6. No dematerialisation or rematerialisation of Adcock Ingram Ordinary Shares may take place from the commencement of business on the Business Day following the Scheme LDT. The Scheme LDT is expected to be on Friday, 28 February 2014.
7. If either of the General Meetings is adjourned or postponed, the above dates and times will change, but the applicable form of proxy submitted for the relevant General Meeting will remain valid in respect of any postponement prior to convening, adjournment or postponement of that General Meeting.
8. Although the above dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Takeover Regulations and the Listings Requirements or other law or regulation, where applicable, and any such consents or dispensations must be specifically applied for and granted.
9. All times referred to in this Circular are references to South African Standard Time.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates a contrary intention, an expression which denotes any gender includes the other genders, a natural person includes a juristic person, a trust and a partnership, and *vice versa*, the singular includes the plural and *vice versa* and the following expressions bear the meanings assigned to them below:

“A” Ordinary Agreement”	a legally binding agreement entered into by Adcock Ingram, CFR, Blue Falcon, Kagiso Strategic Investments III (Proprietary) Limited (registration number 2007/023000/07), the trustees for the time being of the Mookodi Pharma Trust (Master’s reference number IT314/2010), Mookodi Technologies (Proprietary) Limited (registration number 1999/004892/07) and the trustees for the time being of the Kurisani Youth Development Trust (Master’s reference number IT374/87);
“Adcock Ingram” or “the Company”	Adcock Ingram Holdings Limited (registration number 2007/016236/06), a company incorporated in accordance with the laws of South Africa and listed on the Main Board of the JSE;
“Adcock Ingram “A” Ordinary Shareholder”	a registered holder of Adcock Ingram “A” Ordinary Shares;
“Adcock Ingram “A” Ordinary Shares” or “A Ordinary Shares”	automatically convertible “A” Ordinary Shares in Adcock Ingram with a par value of 10 cents each;
“Adcock Ingram “B” Ordinary Shareholder”	a registered holder of Adcock Ingram “B” Ordinary Shares;
“Adcock Ingram “B” Ordinary Shares” or “B Ordinary Shares”	automatically convertible “B” Ordinary Shares in Adcock Ingram with a par value of 10 cents each;
“Adcock Ingram Board”	the board of directors of Adcock Ingram, for the time being and from time to time, which, as at the Last Practicable Date, is comprised of those persons identified as Adcock Ingram directors in the “Corporate Information and Advisers” section set out on page (1) of this Circular;
“Adcock Ingram Limited”	Adcock Ingram Limited (registration number 1949/034385/06), a company incorporated in accordance with the laws of South Africa, and a wholly-owned subsidiary of Adcock Ingram;
“Adcock Ingram Material Adverse Change”	(i) the occurrence of any one or more change(s) in the circumstances, facts or matters (including a change in law, any non-compliance with law, an expropriation, governmental proceedings, litigation, labour unrest or a default by Adcock Ingram (or by any Group Company of Adcock Ingram) under its financing arrangements, but excluding any circumstances, facts or matters related to Adcock Ingram’s relationship with Baxter) existing as at 11 September 2013, or which together with the circumstances, facts or matters referred to in (ii) below or any of which alone has, will have or is reasonably likely to have an Adcock Ingram Material Adverse Effect (whether as a consequence of the Transaction or not); or (ii) the discovery by CFR after 11 September 2013 of any one or more circumstances, facts or matters (including a change in law, any non-compliance with law, an expropriation, governmental proceedings, litigation, labour unrest or a default by Adcock Ingram (or by any Group Company of Adcock Ingram) under its financing arrangements, but excluding any circumstances, facts or matters related to Adcock Ingram’s relationship with Baxter) of which CFR was not aware as at 11 September 2013 which together, or which together with the circumstances, facts or matters referred to in (i) above or any of which alone has, will have, or is reasonably likely to have, an Adcock Ingram Material Adverse Effect (whether as a consequence of the Transaction or not);

“Adcock Ingram Material
Adverse Clearance Effect”

- (i) an aggregate reduction or decrease in the consolidated net asset value of Adcock Ingram, as measured with reference to its unaudited financial statements as at 31 March 2013, of R50 000 000 or more; or
- (ii) an aggregate reduction in the consolidated gross revenue of Adcock Ingram and its Group, or an aggregate increase in the consolidated operating expenditure of Adcock Ingram and its Group, in respect of any immediately preceding 12-month period, in each case as measured with reference to the unaudited financial statements of Adcock Ingram for the 12 months ended 31 March 2013, of R30 000 000 or more; or
- (iii) factual circumstances or reasonable evidence to indicate a likely reduction in the projected annual consolidated revenue of Adcock Ingram and its Group, as measured with reference to any particular forecast financial year in the Company Business Plan, of not less than 3% of projected annual consolidated revenue in that year and that would result in a reduction in annual consolidated earnings before interest, tax, depreciation and amortisation (EBITDA) in that year of not less than 3%; or
- (iv) factual circumstances or reasonable evidence to indicate a likely increase in projected annual consolidated operating expenditure of Adcock Ingram and its Group, as measured with reference to any particular forecast financial year in the Company Business Plan, of not less than R30 000 000 and that would result in a reduction in EBITDA in that year of not less than 3%; or
- (v) a combination of a likely reduction in the projected annual consolidated revenue and a likely increase in projected annual consolidated operating expenditure of Adcock Ingram and its Group as contemplated in (iii) and (iv) above, as measured with reference to any particular forecast financial year in the Company Business Plan (other than for the 2014 financial year), that would result in a reduction of EBITDA in that year of not less than 3%, provided that in respect of the 2014 financial year, the threshold shall be a reduction of EBITDA in that year of not less than 4.2%,

save that any costs related to the Transaction shall not be taken into account for the purposes of (i) to (v) above;

“Adcock Ingram Material Adverse Effect”	<ul style="list-style-type: none"> (i) an aggregate reduction or decrease in the consolidated net asset value of Adcock Ingram, as measured with reference to its unaudited financial statements as at 31 March 2013, of R500 000 000 or more; or (ii) an aggregate reduction in the consolidated gross revenue of Adcock Ingram and its Group, or an aggregate increase in the consolidated operating expenditure of Adcock Ingram and its Group, in respect of any immediately preceding 12-month period, in each case as measured with reference to the unaudited financial statements of Adcock Ingram for the 12 months ended 31 March 2013, of R300 000 000 or more; or (iii) factual circumstances or reasonable evidence to indicate a likely reduction in the projected annual consolidated revenue of Adcock Ingram and its Group, as measured with reference to any particular forecast financial year in the Company Business Plan, of not less than 10% of projected annual consolidated revenue in that year and that would result in a reduction in annual consolidated earnings before interest, tax, depreciation and amortisation (EBITDA) in that year of not less than 10%; or (iv) factual circumstances or reasonable evidence to indicate a likely increase in projected annual consolidated operating expenditure of Adcock Ingram and its Group, as measured with reference to any particular forecast financial year in the Company Business Plan, of not less than R250 000 000 and that would result in a reduction in EBITDA in that year of not less than 10%; or (v) a combination of a likely reduction in the projected annual consolidated revenue and a likely increase in projected annual consolidated operating expenditure of Adcock Ingram and its Group as contemplated in (iii) and (iv) above, as measured with reference to any particular forecast financial year in the Company Business Plan (other than for the 2014 financial year), that would result in a reduction of EBITDA in that year of not less than 10%, provided that in respect of the 2014 financial year, the threshold shall be a reduction of EBITDA in that year of not less than 14%, <p>save that any costs related to the Transaction shall not be taken into account for the purposes of (i) to (v) above;</p>
“Adcock Ingram Ordinary Shareholders” or “Ordinary Shareholders”	registered holders of Adcock Ingram Ordinary Shares;
“Adcock Ingram Ordinary Shares” or “Ordinary Shares”	ordinary shares in Adcock Ingram with a par value of 10 cents each (it being recorded that such shares do not include the Adcock Ingram “A” Ordinary Shares or the Adcock Ingram “B” Ordinary Shares, which shares are of different classes);
“Adcock Ingram Shareholders” or “Shareholders”	collectively, Adcock Ingram Ordinary Shareholders, Adcock Ingram “A” Ordinary Shareholders and Adcock Ingram “B” Ordinary Shareholders;
“Adcock Ingram Shares”	collectively, Adcock Ingram Ordinary Shares, Adcock Ingram “A” Ordinary Shares and Adcock Ingram “B” Ordinary Shares;
“Appraisal Rights”	the rights afforded to shareholders in terms of section 164 of the Companies Act, an extract of which is set out in Annexure 13 to this Circular;
““B” Ordinary Agreement”	a legally binding agreement entered into by Adcock Ingram, CFR and the Bophelo Trust;
“Baxter”	Baxter Healthcare S.A. (registration number CH-170.3.023.618-3), a <i>société anonyme</i> incorporated in accordance with the laws of Switzerland, a direct subsidiary of Baxter Healthcare Holding GmbH and which is ultimately controlled by Baxter International Inc., the major shareholders of which are Capital Group Inc., Blackrock Inc., Vanguard Inc. and State Street Corp.;
“BEE”	Black Economic Empowerment as defined in the Broad-Based Black Economic Empowerment Act, 53 of 2003;

“Blue Falcon”	Blue Falcon 69 Trading (Proprietary) Limited (registration number 2009/016091/07), a company incorporated in accordance with the laws of South Africa, which company holds all the issued Adcock Ingram “A” Ordinary Shares;
“Bophelo Trust”	the trustees for the time being of Mpho Ea Bophelo Trust (Master’s reference number IT330/2010), acting in their capacity as such, which trust holds all the issued Adcock Ingram “B” Ordinary Shares;
“Broker”	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or statutory public holiday in South Africa, England or New York, New York, United States of America;
“Capital Increase”	<p>(i) the increase of CFR’s share capital by creating 3 000 000 000 new CFR Shares which was approved by resolution at the extraordinary meeting of CFR’s Shareholders on 22 July 2013, currently in the process of registration with the SVS;</p> <p>(ii) the resolution amending the resolution referred to in (i) above, which resolution was approved at an extraordinary meeting of CFR’s Shareholders held on Monday, 21 October 2013 and its corresponding approval by, and registration with, the SVS, which amended resolution approved:</p> <p>(a) the contribution to CFR of Adcock Ingram Ordinary Shares in terms of the Scheme, as payment in kind for the CFR Shares which are created pursuant to the capital increase contemplated in (i) above and which will be issued in terms of the Scheme; and</p> <p>(b) the valuation of the Adcock Ingram Ordinary Shares as set out in the valuation report issued on 4 October 2013 by IM Trust Asesorías Financieras S.A., signed by Fernando Edwards Alcalde, in the capacity of expert, as required in terms of Chilean Corporations Law in relation to the delivery of Adcock Ingram Ordinary Shares as payment in kind in terms of the Transaction; and</p> <p>(iii) the Pre-emptive Offer,</p> <p>so as to result in not less than 1 926 577 675 CFR Shares and not more than 2 646 226 260 CFR Shares becoming available to be issued by CFR to settle the Scheme Consideration;</p>
“Capital Increase Number”	the total number of CFR Shares which are available to be issued by CFR in terms of the Scheme following the completion of the Capital Increase, being not less than 1 926 577 675 CFR Shares and not more than 2 646 226 260 CFR Shares;
“Cash Consideration”	the amount of cash, in ZAR, payable to each Scheme Participant, as determined in accordance with the provisions of paragraph 6.3 of this Circular;
“Cash-Only Shareholders”	persons who are non-residents of South Africa, or who have registered addresses outside of South Africa, who are not entitled to receive CFR Shares in terms of the Scheme unless Adcock Ingram and/or CFR complies with disproportionately onerous filing and/or other disproportionately onerous regulatory obligations in the jurisdiction in which such persons are resident or have their registered addresses;
“cents”	South African cents, the lawful currency of South Africa;
“CEO”	Chief Executive Officer;
“Certificated Ordinary Scheme Members”	Ordinary Scheme Members in relation to Certificated Shares;
“Certificated Scheme Participants”	Scheme Participants in relation to Certificated Shares;

“Certificated Shareholders”	subject to section 57(1) of the Companies Act, registered holders of Certificated Shares;
“Certificated Shares”	Adcock Ingram Shares, represented by a share certificate or other documents of title, which are not Dematerialised Shares;
“CFR”	CFR Pharmaceuticals S.A. (Chilean Tax ID: 76.116.242-K and Securities Regulation Registry number: 1067), a company incorporated in accordance with the laws of Chile and listed on the following Chilean stock exchanges: Santiago Stock Exchange (<i>Bolsa de Comercio de Santiago</i>) (on which CFR has its primary listing and which stock exchange is a member of the World Federation of Exchanges), the Chile Electronic Stock Exchange (<i>Bolsa Electronica de Chile</i>) and the Valparaiso Brokers' Stock Exchange (<i>Bolsa de Corredores de Valparaiso</i>);
“CFR Board”	the board of directors of CFR, for the time being and from time to time, which, as at the Last Practicable Date, is comprised of those persons identified as CFR directors in the “Corporate Information and Advisers” section set out on page (2) of this Circular;
“CFR Controlling Shareholders”	<p>(i) Inversiones Photon Limitada (tax identity number 76.131.953 – 1), a company incorporated in accordance with the laws of Chile;</p> <p>(ii) Inversiones Quantum Limitada (tax identity number 76.131.979 – 5), a company incorporated in accordance with the laws of Chile; and</p> <p>(iii) Inversiones Quark Limitada (tax identity number 71.134.041 – 7), a company incorporated in accordance with the laws of Chile,</p> <p>it being recorded that each of the entities referred to above are indirectly controlled by Alejandro Kostia Nicolas Weinstein Crenovich, Alejandro Esteban Weinstein Manieu and Nicolas Francisco Weinstein Manieu, members of the Weinstein Family. Such control is exercised by CFR's CEO, Alejandro Weinstein Manieu, acting for the benefit of such named members of the Weinstein Family. There are no other individuals or legal entities that participate in the control of CFR other than those mentioned. The CFR Controlling Shareholders have a duly formalised joint-action agreement, as set forth in the shareholders' agreement signed by them on 18 March 2011;</p>
“CFR International”	CFR International SpA (Chilean tax identity number 76.116.262-4), a company incorporated in accordance with the laws of Chile, and a wholly-owned subsidiary of CFR;
“CFR Inversiones”	CFR Inversiones SpA, a company incorporated in accordance with the laws of Chile, a wholly-owned subsidiary of CFR International;
“CFR Material Adverse Change”	<p>(i) the occurrence of any one or more change(s) in the circumstances, facts or matters (including a change in law, any non-compliance with law, an expropriation, governmental proceedings, litigation, labour unrest, a default by CFR (or by any Group Company of CFR) under its financing arrangements) existing as at 11 September 2013 or which together with the circumstances, facts or matters referred to in (ii) below or any of which alone has, will have or is reasonably likely to have a CFR Material Adverse Effect (whether as a consequence of the Transaction or not); or</p> <p>(ii) the discovery by Adcock Ingram after 11 September 2013 of any one or more circumstances, facts or matters (including a change in law, any non-compliance with law, an expropriation, governmental proceedings, litigation, labour unrest, a default by CFR (or by any Group Company of CFR) under its financing arrangements) of which Adcock Ingram was not aware as at 11 September 2013 which together, or which together with the circumstances, facts or matters referred to in (i) above or any of which alone has, will have, or is reasonably likely to have, a CFR Material Adverse Effect (whether as a consequence of the Transaction or not);</p>

“CFR Material Adverse Clearance Effect”	<ul style="list-style-type: none"> (i) an aggregate reduction or decrease in the consolidated net asset value of CFR, as measured with reference to the unaudited financial statements of CFR as at 30 June 2013, of US\$5 000 000 or more; or (ii) an aggregate reduction in the consolidated gross revenue of CFR and its Group, or an aggregate increase in the consolidated operating expenditure of CFR and its Group (being selling, general and administrative expenses and distribution expenses), in respect of any immediately preceding six-month period, in each case as measured with reference to the unaudited financial statements of CFR for the six-month period ended 30 June 2013, of US\$3 000 000 or more, <p>save that any costs related to the Transaction shall not be taken into account for the purposes of (i) and (ii) above;</p>
“CFR Material Adverse Effect”	<ul style="list-style-type: none"> (i) an aggregate reduction or decrease in the consolidated net asset value of CFR, as measured with reference to the unaudited financial statements of CFR as at 30 June 2013, of US\$75 000 000 or more; or (ii) an aggregate reduction in the consolidated gross revenue of CFR and its Group, or an aggregate increase in the consolidated operating expenditure of CFR and its Group (being selling, general and administrative expenses and distribution expenses), in respect of any immediately preceding six-month period, in each case as measured with reference to the unaudited financial statements of CFR for the Six-month period ended 30 June 2013, of US\$55 000 000 or more, <p>save that any costs related to the Transaction shall not be taken into account for the purposes of (i) and (ii) above;</p>
“CFR Minority Shareholders”	CFR Shareholders, other than the CFR Controlling Shareholders;
“CFR Shareholders”	holders of CFR Shares;
“CFR Shares”	ordinary, nominative, no par value shares in CFR, being shares of the same single series and having identical rights and privileges;
“CFR’s 10-Day VWAP”	in respect of a 10 trading day period, the total value of CFR Shares traded on the Santiago Stock Exchange during such 10 trading day period divided by the total number of CFR Shares traded on the Santiago Stock Exchange over such 10 trading day period, and for the purposes of this definition, a “trading day” means a day on which trading in CFR Shares occurs on the Santiago Stock Exchange;
“CGT”	Capital Gains Tax, as levied in terms of Schedule 8 to the Income Tax Act;
“Chile”	the Republic of Chile;
“Chilean Corporations Law”	Chilean Law 18.046 of Stock Corporations, as amended from time to time;
“Circular”	all the documents contained in this bound document, dated 18 November 2013;
“Citibank”	Citibank N.A., South Africa Branch;
“Clearance”	all approvals, consents, clearances, permissions and waivers that may need to be obtained, all filings that may need to be made and all waiting periods that may need to have expired, from or under the laws, regulations or practices applied by any relevant regulatory authority (whether inside or outside of South Africa) in connection with the implementation of the Transaction;

“Closing Settlement Arrangements”	the arrangements and/or agreements concluded pursuant to the fulfilment of the pre-condition set out in clause 2.2.5 of the TIA, namely: <ul style="list-style-type: none"> (a) a written Escrow and Flow of Funds Agreement entered into by, among others, CFR and Adcock Ingram for the escrowing of funds raised pursuant to the Capital Increase which will be used to discharge a portion of the Cash Consideration; and (b) the closing settlement memorandum signed by Adcock Ingram and CFR which sets out the salient features of the mechanics of the settlement of the Scheme Consideration;
“Combined General Meeting”	the meeting of Ordinary Scheme Members, holders of “A” Ordinary Shares and holders of “B” Ordinary Shares to be convened and to be held (subject to any postponement or cancellation thereof) at 10h00 on Wednesday, 18 December 2013, in the Auditorium at Adcock Ingram’s offices, 1 New Road, Midrand, Gauteng, South Africa, to consider and if deemed fit, approve the relevant Scheme Resolution. A notice convening such meeting is attached to, and forms part of, this Circular;
“COMESA”	Common Market for Eastern and Southern Africa;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the South African Companies Act, 71 of 2008;
“Companies Regulations”	the Companies Regulations, 2011, published in terms of section 223 and item 14 of Schedule 5 to the Companies Act;
“Company Business Plan”	Adcock Ingram’s management five-year plan, as at 11 September 2013;
“Competing Proposal”	any approach, proposal or offer (whether or not subject to suspensive conditions and whether or not legally binding): <ul style="list-style-type: none"> (i) made by or to a <i>bona fide</i> third party which is not “acting in concert” (as defined in the Companies Act and as determined in terms of the Takeover Regulations) with CFR; and (ii) which involves or possibly involves the acquisition of, or subscription for, shares comprising, or which will comprise, 5% or more of Adcock Ingram’s issued shares or of a change of control of Adcock Ingram or any Group Company of Adcock Ingram, or which involves or possibly involves a disposal of a material part of the business or assets of Adcock Ingram or any Group Company;
“Competition Act”	the South African Competition Act, 89 of 1998;
“Competition Authorities”	the Competition Commission, Competition Tribunal and/or Competition Appeal Court established in terms of the Competition Act;
“Conditions Precedent”	the conditions precedent to which the Scheme is subject, as set out in paragraph 6.2 of this Circular;
“Consolidated Total Leverage”	as of any day, the ratio of: (i) consolidated total debt on such day to (ii) consolidated EBITDA for the four consecutive fiscal quarters ended prior to such day;
“Court”	any South African court of competent jurisdiction;
“CSDP”	a person that holds in custody and administers securities or an interest in securities and that has been accepted in terms of the Financial Markets Act by a central securities depository as a participant in that central securities depository or a “participant”, as defined in the Financial Markets Act;
“Deemed Scheme Participants”	a Dissenting Shareholder who is deemed to be a Scheme Participant as contemplated in any of paragraphs 6.8.5, 6.8.7 or 6.8.10 of this Circular;
“Dematerialised Ordinary Scheme Members”	Ordinary Scheme Members in relation to Dematerialised Shares;
“Dematerialised Scheme Participants”	Scheme Participants in relation to Dematerialised Shares;

“Dematerialised Shareholders”	subject to section 57(1) of the Companies Act, registered holders of Dematerialised Shares;
“Dematerialised Shares”	Adcock Ingram Ordinary Shares that have been dematerialised through a CSDP or a Broker and are held in a sub-register in electronic form;
“Dissenting Shareholders”	Adcock Ingram Ordinary Shareholders who validly exercise their Appraisal Rights by objecting to the special resolution approving the Scheme set out in either of the notices of General Meetings and demanding, in terms of sections 164(5) to 164(8) of the Companies Act, that Adcock Ingram pay them the fair value of all of their Adcock Ingram Ordinary Shares;
“documents of title”	valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of Adcock Ingram Ordinary Shares, reasonably acceptable to Adcock Ingram and CFR;
“EFT”	electronic funds transfer;
“emigrant”	any emigrant from the Common Monetary Area whose address is outside the Common Monetary Area;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, made in terms of section 9 of the Currency and Exchanges Act, 9 of 1933;
“Exclusivity Period”	the period commencing on 11 September 2013 and expiring on the Scheme Implementation Date or the date on which the Transaction Implementation Agreement or the Scheme lapses or terminates, whichever occurs first;
“Financial Markets Act”	the South African Financial Markets Act, 19 of 2012;
“Firm Intention Announcement”	the joint firm intention announcement, dated 15 November 2013, setting out, among other things, the material terms of the Scheme;
“General Meetings”	the Ordinary General Meeting and the Combined General Meeting, together with any meetings held as a result of any postponement or adjournment or a reconvening thereof, and “General Meeting” means either one of them, as the context may require;
“Group” or “Group Company”	in relation to: <ul style="list-style-type: none"> (i) any person (other than Adcock Ingram or CFR, as the case may be), its subsidiaries, subsidiary companies and holding companies and the subsidiaries and subsidiary companies of any such holding company (each such term as defined in the Companies Act, whether or not such company is incorporated in South Africa); and (ii) Adcock Ingram or CFR, as the case may be: <ul style="list-style-type: none"> (a) its subsidiaries, subsidiary companies and holding companies and the subsidiaries and subsidiary companies of any such holding company (each such term as defined in the Companies Act, whether or not such company is incorporated in South Africa); and (b) the entities set out in Schedule 3 to the TIA;
“High Court”	the South Gauteng High Court, Johannesburg;
“Income Tax Act”	the South African Income Tax Act, 58 of 1962;
“Independent Board”	those directors of Adcock Ingram, being KDK Mokhele, AM Thompson, LE Schönknecht, PM Makwana, M Haus, RI Stewart, CD Raphiri and T Lesoli, constituting the independent board of Adcock Ingram determined in terms of the Takeover Regulations;
“Independent Expert” or “JPMorgan”	JPMorgan Chase Bank, N.A. (Johannesburg Branch) (registration number 2001/016069/10), the independent expert appointed by the Independent Board in accordance with section 114(2) of the Companies Act and the Companies Regulations to compile a report on the Scheme as required by section 114(3) of the Companies Act read with Regulation 90 of the Companies Regulations and cause it to be distributed to Adcock Ingram Ordinary Shareholders;

“In the Money Option”	a Phantom Option, whether exercised or not, and if not exercised, whenever exercisable, in respect of which the grant price is less than R73.51;
“JSE”	as the context requires, either JSE Limited (registration number 2005/022939/06), a company incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act, or the securities exchange operated by that company;
“Last Practicable Date”	Friday, 25 October 2013, the last practicable date before this Circular was finalised;
“Listings Requirements”	the listings requirements of the JSE, as amended from time to time;
“Long Stop Date”	14 April 2014, or such later date as Adcock Ingram and CFR agree in writing on or before 14 April 2014, in which event the provisions of paragraph 6.3.7 of this Circular shall apply;
“Maximum Cash Amount”	subject to paragraph 6.3.7 of this Circular, the lesser of the following amounts, or if they are equal, then that amount: <ul style="list-style-type: none"> (i) R6 428 385 646 plus (the number of CFR Shares which are subscribed and timeously paid for pursuant to the Pre-emptive Offer multiplied by 2.334, expressed in ZAR); and (ii) R8 108 045 443;
“Maximum Share Amount”	such number of CFR Shares as is determined as follows: (R12 604 677 736 minus the Maximum Cash Amount) divided by 2.334, up to a maximum of 2 646 226 260;
“MOI”	the Memorandum of Incorporation of Adcock Ingram;
“Offer Period”	has the meaning ascribed to it in terms of section 117(1)(g) of the Companies Act;
“Ordinary General Meeting”	the meeting of Ordinary Scheme Members to be convened and to be held (subject to any postponement or cancellation thereof) at 10h30, or 10 minutes after the conclusion or adjournment of the Combined General Meeting, whichever is the later, on Wednesday, 18 December 2013, in the Auditorium at Adcock Ingram’s offices, 1 New Road, Midrand, Gauteng, South Africa, to consider and if deemed fit, approve the relevant Scheme Resolution. A notice convening such meeting is attached to, and forms part of, this Circular;
“Ordinary Scheme Members”	those persons (other than the holder of the Treasury Shares) who are in terms of the Companies Act and the MOI entitled to vote in respect of the Scheme at the Ordinary General Meeting, being those persons (other than the holder of the Treasury Shares) recorded in the Register as having an interest in Adcock Ingram Ordinary Shares at the close of business on the Voting Record Date (it being recorded that if, in respect of an Adcock Ingram Ordinary Share, a person is the registered holder of such share, and one or more persons has/have a beneficial interest in such share in terms of the register of disclosures of Adcock Ingram, only one of those persons shall be entitled to vote in respect of that share);
“Own Name Dematerialised Ordinary Scheme Member”	Dematerialised Ordinary Scheme Members who have elected own name registration;
“Phantom Options”	Options in respect of not more than 3 868 514 Phantom Shares (“Options” and “Phantom Shares” as defined in clauses 1.2.12 and 1.2.15, respectively, of the rules of the Phantom Scheme);
“Phantom Scheme Offer”	the offer to holders of Phantom Options as contemplated in paragraph 9 of this Circular;
“Phantom Scheme”	Adcock Ingram’s Phantom Cash Option Scheme;
“PLC Nominees”	PLC Nominees (Proprietary) Limited (registration number 1989/002235/07), a company incorporated in accordance with the laws of South Africa. Stock Exchange Nominees (Pty) Limited holds 100% of the issued share capital of PLC Nominees on behalf of the registered CSDP’s from time to time;

“Pre-emptive Offer”	the mandatory offer by CFR to its shareholders to subscribe on a <i>pro rata</i> basis for 2 646 226 260 CFR Shares pursuant to the pre-emptive rights process as contemplated in paragraph 5 of this Circular;
“Prospectus”	the prospectus of CFR prepared in connection with, among other things, the Scheme and the Secondary Listing;
“Register”	(i) the register of Shareholders of Adcock Ingram (including the relevant sub-registers of the CSDP (as contemplated in the Financial Markets Act) administering the sub-registers of Adcock Ingram); or (ii) the register of disclosures of Adcock Ingram;
“Relevant Number”	73.51 divided by 2.334;
“Relevant General Meeting”	the Ordinary General Meeting in relation to an Adcock Ingram Ordinary Shareholder, and the Combined General Meeting in relation to an Adcock Ingram Shareholder;
“Relevant Ratio”	in respect of a Scheme Participant, the ratio of cash to CFR Shares determined in terms of (i) of paragraph 6.3.1;
“Rounding Principle”	the rounding up or down to the nearest whole number of a fraction, if any, of a CFR Share if the aggregate number of CFR Shares to be issued to, and subscribed for by, a Scheme Participant in terms of the Scheme is not a whole number, on the basis that such fraction will be: (i) rounded up to the nearest whole number if the fraction is equal to or greater than 0.5 of a CFR Share; and (ii) rounded down to the nearest whole number if the fraction is less than 0.5 of a CFR Share;
“Scheme”	the acquisition by CFR Inversiones of all of the Adcock Ingram Ordinary Shares, other than the Treasury Shares, by way of a scheme of arrangement in terms of section 114 of the Companies Act, proposed by the Adcock Ingram Board between Adcock Ingram and the holders of Adcock Ingram Ordinary Shares (other than the holder of the Treasury Shares) upon the terms and subject to the Conditions Precedent, and which, if implemented, will result in CFR Inversiones acquiring the Scheme Shares from each Scheme Participant and each Scheme Participant receiving the Scheme Consideration, the full terms of which are more fully set out in this Circular (subject to any modification or amendment made thereto to which Adcock Ingram and CFR may agree in writing (and which the TRP and the JSE approves, to the extent that the TRP’s or the JSE’s approval is required));
“Scheme Consideration”	the Cash Consideration and the Share Consideration, determined in accordance with the provisions of paragraph 6.3 of this Circular;
“Scheme Finalisation Date”	the date on which the “finalisation date announcement” (as contemplated by the Listings Requirements) is released on SENS, which date shall fall on the later of: (i) the Business Day following the date on which all the Conditions Precedent are fulfilled or waived, as the case may be; and (ii) the third Business Day following the date on which the matters contemplated in the Closing Settlement Arrangements, which relate to the period before the date of the publication of the “finalisation date announcement” (as contemplated by the Listings Requirements), have been completed;
“Scheme Implementation Date”	the date on which the Scheme is implemented, which is intended to be the Monday immediately following the Scheme Record Date (or such other date as the JSE may direct), which date is expected to be Monday, 10 March 2014;

“Scheme LDT”	the last day to trade Adcock Ingram Ordinary Shares on the JSE in order to be eligible to receive the Scheme Consideration, being the first Friday on which trading on the JSE occurs following the week in which the Scheme Finalisation Date occurs (or such other date as the JSE may direct), which date is expected to be Friday, 28 February 2014;
“Scheme Participants”	all persons who are recorded as having an interest in Adcock Ingram Ordinary Shares in the Register as at close of business on the Scheme Record Date, excluding the holder of the Treasury Shares and Dissenting Shareholders who have not, whether voluntarily or pursuant to a final order of the Court, withdrawn their demands made in terms of sections 164(5) to (8) of the Companies Act before the Scheme Record Date, or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse before the Scheme Record Date, being persons who are entitled to receive the Scheme Consideration (it being recorded that, if, in respect of an Adcock Ingram Ordinary Share, a person is the registered holder of such share, and one or more persons has/have a beneficial interest in such share in terms of the register of disclosures of Adcock Ingram, only one of those persons shall be entitled to receive the Scheme Consideration for that share);
“Scheme Record Date”	the date on, and time at which, a person must be recorded in the Register in order to be eligible to receive the Scheme Consideration, being the close of business on the first Friday following the Scheme LDT (or such other date and time as the JSE may direct), which date is expected to be on Friday, 7 March 2014;
“Scheme Resolutions”	(i) the special resolution to approve the Scheme which is proposed to be passed at the Ordinary General Meeting; and (ii) the special resolution to approve the Scheme which is proposed to be passed at the Combined General Meeting, and “Scheme Resolution” means either one of them, as the context may require;
“Scheme Shares”	all of the Adcock Ingram Ordinary Shares held in relation to a Scheme Participant on the Scheme Record Date;
“Secondary Listing”	the proposed listing of CFR in the “Health Care – Pharmaceuticals & Biotechnology – Pharmaceuticals” sector of the Main Board of the JSE and on the basis that such listing constitutes a “secondary listing” as contemplated by the Listings Requirements;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“Share Consideration”	the number of listed CFR Shares to be issued to and subscribed for by PLC Nominees for the benefit of a Scheme Participant, in terms of the Scheme, which number shall be determined in accordance with the provisions of paragraph 6.3 of this Circular;
“Share Options”	not more than 546 200 “Options” as defined in the Share Option Deed;
“Share Option Deed”	the trust deed in respect of the Adcock Ingram Holdings Limited Employee Share Trust (2008);
“Share Option Scheme”	the scheme set out in the Share Option Deed;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited (registration number 1998/022242/06), a company incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“sub-register”	each of Adcock Ingram’s sub-registers of members administered and maintained by CSDPs in electronic form;
“subsidiary”	a subsidiary of Adcock Ingram, as defined in section 1 read with section 3 of the Companies Act;

“SVS”	the Superintendencia de Valores y Seguros, being the Chilean government agency created by law which is responsible for supervising the activities and entities participating in the securities and insurance markets in Chile;
“Takeover Regulations”	means the Takeover Regulations prescribed by the South African Minister of Trade and Industry in terms of section 120 of the Companies Act;
“Transaction”	means all of the transactions contemplated by this Circular, including without limitation, the Capital Increase, the Scheme, the Secondary Listing, the matters contemplated in the “A” Ordinary Agreement, the matters contemplated in the “B” Ordinary Agreement and the other matters contemplated in paragraph 9 of this Circular;
“Transaction Implementation Agreement” or “TIA”	the transaction implementation agreement, together with its Schedules, entered into between CFR and Adcock Ingram on 11 September 2013, as amended;
“Transfer Secretaries”	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a company incorporated in accordance with the laws of South Africa;
“Treasury Shares”	4 285 163 Adcock Ingram Ordinary Shares held by Adcock Ingram Limited, which will be retained by Adcock Ingram Limited upon implementation of the Scheme;
“TRP”	the Takeover Regulation Panel established by section 196 of the Companies Act;
“Voting Record Date”	the date on which an: <ul style="list-style-type: none"> (i) Ordinary Scheme Member, a holder of “A” Ordinary Shares and a holder of “B” Ordinary Shares must be recorded in the Register in order to be eligible to vote to approve the Scheme at the Combined General Meeting; and (ii) Ordinary Scheme Member must be recorded in the Register in order to be eligible to vote to approve the Scheme at the Ordinary General Meeting, which date is Friday, 6 December 2013; and
“VWAP”	volume weighted average price.

In this Circular, unless the context indicates a contrary intention:

1. any word or expression defined in the Companies Act or the Companies Regulations and not expressly defined in this Circular shall have the meaning given in the Companies Act or the Companies Regulations (as applicable);
2. headings are to be ignored in construing this Circular;
3. references to a paragraph or Annexure are to a paragraph of, or Annexure to, this Circular;
4. any reference to a time of day is a reference to South Africa Standard Time, unless a contrary indication appears;
5. a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, replaced or re-enacted;
6. a reference to any other document referred to in this Circular is a reference to that other document as amended, revised, varied, novated or supplemented at any time;
7. where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day;
8. the use of the word including, include/s, in particular or any similar such word followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s;

9. references to law and regulation or any similar such word shall be deemed to include the rules of any stock exchange by which Adcock Ingram or CFR is bound, and specifically includes the Listings Requirements;
10. no rule of construction shall be applied to the disadvantage of a signatory party to this Circular because that signatory was responsible for or participated in the preparation of this Circular or any part of it;
11. all references to "Rand", "R" or "ZAR" or "cents" are references to the lawful currency of South Africa. All references to "Chilean peso", "CLP", "Peso" or "Ch\$" are references to the lawful currency of Chile. All references in this Circular to "US Dollars", "\$" or "US\$" are references to the lawful currency of the United States of America; and
12. if for any purpose in relation to this Circular it is necessary to convert one currency to another currency in relation to a specific date, the exchange rate which shall apply shall be the simple arithmetic average of the daily mid-rates at 15:00 South African time of Citibank, New York, for the five Business Days prior to the relevant date.



Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)
Registration number 2007/016236/06
Share code: AIP ISIN: ZAE000123436
("Adcock Ingram")



CFR Pharmaceuticals S.A.

(Incorporated in the Republic of Chile)
Chilean Tax ID: 76.116.242-K
Securities Regulation Registry number: 1067
Share code on the Santiago Stock Exchange: CFR
ISIN: CL0001762831
("CFR")

Directors

KDK Mokhele (*Chairperson*)*
JJ Louw (*Chief Executive Officer*)
AG Hall (*Deputy Chief Executive Officer and
Financial Director*)
M Haus*§
T Lesoli*
PM Makwana*
CD Raphiri*
LE Schönknecht*
RI Stewart*
AM Thompson*
**Independent non-executive
§German*

Directors

Alejandro Weinstein Crenovich (*Chairperson*)
Alberto Eguiguren Correa
Juan Bilbao Hormaeche
Juan Antonio Guzmán Molinari
Guillermo Tagle Quiroz
Eliahu Shohet
Nicolás Weinstein Manieu

CIRCULAR TO ADCOCK INGRAM SHAREHOLDERS

The definitions and interpretations commencing on page 19 of this Circular apply throughout.

1. INTRODUCTION

- 1.1 It was announced on SENS on Friday, 15 November 2013 and in the South African press on Monday, 18 November 2013 that the pre-conditions set out in the TIA have been fulfilled or waived and that the TIA has become effective. Consequently, the TIA constituted notification by CFR to the Adcock Ingram Board of the firm intention of CFR to make an offer to acquire (through its wholly-owned subsidiary, CFR Inversiones) all of the Adcock Ingram Ordinary Shares, other than the Treasury Shares, by way of a scheme of arrangement in terms of section 114 of the Companies Act, for the Scheme Consideration. Accordingly, the aforementioned announcement constituted a firm intention announcement as contemplated by Regulation 101 of the Takeover Regulations.
- 1.2 The Adcock Ingram Board proposes the Scheme, in terms of section 114 of the Companies Act, between Adcock Ingram and the holders of Adcock Ingram Ordinary Shares (other than the holder of the Treasury Shares). If the Scheme becomes operative, CFR Inversiones will acquire the Scheme Shares and Scheme Participants will, subject to the terms of this Circular, receive the Scheme Consideration.
- 1.3 The total aggregate Scheme Consideration (based on an attributed value of ZAR2.334 per CFR Share) will be settled partly in cash and partly in CFR Shares, as follows:
 - a minimum of 51.0% and up to a maximum of 64.3% will be settled in cash in South African Rand; and
 - a minimum of 35.7% and up to a maximum of 49.0% will be settled in CFR Shares.
- 1.4 Pursuant to the Scheme, CFR Inversiones will, subject to section 164 of the Companies Act, become the owner of all the issued Adcock Ingram Ordinary Shares (other than the Treasury Shares).

- 1.5 If the Scheme is implemented, Adcock Ingram will become a subsidiary of CFR and will be delisted from the JSE, and CFR will be listed in the “Health Care – Pharmaceuticals & Biotechnology – Pharmaceuticals” sector on the JSE by way of a secondary listing.
- 1.6 The JSE has approved the suspension of the listing of the Adcock Ingram Ordinary Shares on the JSE with effect from the commencement of trading on the JSE on the Business Day following the Scheme LDT and, subject to the Scheme becoming operative, the termination of the listing of Adcock Ingram on the JSE from the commencement of trading on the Business Day following the Scheme Implementation Date.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is, among other things, to:

- provide Adcock Ingram Shareholders with information regarding: (i) the Scheme; (ii) the manner in which the Scheme Participants may elect their Scheme Consideration; (iii) the procedure concerning the settlement of the Scheme Consideration; (iv) the Phantom Scheme Offer; (v) the arrangements in respect of the participants in the Share Option Scheme; and (vi) the agreements reached with each of Blue Falcon and the Bophelo Trust;
- provide Adcock Ingram Shareholders with the Independent Expert’s Report in respect of the Scheme prepared in terms of section 114(3) of the Companies Act and the Companies Regulations;
- advise Adcock Ingram Shareholders of the recommendation of each of the Adcock Ingram Board and the Independent Board in respect of the Scheme (as supported by the Independent Expert’s Report);
- convene the General Meetings to consider and, if deemed fit, approve the Scheme; and
- inform Adcock Ingram Shareholders of their Appraisal Rights and the manner in which they should exercise these rights should they wish to do so.

This Circular is accompanied by the Prospectus, the purpose of which is to give Adcock Ingram Shareholders information regarding CFR as it will be constituted after the Scheme has been implemented.

3. RATIONALE FOR THE SCHEME

3.1 Adcock Ingram’s existing strategic position

Since unbundling from Tiger Brands Limited in 2008, Adcock Ingram’s initial priority was modernisation and capacity increases at its factories and distribution facilities. Once this was well advanced, Adcock Ingram began to seek growth of its business beyond its South African base. This resulted in some expansion into sub-Saharan Africa in the period 2009 to 2010 and, early in 2013, in India.

Over this period, Adcock Ingram also explored some larger opportunities to grow its business beyond these geographies, driven by the need to access additional products for its pipeline, achieve operational synergies and diversify its revenue base.

It has become increasingly clear to the Adcock Ingram Board that a combination or alliance with an international pharmaceutical player represents the logical means to unlock Adcock Ingram’s full potential and thus optimum valuation.

It is against this background, *inter alia*, that the Adcock Ingram Board has contemplated expressions of interest from CFR and from other parties. As it has transpired, the proposal from CFR combines both attractive valuation parameters for Adcock Ingram Shareholders (as outlined in paragraph 3.3 below) and substantial synergies from combining the businesses of Adcock Ingram and CFR (as outlined in paragraph 3.6 below).

In considering the proposal, Adcock Ingram Shareholders should carefully consider the benefits of a combination of CFR and Adcock Ingram achieved via the Scheme proposed against the default position in the event that the Scheme is not implemented.

3.2 Strategic rationale for the Scheme

Based on historic performance, the combination of Adcock Ingram and CFR:

- creates a substantial and diversified emerging markets pharmaceuticals company with a presence in more than 23 countries and employing more than 10,000 people;

- generates revenues of approximately US\$1.1 billion (approximately ZAR10.5 billion based on the performance for the 12-month period ended 31 March 2013 and a ZAR/US\$ exchange rate of 9.17 as at 29 March 2013);
- has an asset base of approximately US\$2.1 billion (approximately ZAR19.5 billion on the asset values as at 31 March 2013 and a ZAR/US\$ exchange rate of 9.17 as at 29 March 2013);
- benefits from access to high-growth markets, an expanded manufacturing footprint and a complementary product portfolio;
- is well positioned to explore other attractive emerging markets opportunities; and
- has the potential to generate substantial revenue and cost synergies over time.

3.3 **Attractive valuation with significant cash component**

The Scheme Consideration equates to an attributable value of:

- ZAR73.51, based on an attributed value of ZAR2.334 per CFR Share, and represents a premium of 31% to the unaffected closing price of Adcock Ingram Ordinary Shares of R56.20 on 20 March 2013, being the last Business Day immediately prior to the date of publication on SENS of the cautionary announcement regarding receipt of an unsolicited proposal from The Bidvest Group Limited, proposing a scheme of arrangement to acquire 60% (on a fully diluted basis) of the entire issued ordinary share capital of Adcock Ingram;
- ZAR75.92 based on the Rand equivalent value of CFR Shares on 10 September 2013 (being ZAR2.49), the trading day prior to the date of publication of the detailed terms and cautionary announcement on SENS;
- ZAR75.61 based on the Rand equivalent value of CFR Shares (being ZAR2.47) on 25 October 2013, the Last Practicable Date; and
- ZAR75.76 based on the Rand equivalent value of CFR Shares on 14 November 2013 (being ZAR2.48), the trading day prior to the date of publication of the Firm Intention Announcement on SENS.

3.4 **Benefits for South Africa**

The combination of Adcock Ingram and CFR is expected to yield the following benefits for South Africa:

- **Significant foreign direct investment:** The Transaction would represent a significant foreign direct investment into South Africa of over ZAR12.6 billion. The Secondary Listing of CFR on the JSE is also likely to enhance South Africa's profile as an investment destination.
- **Investment in manufacturing and security of supply:** Adcock Ingram's current manufacturing facilities will play an important role in the combined group. By CFR moving certain of its production to South Africa, the combination should give rise to additional investment in manufacturing in South Africa with a resultant positive effect on long-term employment and exports for South Africa. In addition, CFR has committed to maintaining overall manufacturing levels as well as current levels of supply (see paragraph 13 below).
- **Job creation:** The combination of CFR and Adcock Ingram is likely to have a positive effect on long-term employment in South Africa and to promote exports from South Africa. CFR plans to transfer the manufacturing of a significant number of its products to South Africa and India (see paragraph 13 below). The combination and additional investment is also likely to generate 50 to 100 new jobs within the Adcock Ingram Group.
- **Commitment to broad-based black economic empowerment:** CFR understands the importance of broad-based black economic empowerment and is committed to ensuring that Adcock Ingram remains appropriately empowered (see paragraph 9 below).
- **Preserving Adcock Ingram's heritage:** CFR intends not only to preserve the Adcock Ingram brand but to grow it beyond South Africa.

3.5 **Adcock Ingram is integral to the combined business**

Adcock Ingram is a significant player in the South African healthcare market, with strong brands and world-class manufacturing facilities. CFR has confirmed its commitment to the Adcock Ingram brand which it views as valuable and an ideal platform from which to grow the combined business into Africa. Adcock Ingram's business will be a significant component of the combined group, potentially generating approximately 40% of the combined group's revenues.

3.6 Potentially significant synergies

The combined group will be well positioned to capitalise on attractive market opportunities that exist in Latin America, Africa, South East Asia and India. In particular, CFR believes that Adcock Ingram's world-class manufacturing facilities allow it to be well positioned to export South African manufactured products to Latin America and South East Asia.

Through its strong local presence in Latin America, CFR will open Adcock Ingram's products to new and attractive markets. CFR today targets a market of over 500 million patients, representing a commercial opportunity of US\$25 billion in Latin American pharmaceuticals alone. Additionally, through its presence in Vietnam, CFR should also represent an attractive platform through which Adcock Ingram's products could be distributed to South East Asia.

A combination of CFR and Adcock Ingram should unlock significant value through complementary product portfolios, business structures, geographical presence and manufacturing footprints. The combined group will become a uniquely diversified and well positioned emerging markets multi national, targeting over two billion patients across Latin America, Africa, South East Asia and India. CFR estimates total synergies arising from the combination of at least US\$440 million (approximately ZAR4.32 billion as at the Last Practicable Date) on a net present value basis.

Cost synergies through consolidation of manufacturing footprint: CFR aims to expand its manufacturing footprint and will be able to benefit from the excess capacity available in the combined group to optimise factory utilisation rates, resulting in further manufacturing efficiencies and costs reductions. Overall, the new manufacturing footprint should generate savings by seeking production efficiencies between Latin America, South Africa and India. CFR estimates such savings to represent approximately US\$150 million on a net present value basis before factoring in that Adcock Ingram's likely lower production costs are likely to increase the gross margin of CFR's products. Additionally, Adcock Ingram expects that it will also be able to lower unit production costs by increasing volume and utilisation of its factories.

Revenue synergies by maximising product complementarity: The combined group will benefit from a highly complementary and diversified product portfolio for emerging markets. CFR believes that it will be able to contribute to Adcock Ingram's existing product pipeline. Conversely, CFR believes that it would benefit from rolling out Adcock Ingram's portfolio in Latin America. In particular, CFR believes that significant opportunities exist in the following areas:

- Anti-retrovirals ("ARV"): Over 1.6 million patients are infected with HIV in Latin America. CFR sees an opportunity to introduce Adcock Ingram's ARV portfolio in Latin America. Based on current prices in Latin America, it is anticipated that Adcock Ingram's ARV products would potentially generate considerable gross margins and that FDA-approved products would achieve increased pricing, thus generating even higher gross margins. CFR believes this business opportunity represents a net present value well in excess of US\$120 million in Latin America.
- Over-the-counter ("OTC"): CFR is of the view that the Latin American market represents a unique opportunity for Adcock Ingram's OTC portfolio. The OTC market in Latin America is a US\$12 billion market growing at a compound annual growth rate for the period 2007 to 2012 of 12%. Mid to lower income consumers represent the majority of the overall market and 95% of total consumers. The mid to lower income market segment is characterised by low prices and mass distribution. CFR's OTC portfolio is currently positioned towards higher income consumers and does not target the mid to lower end of the market. Adcock Ingram's OTC portfolio is cost competitive and could become a compelling commercial opportunity which CFR has estimated to be valued at approximately US\$80 million on a net present value basis.
- Pipeline contribution: CFR could provide Adcock Ingram with access to new therapeutic areas, particularly Oncology, Anaesthesia, Hospital Injectable products (Anti-Infectives), Biologics and Biosimilars. Conversely, Adcock Ingram could help CFR grow its presence in Diabetes, Dermatology and Ophthalmic. CFR believes synergies in this area to represent a net present value of at least US\$80 million.

Additional synergies from sourcing: CFR believes the combined group will be able to combine their active pharmaceutical ingredient sourcing and realise additional efficiencies. CFR believes synergies from sourcing represent a net present value of between US\$10 million and US\$20 million.

4. OFFER MIX

As outlined in paragraph 1.3 above, the total Scheme Consideration is to be settled partly in cash in South African Rand, and partly in CFR Shares at an attributed value of R2.334 per CFR Share, as follows:

- a minimum of 51.0% and up to a maximum of 64.3% to be settled in cash in South African Rand; and
- a minimum of 35.7% and up to a maximum of 49.0% to be settled in CFR Shares.

The Cash Consideration will be funded from a combination of cash-on-hand and external borrowings and, depending on the outcome of the Capital Increase, also from the cash proceeds of the Capital Increase.

The issue and placement of the CFR Shares as settlement of the Share Consideration will be authorised pursuant to the Capital Increase (see paragraph 5 below).

The finalisation of the offer mix remains subject to the outcome of the Capital Increase. If any CFR Minority Shareholders elect to exercise their pre-emptive rights in terms of the Capital Increase, then the proceeds thereof will be applied to increase the Cash Consideration on a *pro rata* basis, subject to a maximum of 64.3% of the total Scheme Consideration being settled in cash. The CFR Controlling Shareholders have committed not to exercise their pre-emptive rights to subscribe for CFR Shares in connection with the Scheme pursuant to the Capital Increase with the result that 1 926 577 675 CFR Shares become available for the Scheme. To the extent that the Cash Consideration is increased as a consequence of the Capital Increase, the Share Consideration will be reduced on a *pro rata* basis, subject to a minimum of 35.7% of the total Scheme Consideration being settled in CFR Shares. It is expected that the final offer mix (and the Relevant Ratio) will be announced on SENS on Thursday, 16 January 2014 and published in the South African press on Friday, 17 January 2014.

Adcock Ingram Ordinary Shareholders may benefit from a mix-and-match facility, whereby they may elect prior to settlement to receive ZAR73.51 per Adcock Ingram Ordinary Share or the Relevant Number of CFR Shares (approximately 31.5 CFR Shares) per Adcock Ingram Ordinary Share or any combination of cash and CFR Shares, subject to paragraph 6.3 below. The aggregate amount of cash and the aggregate number of CFR Shares being offered to Adcock Ingram Ordinary Shareholders through the mix-and-match facility will, however, not change because of the elections. Accordingly, the elections made by Adcock Ingram Ordinary Shareholders will be considered and, if necessary, adjusted equitably after taking into account the aggregate amount of cash and CFR Shares available, being the aggregate determined pursuant to the implementation of the Capital Increase.

To the extent that Adcock Ingram Ordinary Shareholders do not make any election, they will (unless they are Cash-Only Shareholders) be deemed to have elected to receive their Scheme Consideration in the Relevant Ratio.

No Adcock Ingram Ordinary Shareholder will receive preferential treatment pursuant to the mix-and-match facility.

5. CAPITAL INCREASE

CFR shareholders approved at a special shareholders' meeting of CFR held on 22 July 2013, among other things, the increase by CFR of its authorised share capital by the creation of 3 000 000 000 new CFR Shares. The increase of authorised share capital is currently in the process of registration and approval with the SVS. CFR also held another special shareholders' meeting on Monday, 21 October 2013, for the purpose of amending the resolution which was approved on 22 July 2013, so as to authorise the CFR Shares created pursuant to the Capital Increase to be settled in cash, or in kind through the contribution of Adcock Ingram Ordinary Shares to CFR, and approving an expert's valuation opinion as required by the Chilean Corporations Law prepared by IM Trust Asesorias Financieras S.A. in relation to the delivery of Adcock Ingram Ordinary Shares as payment in kind in terms of the Scheme. The latter resolution was approved and is currently in the process of registration and approval with the SVS.

It is a requirement under the Chilean Corporations Law that, if a company proposes to issue new shares pursuant to a capital increase, existing shareholders must first be offered the right to subscribe for such new shares on a *pro rata* basis before any other person who is not a shareholder may do so. The offer to be made to CFR Shareholders to subscribe for new CFR Shares will be made after the Condition Precedent referred to in paragraph 6.2.1.1 below is fulfilled, unless CFR resolves otherwise.

The CFR Controlling Shareholders which currently own approximately 73% of CFR's issued share capital, have undertaken, subject to certain terms and conditions, not to exercise their pre-emptive rights to subscribe for CFR Shares pursuant to the Capital Increase which are required in connection with the Scheme, with the result that 1 926 577 675 CFR Shares become available for the Scheme. Instead, those CFR Shares will be made available to discharge a portion of the Share Consideration. As a consequence of not following their pre-emptive rights in relation to the CFR shares to be used in connection with the Scheme, the CFR Controlling Shareholders will, depending on the outcome of the pre-emptive process, own no less than 55% of CFR's issued share capital after the implementation of the Scheme.

Notwithstanding the undertakings given by the CFR Controlling Shareholders, CFR Minority Shareholders may elect to exercise their pre-emptive rights to subscribe for CFR Shares pursuant to the Capital Increase (or assign their pre-emptive rights to a third party who may subscribe for such CFR Shares), failing which such CFR Shares may then be placed by CFR with a third party, whether or not a CFR Shareholder, on terms no less favourable than those offered to CFR Minority Shareholders. To the extent that CFR Minority Shareholders elect to subscribe for CFR Shares pursuant to the Capital Increase (or assign, as they may elect, their pre-emptive rights to a third party who ultimately subscribes for the CFR Shares), CFR will receive cash, thereby reducing the number of CFR Shares available to discharge the Share Consideration and increasing the amount of cash which is available to discharge the Cash Consideration.

6. THE SCHEME

In terms of section 114(1) of the Companies Act, the Adcock Ingram Board proposes the Scheme as set out in this paragraph 6, between Adcock Ingram and the Adcock Ingram Ordinary Shareholders (other than the holder of the Treasury Shares).

6.1 Terms of the Scheme

- 6.1.1 In terms of the Scheme, CFR Inversiones will acquire the Scheme Shares from the Scheme Participants and each of the Scheme Participants will receive the Scheme Consideration.
- 6.1.2 Subject to the Scheme becoming unconditional, with effect from the Scheme Implementation Date:
 - 6.1.2.1 the Scheme Participants (whether they were Ordinary Scheme Members or not and whether they voted in favour of the Scheme Resolutions or not or abstained or refrained from voting) shall be deemed to have disposed of (and shall be deemed to have undertaken to transfer) their Scheme Shares, free of encumbrances, to CFR Inversiones, and PLC Nominees shall be deemed to have subscribed (to the extent applicable) with effect from the Scheme Implementation Date for the Share Consideration for the benefit of the Scheme Participants, and CFR Inversiones shall be deemed to have acquired registered and beneficial ownership of all the Scheme Shares, free of encumbrances, with effect from the Scheme Implementation Date, against discharge of the Scheme Consideration in terms of paragraphs 6.1.4 and 6.1.5 below;
 - 6.1.2.2 each Scheme Participant shall be deemed to have transferred to CFR Inversiones, with effect from the Scheme Implementation Date, against discharge of the Scheme Consideration in terms of paragraphs 6.1.4 and 6.1.5 below, all of the Scheme Shares held by such Scheme Participant, without any further act or instrument being required;
 - 6.1.2.3 the Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the remaining provisions of this paragraph 6;
 - 6.1.2.4 although PLC Nominees will be the registered holder of the CFR Shares, it will hold them for the benefit of the Scheme Participants, which shall have all of the beneficial interests in the CFR Shares.
- 6.1.3 Each Scheme Participant irrevocably, unconditionally and *in rem suam* authorises and empowers, to the fullest extent permissible in law, Adcock Ingram, as principal, with power of substitution, to cause:
 - 6.1.3.1 the Scheme Shares disposed of by the Scheme Participant in terms of the Scheme (including without limitation all rights, interests and benefits attaching thereto) to be transferred to, and registered in the name of CFR Inversiones on or at any time after the Scheme Implementation Date, and to do all such things and take all

- such steps (including the execution of any transfer form) as Adcock Ingram in its discretion considers necessary in order to effect that transfer and registration; and
- 6.1.3.2 the CFR Shares (including without limitation all rights, interests and benefits attaching thereto) subscribed or deemed to be subscribed for by PLC Nominees (to the extent applicable) in terms of the Scheme to be issued to, and registered in the name of PLC Nominees for the benefit of Scheme Participants on or at any time after the Scheme Implementation Date, and to do all such things and take all such steps (including the execution of any application form or subscription document) as Adcock Ingram in its discretion considers necessary in order to effect that transfer and registration.
- 6.1.4 CFR will, on the Scheme Implementation Date, deliver or cause such delivery (or have caused such delivery) to Strate and the Transfer Secretaries, each as agent for and behalf of Adcock Ingram, a cash amount in ZAR equal to the total Cash Consideration to which Scheme Participants are entitled and each such agent for and behalf of Adcock Ingram will, once it has received same, discharge the Cash Consideration due to Scheme Participants in terms of this Circular. Scheme Participants will be entitled to receive the Cash Consideration from Adcock Ingram only.
- 6.1.5 CFR will, on the Scheme Implementation Date, make available (or cause to be made available) to the Transfer Secretaries as agent for and behalf of Adcock Ingram, the aggregate number of CFR Shares required in order to settle the total Share Consideration (including without limitation all rights, interests and benefits attaching thereto) and the Transfer Secretaries as agent for and behalf of Adcock Ingram, will, once it has received same, discharge the Share Consideration due to Scheme Participants in terms of this Circular. Scheme Participants will be entitled to receive the Share Consideration from Adcock Ingram only.
- 6.1.6 Delivery by CFR of the Scheme Consideration as set out in paragraphs 6.1.4 and 6.1.5 above shall be the sole and exclusive manner of discharge by CFR of its obligations in respect of the Scheme Consideration. Upon compliance with paragraphs 6.1.4 and 6.1.5 above, Adcock Ingram and the Scheme Participants shall have no further claim against CFR in relation to discharge of the relevant portion of the Scheme Consideration so delivered or so made available. CFR shall discharge the Scheme Consideration due to a Deemed Scheme Participant on the date on which such Deemed Scheme Participant is entitled to receive his Scheme Consideration in terms of the Scheme in accordance with the provisions of paragraphs 6.1.4 and 6.1.5 above which shall apply *mutatis mutandis*.
- 6.1.7 Adcock Ingram, as principal, shall (unless the Scheme is terminated in accordance with the provisions of paragraph 6.7 below read with Annexure 18) procure that CFR complies with its obligations under the Scheme, and Adcock Ingram alone shall have the right to enforce these obligations (if necessary) against CFR.
- 6.1.8 The right of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by the Scheme Participants against Adcock Ingram only. Such rights will only be enforceable against Adcock Ingram if Adcock Ingram or its agents have received the Scheme Consideration from CFR. The Scheme Participants shall be entitled to require Adcock Ingram to enforce its rights in terms of the Scheme against CFR. Scheme Participants shall not be entitled to require Adcock Ingram to deliver or procure the delivery of the Scheme Consideration if Adcock Ingram or its agents have not received the Scheme Consideration or to hold Adcock Ingram liable for damages or the payment of any amount, save to the extent that Adcock Ingram itself is in breach of its obligations in terms of the Scheme.
- 6.1.9 The effect of the Scheme will, among other things, be that CFR Inversiones shall, with effect from the Scheme Implementation Date and against discharge of the Scheme Consideration in terms of paragraphs 6.1.4 and 6.1.5 above, become the registered and beneficial owner of all the Scheme Shares, free of encumbrances, and the Scheme Participants shall receive all the beneficial interests, free of encumbrances, of the CFR Shares making up the Share Consideration, which shares will be registered in the name of PLC Nominees for the benefit of Scheme Participants, and shall receive the Cash Consideration. Subject to paragraph 6.1.12, the Scheme shall not result in any of the Scheme Shares being transferred to any person other than CFR Inversiones and none of the Scheme Consideration shall be discharged or paid to any person other than the Scheme Participants, save that PLC Nominees shall be the registered holder of the CFR Shares.

- 6.1.10 Subject to the fulfilment or waiver, as the case may be, of all the Conditions Precedent, the Scheme will be implemented with effect from the Scheme Implementation Date.
- 6.1.11 Each Scheme Participant is deemed, on the Scheme Implementation Date, to have warranted and undertaken in favour of Adcock Ingram and CFR that the relevant Scheme Shares are not subject to a pledge or otherwise encumbered, or if subject to any such pledge or encumbrance, that such Scheme Shares shall be released from such pledge or other encumbrance immediately following payment and discharge of the Scheme Consideration.
- 6.1.12 Notwithstanding anything to the contrary in this Circular, CFR Inversiones shall be the entity which will acquire title to the Scheme Shares in terms of the Scheme, provided that CFR Inversiones shall serve no other purpose in terms of the Scheme and only CFR shall be entitled to enforce the Scheme, but CFR shall in any event be liable in full for discharging the Scheme Consideration and fulfilling its other obligations in terms of the Scheme.

6.2 Conditions Precedent to the Scheme

- 6.2.1 The Scheme is subject to the fulfilment or waiver, as applicable, of the following conditions precedent by no later than the Long Stop Date:
 - 6.2.1.1 the approval of the Scheme Resolutions at the General Meetings in terms of the Companies Act and, if the provisions of section 115(2)(c) of the Companies Act become applicable:
 - 6.2.1.1.1 the approval of the Scheme by the High Court; and
 - 6.2.1.1.2 if applicable, Adcock Ingram not treating either of the Scheme Resolutions as a nullity as contemplated in section 115(5)(b) of the Companies Act;
 - 6.2.1.2 in relation to any objection to the Scheme by Adcock Ingram Shareholders, either:
 - 6.2.1.2.1 Adcock Ingram Shareholders give notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act and vote against either of the Scheme Resolutions at either of the General Meetings in respect of no more than 5% of all of the Adcock Ingram Ordinary Shares; or
 - 6.2.1.2.2 if Adcock Ingram Shareholders give notice objecting to the Scheme and vote against either of the Scheme Resolutions at either of the General Meetings in respect of more than 5% of all the Adcock Ingram Ordinary Shares, shareholders have not exercised appraisal rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of more than 5% of all of the Adcock Ingram Ordinary Shares within 30 Business Days following the relevant General Meeting;
 - 6.2.1.3 all Clearances to effect the Scheme and to implement the Transaction are granted, including without being limited to:
 - 6.2.1.3.1 the issue by the TRP of a compliance certificate with respect to the Scheme in terms of section 121(b) of the Companies Act;
 - 6.2.1.3.2 approval of the Competition Authorities in terms of the Competition Act;
 - 6.2.1.3.3 approvals of the relevant competition authorities in Kenya, Botswana, Zimbabwe, Swaziland and Namibia, and by the COMESA Competition Commission;
 - 6.2.1.3.4 approval of the South African Reserve Bank in terms of the South African Exchange Control Regulations (promulgated in terms of the South African Currency and Exchanges Act, 9 of 1933), including the approval of the listing of the CFR Shares (and/or all related arrangements to give effect to such listing) on the JSE as an “inward listing” for exchange control purposes;
 - 6.2.1.3.5 approval of the JSE, including, among other things, all approvals required from the JSE in connection with:
 - 6.2.1.3.5.1 the Secondary Listing, with effect from the Scheme Implementation Date, at the latest; and

6.2.1.3.5.2 the termination of the listing of the Adcock Ingram Ordinary Shares from the List (as defined in the Listings Requirements);

6.2.1.3.6 registration and approval of the Capital Increase by the SVS with the Chilean Securities Registry;

6.2.1.3.7 registration of the Prospectus by the Companies and Intellectual Properties Commission;

provided that if any condition or qualification:

(i) of a Material Nature is attached to a Clearance, CFR and Adcock Ingram may, by written agreement concluded within five Business Days of the imposition of the condition or qualification, consent to the imposition of such condition or qualification, whereupon the Condition Precedent shall be deemed to have been fulfilled, and failing which the Condition Precedent shall be deemed not to have been fulfilled; and

(ii) not of a Material Nature is attached to a Clearance, then the Conditions Precedent shall be deemed to have been fulfilled.

A condition or qualification attaching to a Clearance shall be of a Material Nature if the condition or qualification has, will have or is reasonably likely to have a CFR Material Adverse Clearance Effect or an Adcock Material Adverse Clearance Effect;

6.2.1.4 the approval of the South African Reserve Bank in terms of the South African Exchange Control Regulations (promulgated in terms of the South African Currency and Exchanges Act, 9 of 1933) for the furnishing by the Company, and those of its subsidiaries which are required to provide guarantees, of guarantees to the:

6.2.1.4.1 various lenders under the bridge loan agreement entered into with CFR and the guarantors thereto in connection with the Transaction, as contemplated in that agreement; and

6.2.1.4.2 various holders of notes under the notes issued by CFR International in terms of the senior note indenture, dated 6 December 2012, as contemplated in that note indenture.

6.2.1.5 that the Chilean Tax Authority rules that trading and settlement of the beneficial interests in CFR Shares, on the basis that the Share Consideration shall be registered in certificated form in the name of PLC Nominees and the Scheme Participants will have their beneficial interest in the Share Consideration recorded and settled through the STRATE system, as contemplated by clause 4.2.2 of the TIA, will have the same tax consequences as those determined in previous Chilean Tax Authority rulings for the trading of other non-Chilean based titles (such as ADRs) with the result that registration of the Share Consideration in the name of PLC Nominees, as contemplated by that clause 4.2.2, will not result in any person that is not resident or domiciled in Chile, or deemed not to be resident or domiciled in Chile, being:

6.2.1.5.1 liable for Chilean Capital Gains Tax which may arise from the trading of the beneficial interests in CFR Shares on the exchange operated by the JSE;

6.2.1.5.2 liable for Chilean tax, arising from the trading of the beneficial interests in CFR Shares on the exchange operated by the JSE, under the indirect transfer rule set out in Section 10 of the Chilean Income Tax Law;

6.2.1.5.3 liable for Chilean tax, if the holder of a beneficial interest in a CFR Share has the registered title in that share transferred to it; or

- 6.2.1.5.4 obliged to be inscribed before the Chilean Internal Revenue Service and obtain a Chilean taxpayer identity number, except for PLC Nominees or any person who subsequently becomes a registered holder of CFR Shares held by PLC Nominees.
- 6.2.2 CFR shall be entitled on written notice to Adcock Ingram to waive the Conditions Precedent stipulated in paragraphs 6.2.1.4 and 6.2.1.5 above. The Condition Precedent stipulated in paragraph 6.2.1.1 above is not capable of waiver. In addition, Adcock Ingram and CFR by written agreement may waive in writing any Condition Precedent contemplated in paragraph 6.2.1.3 above, save for any Condition Precedent which is required to be fulfilled in terms of South African or Chilean law for the implementation of the Transaction.
- 6.2.3 CFR shall be entitled to waive the Condition Precedent stipulated in paragraph 6.2.1.2 only with the prior written consent of the Administrative Agent under the bridge loan contemplated in paragraph 6.2.1.4.1. The provisions of this paragraph 6.2.3 constitute a stipulation for the benefit of that Administrative Agent (on behalf of the lenders) under the Bridge Loan, which may be accepted by that Administrative Agent (on behalf of the lenders) at any time.
- 6.2.4 Within one Business Day of the fulfilment or waiver, to the extent permitted, of all of the Conditions Precedent, Adcock Ingram and CFR shall execute a written certificate to such effect. Upon execution of the aforementioned certificate, all the Conditions Precedent shall be deemed to have been fulfilled or waived, to the extent permitted, notwithstanding that either of CFR or Adcock Ingram may subsequently discover that any Condition Precedent may not have been fulfilled or waived (as applicable).
- 6.2.5 An announcement will be released on SENS and published in the South African press as soon as possible after the fulfilment, waiver or non-fulfilment, as the case may be, of all of the Conditions Precedent.

6.3 Scheme Consideration

- 6.3.1 Subject to the ensuing provisions of this paragraph 6.3, in terms of the Scheme, each Scheme Participant shall be entitled to elect to receive:
- 6.3.1.1 a cash amount of R73.51 per Scheme Share held by such Scheme Participant; or
- 6.3.1.2 the Relevant Number of CFR Shares per Scheme Share held by such Scheme Participant, subject to the Rounding Principle; or
- 6.3.1.3 a combination of cash and CFR Shares, subject to the Rounding Principle, by way of a mix-and-match facility, subject to the following:
- (i) in the absence of an election being received by the Transfer Secretaries by 12h00 on the Business Day before the Scheme Record Date, Scheme Participants (other than Cash-Only Shareholders) shall be deemed to have elected to receive their entire Scheme Consideration in a combination of cash and CFR Shares as follows:
- (a) The amount of cash shall be calculated as follows:
- $$A = (B/C) \times D \times E$$
- Where:
- A = the total cash amount payable to such Scheme Participant;
- B = the Maximum Cash Amount;
- C = R12 604 677 736;
- D = R73.51; and
- E = the number of Scheme Shares held by such Scheme Participant;
- (b) The number of CFR Shares shall be calculated as follows:
- $$U = (V - (W \div X)) \times Y \times Z, \text{ subject to the Rounding Principle}$$
- Where:
- U = the total number of CFR Shares which will be issued to PLC Nominees for the benefit of such Scheme Participant;

V = 1;
W = the Maximum Cash Amount;
X = 12 604 677 736;
Y = the Relevant Number; and
Z = the number of Scheme Shares held by such Scheme Participant;

The ratio of (a) to (b) above is referred to in this Circular as the Relevant Ratio;

- (ii) Cash-Only Shareholders shall be deemed to have elected to receive their entire Scheme Consideration in cash, irrespective of their actual election;
 - (iii) Deemed Scheme Participants (other than Cash-Only Shareholders) shall be deemed to have elected to receive the entire Scheme Consideration in a combination of cash and CFR Shares in the Relevant Ratio;
 - (iv) Dissenting Shareholders which are neither Scheme Participants nor Deemed Scheme Participants shall be deemed to have elected to receive their entire Scheme Consideration in a combination of cash and CFR Shares in the Relevant Ratio, notwithstanding that they may ultimately be entitled to be paid in cash pursuant to the valid exercise by them of their Appraisal Rights.
- 6.3.2 Subject to paragraph 6.3.7, but otherwise notwithstanding anything to the contrary contained in this Circular, the amount of cash payable by CFR in terms of the Scheme shall not exceed the Maximum Cash Amount.
- 6.3.3 Notwithstanding anything to the contrary contained anywhere else in this Circular, the number of CFR Shares to be issued in terms of the Scheme shall not exceed the Maximum Share Amount.
- 6.3.4 Subject to paragraph 6.3.7, if either:
- a. the Maximum Share Amount is insufficient to discharge the total number of CFR Shares which would otherwise have to be issued to PLC Nominees for the benefit of persons which have elected, or are deemed to have elected, to receive CFR Shares in terms of the Scheme (after applying the Rounding Principle); or
 - b. the Maximum Cash Amount is insufficient to discharge the total cash amount which would otherwise have to be paid to all persons which have elected, or are deemed to have elected, to receive cash in terms of the Scheme,
 - c. then the composition of the Scheme Consideration which each Scheme Participant will receive will be determined in accordance with the provisions of Annexure 22, as applicable, subject to any adjustment(s): (1) required by the JSE or the TRP; (2) agreed to by the Parties and, to the extent required by law and/or regulation, approved by the JSE and/or TRP or (3) which either Party may reasonably require in order to ensure that the Scheme can be implemented as contemplated in this Agreement or to ensure equitable treatment of Scheme Participants (after taking cognisance of the number of Scheme Shares held by the Scheme Participant and the elections of the Scheme Participant) and, to the extent required by law and/or regulation, approved by the JSE and/or TRP.
- 6.3.5 If, as a result of the provisions of (b) of paragraph 6.3.4 above, Cash-Only Shareholders become obliged to receive CFR Shares, such shares will not be issued to such Cash-Only Shareholders, but shall instead be retained by CFR or a third party nominated by CFR, which shall in each case hold such shares as nominee for and behalf of such Cash-Only Shareholders and at their risk. CFR, or the third party to whom such shares are issued, shall be obliged to dispose of such CFR Shares (or the beneficial interests in and to those CFR Shares) and to remit the proceeds of such disposal (net of applicable fees, expenses, taxes and charges) to such Cash-Only Shareholders, at such Cash-Only Shareholders' risk.
- 6.3.6 If the application of the Rounding Principle for the purposes of: (i) of paragraph 6.3.1.3 or paragraph 6.3.4 (read with Annexure 22) would otherwise result in the total number of CFR Shares which are required to be issued in terms of the Scheme exceeding the Maximum Share Amount, then, for purposes of the formulas set out in (i) of 6.3.1.3 or paragraph 6.3.4 above (read with Annexure 22), the Maximum Share Amount shall be reduced to such number as would upon application of the Rounding Principle result in the sum of the total number of CFR Shares which are required to be issued in terms of the

Scheme being equal in number to, or as near as equal in number as possible to (but never exceeding) the Capital Increase Number.

- 6.3.7 The Conditions Precedent are required to be fulfilled or waived (as permitted) on or before the Long Stop Date. If the Parties agree in writing to extend the Long Stop Date, the total Cash Consideration payable by CFR in terms of the Scheme and the cash amount payable under the Phantom Scheme Offer shall be increased by an amount equal to:

$$(A - B) \times C$$

Where:

A = the total Cash consideration payable in terms of the Scheme and the Phantom Scheme Offer;

B = the total amount of any dividend declared or paid, which declaration and payment shall require the consent of CFR, by Adcock Ingram in respect of the financial year to September 2013 over and above that paid in June 2013; and

C = the prime rate, as published by Citibank from time to time, less 3% compounded on a monthly basis and accrued on a daily basis from 14 April 2014 ("Interest Date") to date of discharge in full of the aggregate Cash Consideration ("Discharge Date") (inclusive of the Interest Date and exclusive of the Discharge Date).

- 6.3.8 Since all the CFR Shares will be issued to PLC Nominees, the references in this Circular to CFR Shares which a Scheme Participant may elect or may acquire means the beneficial interest in and to such shares.

6.4 **Surrender of documents of title (for certificated Scheme Participants only)**

- 6.4.1 Dematerialised Scheme Participants need not take any action regarding the surrender of their documents of title once the Scheme becomes operative as the process will be handled by their relevant CSDP or Broker.
- 6.4.2 Certificated Scheme Participants will, notwithstanding the transfer of ownership on the Scheme becoming operative, only be entitled to receive the Scheme Consideration once they have surrendered their documents of title.
- 6.4.3 A Certificated Scheme Participant who wishes to expedite receipt of his Scheme Consideration and surrender his documents of title in anticipation of the Scheme becoming operative may complete the attached form of election, surrender and transfer (*blue*) and return it as soon as possible, together with the documents of title relating to his Scheme Shares, to be received by the Transfer Secretaries by no later than 12h00 on the Business Day before the Scheme Record Date, which is expected to be Thursday, 6 March 2014.
- 6.4.4 No receipt will be issued for documents of title surrendered unless specifically requested. Persons requiring receipts must prepare a receipt and forward it, together with their documents of title, to be received by the Transfer Secretaries by no later than 12h00 on the Business Day before the Scheme Record Date, which is expected to be Thursday, 6 March 2014.
- 6.4.5 Documents of title surrendered by Certificated Scheme Participants prior to the Scheme Implementation Date, in anticipation of the Scheme becoming operative, will be held in trust on behalf of such Certificated Scheme Participants, at the risk of those Scheme Participants, by the Transfer Secretaries. If the Scheme does not become operative for any reason whatsoever, the Transfer Secretaries will, within five Business Days after the date upon which it becomes known that the Scheme will not become operative, return the documents of title to the Scheme Participant concerned, by registered post, at the risk of such Scheme Participant, to the return address specified on the form of election, surrender and transfer (*blue*), or if no return address is specified on the form of election, surrender and transfer (*blue*), to the address recorded in the Register.
- 6.4.6 If documents of title relating to any Scheme Shares to be surrendered are lost or destroyed, Certificated Scheme Participants should nevertheless return the form of election, surrender and transfer (*blue*) duly signed and completed, together with an indemnity form, which is obtainable from the Transfer Secretaries.

- 6.4.7 Adcock Ingram may dispense with the surrender of such documents of title upon production of evidence satisfactory to Adcock Ingram and CFR that the documents of title to the Scheme Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to them. Indemnity forms are obtainable from the Transfer Secretaries.
- 6.4.8 The attention of Certificated Shareholders is drawn to the fact that, if they surrender their documents of title in advance, they will be unable to dematerialise and/or trade in their Scheme Shares on the JSE from the date of surrender. However, their right to participate in or attend and vote at the Relevant General Meeting(s) will remain unaffected.

6.5 Settlement of the Scheme Consideration

- 6.5.1 Subject to paragraphs 6.5.2 and 6.5.3 below, if the Scheme becomes operative, Scheme Participants will be entitled to receive the Scheme Consideration.
- 6.5.2 Settlement of the Scheme Consideration is subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 11 to this Circular and to the restrictions relating to the receipt of the Share Consideration by Cash-Only Shareholders.
- 6.5.3 Adcock Ingram or its agents will administer and effect payment of the Cash Consideration and transfer the Share Consideration to the Scheme Participants.
- 6.5.4 Subject to paragraph 6.5.5 below, Dematerialised Scheme Participants will have their accounts held at their CSDPs or Brokers credited with the Scheme Consideration and debited with the Scheme Shares they are transferring to CFR Inversiones pursuant to the Scheme on the Scheme Implementation Date.
- 6.5.5 Deemed Scheme Participants who hold Dematerialised Shares will receive their Scheme Consideration in the Relevant Ratio and will have their accounts held at their CSDPs or Broker credited with the Scheme Consideration and debited with the Adcock Ingram Shares within five Business Days of the date on which they cease to be Dissenting Shareholders and become Deemed Scheme Participants.
- 6.5.6 Certificated Scheme Participants:
- 6.5.6.1 who have completed the form of election, surrender and transfer (*blue*) and who have surrendered their documents of title to the Transfer Secretaries on or before 12h00 on the Business Day before the Scheme Record Date, to the extent they are entitled to receive:
- 6.5.6.1.1 the Cash Consideration, will have cheques in respect of the Cash Consideration posted to them, at their risk, within five Business Days of the Scheme Implementation Date, unless they have elected to receive the Cash Consideration by way of EFT by completing the relevant section of the form of election, surrender and transfer form (*blue*), in which case the Cash Consideration will be paid to them on the Scheme Implementation Date by way of EFT; and
- 6.5.6.1.2 the Share Consideration, will have such consideration credited on the Scheme Implementation Date to an issuer initiated dematerialised account maintained by the Transfer Secretaries or another entity in South Africa appointed by CFR. Your attention is drawn to paragraph 15 of this Circular regarding the manner in which this account will be regulated and dealt with;
- 6.5.6.2 who have completed the form of election, surrender and transfer (*blue*) and who have surrendered their documents of title to the Transfer Secretaries after 12h00 on the Business Day before the Scheme Record Date will receive their Scheme Consideration in the Relevant Ratio and, to the extent they are entitled to receive:
- 6.5.6.2.1 the Cash Consideration, will have cheques in respect of the Cash Consideration posted to them, at their risk, or paid to them by way of an EFT (if this option was selected on the attached form of election, surrender and transfer (*blue*)), within five Business Days of the Transfer Secretaries receiving their documents of title and completed form of election, surrender and transfer (*blue*);

- 6.5.6.2.2 the Share Consideration, will have such consideration credited on the Scheme Implementation Date to an issuer initiated dematerialised account maintained by the Transfer Secretaries or another entity in South Africa appointed by CFR . Your attention is drawn to paragraph 15 of this Circular regarding the manner in which this account will be regulated and dealt with;
- 6.5.6.3 who fail to surrender their documents of title and completed forms of election, surrender and transfer (*blue*) to the Transfer Secretaries, will have the Scheme Consideration in the Relevant Ratio held in trust by Adcock Ingram (or any third party nominated by it for this purpose) for the benefit of the Scheme Participants concerned until lawfully claimed by such Scheme Participants for a maximum of three years, after which period such consideration shall be made over to the Guardian's Fund. For the avoidance of doubt, no interest pursuant to this paragraph will accrue for the benefit of the Scheme Participants on the consideration held by Adcock Ingram.
- 6.5.7 Deemed Scheme Participants who hold Certificated Shares will need to surrender their documents of title, together with completed forms of election, surrender and transfer (*blue*), to the Transfer Secretaries, and will have the Share Consideration credited to an issuer initiated dematerialised account maintained by the Transfer Secretaries or another entity in South Africa appointed by CFR and cheques in respect of the Cash Consideration, posted to them, at their risk, or paid to them by way of EFT (if this option was selected on the form of election, surrender and transfer (*blue*)) within five Business Days of the later of the date on which the Transfer Secretaries receive their documents of title and a completed form of election, surrender and transfer (*blue*) and the date on which they notify the Transfer Secretaries and Adcock Ingram in writing that they are no longer Dissenting Shareholders. As noted in paragraph 6.3.1 above, such Deemed Scheme Participants will be deemed to have elected to receive a combination of cash and CFR Shares in the Relevant Ratio.
- 6.5.8 Where, on or subsequent to the Scheme Implementation Date, a person, who was not a registered holder of Scheme Shares on the Scheme Record Date, tenders to the Transfer Secretaries their documents of title together with a duly completed form of election, surrender and transfer (*blue*), purporting to have been executed by or on behalf of the registered holder of such Scheme Shares and, provided that the Scheme Consideration shall not already have been posted or delivered to the registered holder of the relevant Scheme Shares, then such transfer may be accepted by Adcock Ingram as if it were a valid transfer to such person of the Scheme Shares concerned, provided that CFR and Adcock Ingram have been, if so required by either or both of them, provided with an indemnity on terms acceptable to them in respect of such Scheme Consideration which will be discharged in the Relevant Ratio.
- 6.5.9 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Adcock Ingram or CFR may otherwise be, or claim to be, entitled against a Scheme Participant.
- 6.5.10 If the information regarding authorised dealers is not given or written instructions to the contrary are provided but no address is given as required in terms of paragraphs 1.1 and 2.1 of Annexure 11, the relevant Scheme Consideration will be held in trust by Adcock Ingram (or any third party nominated by it for this purpose) for the benefit of the Scheme Participants concerned, pending receipt of the necessary information or instructions, for a maximum period of three years, after which such consideration shall be made over to the Guardian's Fund. For the avoidance of doubt, no additional interest will accrue pursuant to this paragraph for the benefit of the Scheme Participants on the consideration so held.

6.6 Undertakings by Adcock Ingram and CFR

- 6.6.1 Each of Adcock Ingram and CFR has undertaken that it shall do or procure to be done all such further acts and things and execute or procure the execution of all such other documents as the other one of them may from time to time reasonably require for the purpose of giving effect to the provisions of the Scheme.

- 6.6.2 Adcock Ingram shall be entitled as principal to institute action against CFR to compel CFR to: (i) timeously comply with the obligations imposed on it in terms of the Scheme as set out in this Circular and (ii) pay and/or discharge the Scheme Consideration to Adcock Ingram or its agents in accordance with paragraphs 6.1.4 and 6.1.5 above, or, on behalf of Scheme Participants, to claim and recover damages from CFR that they may have suffered by reason of the failure of CFR to comply with any or all of its obligations in relation to the Scheme. Scheme Participants shall not be entitled to require Adcock Ingram to deliver or procure the delivery of the Scheme Consideration if Adcock Ingram has not received the Scheme Consideration from CFR or to hold Adcock Ingram liable for damages or the payment of any amount, save to the extent that Adcock Ingram itself is in breach of its obligations in terms of the Scheme.
- 6.6.3 Adcock Ingram undertakes in favour of CFR that it will not, without the prior written consent of CFR, at any time during the period commencing on the date of this Circular and terminating on the Scheme Implementation Date or the date on which the Scheme lapses or terminates, whichever occurs first, declare or pay any dividends, effect any acquisition of its own shares or permit any Group Company of Adcock Ingram to effect any acquisition of Adcock Ingram Shares, or make any other distribution to any Adcock Ingram Shareholder.
- 6.6.4 CFR undertakes in favour of Adcock Ingram that it will not, without the prior written consent of Adcock Ingram, at any time during the period commencing on the date of this Circular and terminating on the Scheme Implementation Date or the date on which the Scheme lapses or terminates, whichever occurs first, declare or pay any dividends, effect any acquisition of CFR Shares, or permit any Group Company of CFR to effect any acquisition of CFR Shares, or make any other distribution to any of CFR's Shareholders, save for the declaration and payment by CFR of dividend(s) (including but not limited to interim dividends) not to exceed 50% of net profits of fiscal year 2013.
- 6.6.5 The rights and obligations of Adcock Ingram and/or CFR may not be ceded, delegated, assigned or otherwise transferred.

6.7 **Termination of Scheme in certain circumstances**

- 6.7.1 The Scheme may be terminated in certain circumstances which are more fully described in Annexure 18 hereto.
- 6.7.2 Subject to the provisions of paragraph 7 below and the provisions of the TIA contemplated in that paragraph, termination of the Scheme shall be without prejudice to the rights of Adcock Ingram or CFR that may have arisen prior to termination, and/or the rights of Adcock Ingram or CFR to bring any other claim or action available at law against the other arising from a breach of the Scheme. The lapsing, cancellation or termination of the Scheme shall not affect those provisions of the Scheme which expressly provide they will operate after any such lapsing, cancellation or termination or which by implication must continue to have effect thereafter.
- 6.7.3 No failure of Adcock Ingram or CFR to exercise, and no delay by it in exercising any right, power or remedy in connection with the Scheme (each a "Right") will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other or further exercise of such Right or the exercise of any other Right.
- 6.7.4 Without prejudice to any other rights and remedies which Adcock Ingram or CFR may have, each of Adcock Ingram and CFR acknowledges and agrees that damages may not be an adequate remedy for any breach by the other of the provisions of the Scheme and each of Adcock Ingram and CFR shall be entitled to seek the remedies of interdict, specific performance and other equitable relief (and neither Adcock Ingram nor CFR shall contest the appropriateness or availability thereof), for any threatened or actual breach of any such provision of the Scheme by the other of them and no proof of special damages shall be necessary for the enforcement by Adcock Ingram or CFR of the rights under the Scheme.
- 6.7.5 If any provision of this Scheme (other than a material provision of this Scheme) shall be held to be illegal, invalid or unenforceable, in whole or in part, under the law of any jurisdiction, the legality, validity or enforceability of such provision or part under the law of any other jurisdiction and the legality, validity and enforceability of the remainder of this Scheme shall not be affected.

6.8 Dissenting Shareholders

Adcock Ingram Ordinary Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act:

- 6.8.1 Should any Adcock Ingram Ordinary Shareholder wish to exercise its rights in terms of section 164 of the Companies Act, it must, before the relevant Scheme Resolution is voted on at the Ordinary General Meeting and/or the Combined General Meeting, give notice to Adcock Ingram in writing objecting to the Scheme in terms of section 164(3) of the Companies Act.
- 6.8.2 If the Scheme Resolutions are approved at the Relevant General Meetings, Adcock Ingram is required in terms of section 164(4) of the Companies Act, within 10 Business Days after the date of such approval, to send notice to Adcock Ingram Ordinary Shareholders who gave notice to Adcock Ingram objecting to the Scheme and did not withdraw such written notice or vote in support of Scheme, notifying them that the Scheme has been approved.
- 6.8.3 Each Adcock Ingram Ordinary Shareholder who has given written notice to Adcock Ingram in terms of section 164(1) of the Companies Act (and has not withdrawn that notice), who voted against the Scheme and who has complied with all the procedural requirements set out in section 164, may, in terms of sections 164(5) to 164(8) of the Companies Act, within 20 Business Days of receiving notice from Adcock Ingram in terms of section 164(4) of the Companies Act, demand that Adcock Ingram pay it fair value for the Adcock Ingram Ordinary Shares held by that Adcock Ingram Ordinary Shareholder and in respect of which it has given the aforesaid written notice.
- 6.8.4 If Adcock Ingram receives a written demand in terms of sections 164(5) to 164(8) of the Companies Act from any Adcock Ingram Ordinary Shareholder and such demand is not withdrawn on the Scheme Implementation Date, Adcock Ingram shall, in accordance with section 164(11) of the Companies Act, within five Business Days of the Scheme Implementation Date, make an offer to that Adcock Ingram Ordinary Shareholder to purchase its Adcock Ingram Ordinary Shares.
- 6.8.5 A Dissenting Shareholder who has sent a demand in terms of sections 164(5) to 164(8) may withdraw the demand before Adcock Ingram makes an offer in accordance with section 164(11) of the Companies Act or if Adcock Ingram fails to make such an offer. If a Dissenting Shareholder voluntarily withdraws its demand made in terms of sections 164(5) to 164(8) of the Companies Act, it will no longer be a Dissenting Shareholder and will become a Scheme Participant if it withdraws its demand before the Scheme Record Date, in which case the Adcock Ingram Ordinary Shares in respect of which it is the registered owner will be acquired by CFR Inversiones in terms of the Scheme, or be deemed to be a Scheme Participant if it withdraws its demand on or after the Scheme Record Date, in which case the Adcock Ingram Ordinary Shares in respect of which it is the registered owner will be acquired by CFR Inversiones in accordance with paragraph 6.5.5 or 6.5.7 above with retrospective effect from the Scheme Implementation Date.
- 6.8.6 A Dissenting Shareholder who has sent a demand in terms of sections 164(5) to 164(8) has no further rights in relation to Adcock Ingram Ordinary Shares in respect of which it is the registered owner, other than to be paid the fair value of such Adcock Ingram Ordinary Shares, unless:
 - 6.8.6.1 that Dissenting Shareholder withdraws that demand before Adcock Ingram makes an offer in accordance with section 164(11) of the Companies Act;
 - 6.8.6.2 Adcock Ingram fails to make an offer in accordance with section 164(11) of the Companies Act and that Dissenting Shareholder withdraws its demand;
 - 6.8.6.3 Adcock Ingram makes an offer in accordance with section 164(11) of the Companies Act and the Dissenting Shareholder allows such offer to lapse; or
 - 6.8.6.4 Adcock Ingram, by a subsequent special resolution(s), revokes the Scheme Resolution(s),

in which case that Adcock Ingram Ordinary Shareholder's rights shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption.

- 6.8.7 The offer made in accordance with section 164(11) of the Companies Act will, in terms of section 164(12)(b) of the Companies Act, lapse if it is not accepted by the Dissenting Shareholder within 30 Business Days after it was made. If the Dissenting Shareholder allows that offer to lapse, it will cease to be a Dissenting Shareholder and will, be deemed to be a Scheme Participant whose Adcock Ingram Ordinary Shares will be acquired by CFR Inversiones, in accordance with paragraph 6.5.5 or paragraph 6.5.7 above, with retrospective effect from the Scheme Implementation Date.
- 6.8.8 A Dissenting Shareholder who accepts an offer made in terms of section 164(11) of the Companies Act will not participate in the Scheme. The Dissenting Shareholder must thereafter, if it: (i) holds Certificated Shares tender the documents of title in respect of such Certificated Shares to Adcock Ingram or the Transfer Secretaries or (ii) holds Dematerialised Shares, instruct its CSDP or broker to transfer those Adcock Ingram Ordinary Shares to Adcock Ingram or the Transfer Secretaries. Adcock Ingram must pay that Dissenting Shareholder the agreed amount within 10 Business Days after the Dissenting Shareholder has accepted the offer and tendered the documents of title or directed the transfer to Adcock Ingram of the Dematerialised Shares.
- 6.8.9 A Dissenting Shareholder who considers the offer made by Adcock Ingram in accordance with section 164(11) of the Companies Act to be inadequate, may, in accordance with section 164(14) of the Companies Act, apply to Court to determine a fair value in respect of the Adcock Ingram Ordinary Shares that were the subject of that demand, and an order requiring Adcock Ingram to pay the Dissenting Shareholder the fair value so determined. The Court will, in accordance with section 164(15)(v) of the Companies Act, be obliged to make an order requiring:
- 6.8.9.1 the Dissenting Shareholders to either withdraw their respective demands or to tender their Adcock Ingram Ordinary Shares as contemplated in paragraph 6.8.8; and
- 6.8.9.2 Adcock Ingram to pay the fair value in respect of the Adcock Ingram Ordinary Shares (as determined by the Court) to each Dissenting Shareholder who tenders its Adcock Ingram Ordinary Shares, subject to any conditions the Court consider necessary to ensure that Adcock Ingram fulfills its obligations under section 164 of the Companies Act.
- 6.8.10 If, pursuant to any order of the court, any Dissenting Shareholder withdraws its demand, the Dissenting Shareholder will cease to be a Dissenting Shareholder and will be deemed to be a Scheme Participant whose Adcock Ingram Ordinary Shares will be transferred to CFR Inversiones, in accordance with paragraphs 6.5.5 or 6.5.7 above, with retrospective effect from the Scheme Implementation Date.
- 6.8.11 If, pursuant to the order of court, a Dissenting Shareholder tenders its Adcock Ingram Ordinary Shares to Adcock Ingram, such Dissenting Shareholder will not participate in the Scheme.
- 6.8.12 A copy of section 164 of the Companies Act, which sets out the Appraisal Rights is included in Annexure 13 to this Circular.

6.9 **Governing law and jurisdiction**

The Scheme is governed by the laws of South Africa (excluding the conflicts of laws rules of that jurisdiction to the extent such rules indicate the application of the laws of any other country) and is subject to applicable South African laws and regulations, including the Companies Act, the Takeover Regulations and the Listings Requirements. Each of CFR and Adcock Ingram consents (and each Adcock Ingram Shareholder shall be deemed to have irrevocably submitted) to the non-exclusive jurisdiction of the South Gauteng High Court, Johannesburg in relation to the Scheme.

6.10 **General**

- 6.10.1 Subject to the prior written consent of CFR, and subject to the approvals of the TRP and the JSE to the extent necessary, the Adcock Ingram Board may consent to any amendment, variation or modification of the Scheme.

- 6.10.2 Upon the Scheme being implemented, the existing documents of title relating to the Scheme Shares held by any Scheme Participants will cease to be of any value, other than for the purposes of surrender in terms of the Scheme, and no certificates or deeds of transfer will be issued by Adcock Ingram in place thereof.
- 6.10.3 Adcock Ingram will be entitled, and will have the authority, *in rem suam*, on behalf of each Scheme Participant, to authorise any person nominated by Adcock Ingram to sign all documents and do all such things required to carry the Scheme into effect.
- 6.10.4 All times and dates relating to the Scheme are subject to change by agreement between Adcock Ingram and CFR, with the approvals of the TRP and JSE to the extent necessary. Any such change will be released on SENS and published in the South African press as soon as reasonably possible thereafter.

7. LIQUIDATED DAMAGES

- 7.1 In terms of clause 24 of the TIA, if CFR should terminate the TIA prior to Scheme Finalisation Date in certain circumstances (see paragraph 7.2 below) then, without prejudice to CFR's other rights at law, Adcock Ingram shall pay CFR on demand an amount of R50 000 000 as a pre-estimate of liquidated damages suffered by CFR by reason of the breach or action giving rise to the termination of the TIA ("Company Breach"). Adcock Ingram and CFR have agreed that R50 000 000 is the maximum aggregate amount payable by Adcock Ingram to CFR pursuant to a Company Breach.
- 7.2 The circumstances in which a termination by CFR will entitle CFR to claim the liquidated damages referred to in paragraph 7.1 above are where CFR terminates the TIA pursuant to:
 - 7.2.1 a breach by Adcock Ingram of its obligations under clause 8.1.2.1, 8.1.2.2 or 8.1.2.4 of the TIA (which, in summary, oblige Adcock Ingram, *inter alia*, to publish and post the requisite documents and information as may be required and approved by the TRP and JSE from time to time in connection with the Scheme, to convene the General Meetings and reconvene same if required);
 - 7.2.2 a breach by Adcock Ingram of its obligations under clause 18.1 of the TIA (which, in summary, are set out in paragraph 12.1.1 below);
 - 7.2.3 Adcock Ingram commits a material breach of certain other provisions of the TIA and, if such breach is capable of remedy, fails to remedy such breach within 10 Business Days; and
 - 7.2.4 Adcock Ingram commits a breach of the undertaking referred to in paragraph 6.6.3.
- 7.3 Adcock Ingram shall be entitled to claim liquidated damages from CFR in an amount of R50 000 000 in similar circumstances, in terms of clause 24 of the TIA.
- 7.4 The amount of R50 000 000 represents less than 0.4% of the aggregate value of the Transaction.

8. COMPETITION APPROVALS

The Scheme has been notified to the Competition Authorities in South Africa, Botswana, COMESA, Kenya, Namibia and Swaziland in terms of the merger control laws of those jurisdictions, and is subject to approvals being granted by the competition authorities in those jurisdictions.

Under Chilean competition rules and regulations, the Fiscalía Nacional Económica ("FNE"), the Chilean governmental agency in charge of supervising compliance with Chilean antitrust laws, in the ordinary course may (and as a standard practice usually does) conduct an investigation into whether a specific M&A transaction that it becomes aware of may have any anti-competitive effects in Chile. Although any such investigation does not prevent implementation of the transaction, if the FNE in the course of its investigation discovers valid reasons to do so, it could request the Tribunal de Defensa de la Libre Competencia ("TDLC"), the Chilean special court for anti-trust matters, to issue an order prohibiting implementation of the transaction until the investigation has been completed. Although mandatory pre-merger approval is not legally required in Chile, there is a process by which, among others, the FNE may request the TDLC to review and initiate a pre-merger approval process, which in practice would result in the TDLC immediately suspending the transaction until the court issues a judgment on the business combination.

On 12 July 2013 the FNE initiated an investigation into whether the Transaction may have any anti-competitive effects in Chile. Such an investigation is still pending as at the Last Practicable Date.

Adcock Ingram has no presence or operations in Chile, and conducts no business in Chile. Accordingly, the risk of the FNE requesting the TDLC to issue an order preventing implementation of the Transaction, or the FNE requesting the TDLC to initiate a pre-merger approval process in relation to the Transaction, is considered remote.

9. **ARRANGEMENTS WITH BEE SHAREHOLDERS AND OPTION ARRANGEMENTS**

BEE Shareholders

South African law provides for a system of broad-based black economic empowerment, which is a central part of the South African Government's transformation strategy. CFR is aware of the importance for Adcock Ingram's ability to operate successfully in South Africa that it advances broad-based black economic empowerment.

CFR has entered into an agreement with each of Blue Falcon, the holder of all the issued Adcock Ingram "A" Ordinary Shares, and the Bophelo Trust, the holder of all the issued Adcock Ingram "B" Ordinary Shares. Blue Falcon is the vehicle through which Adcock Ingram's strategic empowerment shareholders hold their interest in Adcock Ingram. Blue Falcon's shareholders are Kagiso Strategic Investments III Proprietary Limited, the Mookodi Pharma Trust and the Kurisani Youth Development Trust. The beneficiaries of the Bophelo Trust are the BEE staff members of Adcock Ingram.

Blue Falcon holds 1 883 000 Adcock Ingram Ordinary Shares and 19 458 196 Adcock Ingram "A" Ordinary Shares. Blue Falcon will dispose of its Adcock Ingram Ordinary Shares pursuant to the Scheme.

The Bophelo Trust holds 688 000 Adcock Ingram Ordinary Shares and 6 486 065 Adcock Ingram "B" Ordinary Shares. The Bophelo Trust will dispose of its Adcock Ingram Ordinary Shares pursuant to the Scheme.

Upon and after the implementation of the Scheme, Blue Falcon and the Bophelo Trust will remain invested in the Adcock Ingram "A" Ordinary Shares and the Adcock Ingram "B" Ordinary Shares, respectively, which shares equate to approximately 13% of the issued Adcock Ingram Shares.

The TRP has, in terms of a letter, dated 15 October 2013, granted an exemption to CFR from complying with the provisions of section 125(2)(b) of the Companies Act and the relevant regulations in light of the separate consensual arrangements which have been entered into between CFR and the Adcock Ingram "A" Ordinary Shareholders, and between CFR and the Adcock Ingram "B" Ordinary Shareholders ("the TRP Exemption Letter"). The letter from the TRP granting this exemption will be made available for inspection from the date of posting of this Circular.

Phantom Scheme

As required by the Takeover Regulations, holders of Phantom Options will receive an offer concurrently with the Scheme in terms of which:

- each holder of Phantom Options may waive its rights under the Phantom Scheme (to the extent such rights are in existence as at the Scheme Implementation Date) and agree to the cancellation of his Phantom Options; and
- on the Scheme Implementation Date each holder of a Phantom Option, who has provided the waiver contemplated above, shall receive, in respect of each In The Money Option which it holds on that date, an amount in cash equal to R73.51 less the grant price of the relevant In The Money Option.

As at the Last Practicable Date, there were 3 868 514 Phantom Options outstanding, all of which are In The Money Options, resulting in a potential aggregate payment to holders of Phantom Options of under the Phantom Scheme Offer of up to R82.3 million.

The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and regulation 90 of the Companies Regulations in relation to the Scheme and incorporating the Phantom Scheme Offer is provided in Annexure 1.

Share Option Scheme

The Share Option Scheme, introduced by Adcock Ingram in 2008, is a long-term share incentive scheme (a legacy of the unbundling of Adcock Ingram from the Tiger Brands group) in favour of certain executives and employees in the Adcock Ingram Group.

The Share Option Scheme effectively provides that if the Scheme is proposed, each participant in the Share Option Scheme will be entitled to exercise all his options under the Share Option Scheme and implement the resulting sale within a specified period. Adcock intends to provide the relevant notification in sufficient time for the participants in the Share Option Scheme to participate in the Scheme in respect of the shares forming the subject matter of the options. The Share Option Scheme provides that the options will lapse if not exercised or if the resultant sale is not implemented within that specified period.

10. CFR CONTROLLING SHAREHOLDERS' UNDERTAKINGS

10.1 Each of the CFR Controlling Shareholders has given certain undertakings in terms of a document entitled "Controller Shareholder Undertaking", including the following:

10.1.1 to perform all acts and take such other steps as are necessary and within its power to implement the Transaction under the terms and subject to the conditions of the TIA, in its capacity as shareholder of CFR;

10.1.2 to refrain from performing any act or taking any other steps within its power which frustrates the implementation of the Transaction; and

10.1.3 for so long as: (i) such CFR Controlling Shareholder falls within the definition of "controller" or "member of the controller" of CFR (as such terms are defined under the securities exchange laws of Chile); (ii) all the CFR Controlling Shareholders together hold the majority of CFR's issued shares and (iii) CFR's shareholders on its South African sub-register hold 15% or more of CFR's issued shares ("South African Shareholders"), the undertakings in paragraph 11.3.2.

10.2 The undertakings in the document referred to above and set out in paragraphs 10.1.1, 10.1.2 and 10.1.3 are given in favour of Adcock Ingram, and the undertaking in paragraph 10.1.3 is given in favour of the South African Shareholders with effect from the Scheme Implementation Date and subject to certain qualifications, restrictions and limitations. Adcock Ingram may not enforce the undertakings in paragraphs 10.1.1, 10.1.2 and 10.1.3 after 30 April 2014, and the South African Shareholders may not enforce the undertaking in paragraph 10.1.3 after 30 June 2014.

11. GOVERNANCE AND MANAGEMENT

Annexure 16 hereto provides a brief overview of the legal and regulatory environment in Chile as well as a summary of rights and protections afforded to investors and minority shareholders under Chilean law. The contents of that Annexure does not purport to constitute personal legal advice or to comprehensively deal with the legal or regulatory implications of the holding of CFR Shares for each Scheme Participant. Adcock Ingram Shareholders are advised to consult their relevant professional advisers about their personal legal, regulatory and tax positions regarding the holding of CFR Shares.

11.1 Governance of companies in Chile

11.1.1 In terms of Chilean law, a public listed company meeting a certain level of market net worth and where at least 12.5% of its voting stock is in the hands of shareholders that individually control or hold less than 10% of such voting stock (as is the case with CFR) has two governance organs, the board of directors and the directors' committee, the latter being a sub-committee of the board comprising three board members.

11.1.2 The CFR Board comprises seven directors, one of whom is required to be independent. Persons are deemed not to be independent if they have: (i) had a commercial, professional, economic or financial interest, of a material nature, in the company or other companies of the same group, or its controller, or who have served as directors, officers or managers of the same entities; (ii) certain degrees of kinship with the persons mentioned in (i); (iii) served as directors, managers or the main officer of non-for-profit organizations which have received contributions, of a material nature, from any of the persons referred to in (i); (iv) been partners, shareholders or controllers of more than 10% of, or served as directors,

managers or the main officer of, legal or consultancy providers to the company which received fees, of a material nature, from any of the persons mentioned in (j) and (v) been partners, shareholders or controllers of more than 10% of, or have served as directors, managers or the main officer of significant competitors, suppliers or customers of the company, in each case in the past 18 months.

- 11.1.3 The directors' committee must be composed of three directors.
- 11.1.4 The administration of a company under Chilean law is vested in the board of directors, save that certain decisions may also have to be approved by the directors' committee or by shareholders.
- 11.1.5 The CFR Board as a whole (and not individual directors) may be removed by shareholders by way of an ordinary resolution.
- 11.1.6 CFR's by-laws provide that CFR directors remain in office for three years unless the CFR Board is removed at a CFR shareholders' meeting. CFR directors may be indefinitely re-elected.

11.2 **Rights to board representation upon implementation of the Scheme**

Default position in terms of Chilean law and CFR's by-laws

- 11.2.1 In the election of directors to the CFR Board, shareholders may vote each CFR share they hold in respect of one nominee only, although they can distribute their votes among different nominees. Nominees with the seven highest number of votes will therefore be appointed to the CFR Board, save that the independent director with the highest number of votes will be appointed even if he does not rank amongst the directors with the highest number of votes. Accordingly, upon implementation of the Scheme, the CFR Controlling Shareholders will have the power unilaterally to appoint four of the seven directors to the CFR Board, and depending on shareholder attendance, may be able to appoint more than four directors. The other CFR shareholders will have the power, if they elect to do so, to nominate and appoint the balance of the directors to the CFR Board.
- 11.2.2 The independent director is the president of the directors' committee and he appoints the other members of the directors' committee unless an additional independent director is appointed to the CFR Board in which case such other independent director automatically becomes a member of the directors' committee. The chairman of the CFR Board may not serve on the directors' committee unless he is also an independent director.

11.3 **Undertakings**

- 11.3.1 Over and above the default position in paragraphs 11.2.1 and 11.2.2 above:
 - 11.3.1.1 CFR intends to hold one or more CFR Board meetings in each year in South Africa;
 - 11.3.1.2 CFR has undertaken to procure that a person who is a South African resident and who has knowledge of and expertise in the South African pharmaceuticals industry will be appointed on the Scheme Implementation Date or as soon as possible thereafter, to serve as a second independent director of CFR (and, consequently, on CFR's directors' committee) on an interim basis until CFR's next shareholders' meeting at which the appointment of the entire CFR Board of directors is required in terms of CFR's by-laws and Chilean law (expected to take place in April 2014); and
 - 11.3.1.3 CFR has undertaken to procure the submission to the vote of CFR shareholders, at CFR's next shareholders' meeting at which the appointment of CFR directors is required in terms of CFR's by-laws and Chilean law (expected to take place in April 2014), a list of seven CFR Board nominees. Included among that list will be a person who would qualify as an independent director of CFR under Chilean corporations law who is a South African resident and has knowledge of and expertise in the South African pharmaceuticals industry and at least one other person who would qualify as an independent director of CFR under Chilean corporations law.

- 11.3.2 The CFR Controlling Shareholders have, in turn, undertaken to procure that the CFR Board gives effect to the undertakings in paragraph 11.3.1.3, to use their best endeavours to give effect to paragraph 11.3.1.2 (provided that such Controlling Shareholders will not be obliged to convene an extraordinary shareholders' meeting to reconstitute the Board of CFR) and to vote in favour of the list of nominees proposed by CFR as contemplated in paragraph 11.3.1.3 (subject to certain qualifications designed to ensure that the CFR Controlling Shareholders do not lose their ability to appoint the majority of the CFR Board, referred to in paragraph 10.1.3).
- 11.3.3 As Adcock Ingram will be an indirect subsidiary of CFR from the Scheme Implementation Date, CFR intends to re-constitute the Adcock Ingram Board on or after that date.
- 11.3.4 CFR intends to retain Adcock Ingram's existing senior management and that Adcock Ingram's CEO shall continue to manage Adcock Ingram's and its Group Companies' operations for Africa. Adcock Ingram's current CEO shall report to the current CEO of CFR and each of Adcock Ingram's senior executives will be offered a new employment contract and incentives. These contracts and incentives will be similar to the employment contracts of and incentives provided to CFR's current senior executives. CFR intends to maintain Adcock Ingram's legacy and track record in relation to labour relations.

12. SPECIFIC UNDERTAKINGS

12.1 Undertakings by Adcock Ingram

- 12.1.1 Adcock Ingram has undertaken in the TIA, *inter alia*, that, subject to compliance by Adcock Ingram with applicable law and regulation (including the proper discharge by the Adcock Ingram Board of its fiduciary duties and compliance with the Companies Act, the Companies Regulations and the Listings Requirements), during the Exclusivity Period, Adcock Ingram shall (and Adcock Ingram shall procure that all of its Group Companies shall):
- 12.1.1.1 negotiate on an exclusive basis with CFR, and refrain from entering into any talks, discussions, negotiations and other communications ("Discussions"), agreement or arrangement relating to, or which might reasonably be expected to lead to, a Competing Proposal; provided that, notwithstanding anything to the contrary in the TIA or any other agreement to which Adcock Ingram and CFR are or may become parties, Adcock Ingram shall be entitled to enter into Discussions, and conclude related agreements and/or arrangements and propose same to Shareholders during the Exclusivity Period in relation to a Competing Proposal which the Adcock Ingram Board, acting reasonably and in good faith, considers more favourable than the Transaction, and subject to a right in favour of CFR to match any such Competing Proposal;
 - 12.1.1.2 refrain from soliciting, encouraging or initiating any Discussions, agreement or arrangement relating to, or which might reasonably be expected to lead to, a Competing Proposal, provided that, notwithstanding anything to the contrary in the TIA or any other agreement to which Adcock Ingram and CFR are or may become parties, Adcock Ingram shall be entitled to solicit, encourage or initiate Discussions, agreement or arrangements and propose same to Shareholders relating to, or which might reasonably be expected to lead to a Competing Proposal during the Exclusivity Period if the Adcock Ingram Board, acting reasonably and in good faith, consider the Competing Proposal to be more favourable than the Transaction;
 - 12.1.1.3 conduct their operations in the ordinary course, and, without limitation, shall not, without the consent of CFR, undertake or agree to undertake any acquisition or disposal in excess of R50 000 000 of which CFR is not already aware as of the signature date of the TIA;
 - 12.1.1.4 not dispose of any Treasury Shares;
 - 12.1.1.5 other than as contemplated by the TIA, not issue any:
 - 12.1.1.5.1 securities of Adcock Ingram to any person; or

- 12.1.1.5.2 securities of any Group Company of Adcock Ingram to any person (other than any issue of such securities to Adcock Ingram or to any Group Company of Adcock Ingram); or
- 12.1.1.5.3 options in respect of any securities of Adcock Ingram or any Group Company of Adcock Ingram to any person;
- 12.1.1.6 refrain from engaging in any action contemplated in section 126 of the Companies Act without CFR's prior written consent.

12.2 Undertakings by CFR

12.2.1 CFR has undertaken in the TIA, subject to compliance by CFR with applicable law (including the proper discharge by the directors of CFR of their fiduciary duties and compliance with the applicable company laws of Chile), *inter alia* that, during the Exclusivity Period, CFR shall (and CFR shall procure that all of its Group Companies shall):

- 12.2.1.1 conduct their operations in the ordinary course, and, without limitation, shall not, without the consent of Adcock Ingram, undertake or agree to undertake any acquisition or disposal in excess of US\$120 000 000 where, in the case of an acquisition, the target's Consolidated Total Leverage for the most recent four fiscal quarter period ended prior to such acquisition is more than 2.00:1.00;
- 12.2.1.2 not propose any resolution for the amendment of its by-laws (other than any amendment necessary to give effect to any of the matters contemplated in the TIA), except to the extent the law requires otherwise;
- 12.2.1.3 unless required by applicable law or regulation:
 - 12.2.1.3.1 not change the functions performed by the directors' committee which as at the date of signature of the TIA are those set out in Article 50 *bis* of the Chilean Corporations Law, namely to:
 - 12.2.1.3.1.1 examine the report prepared by the account inspectors and external auditors;
 - 12.2.1.3.1.2 propose external auditors and private risk ratings agents;
 - 12.2.1.3.1.3 examine background information in connection with related party transactions;
 - 12.2.1.3.1.4 examine manager and top executive compensation systems and plans; and
 - 12.2.1.3.1.5 examine the other matters indicated in that Article 50 *bis*;
 - 12.2.1.3.2 not change the composition of the directors committee (other than by reason of death, resignation, incapacity);
 - 12.2.1.3.3 not amend CFR's corporate governance code and the related policy on related party transactions;
 - 12.2.1.3.4 not dispose of any treasury shares it holds;
- 12.2.1.4 other than as contemplated by the TIA, not issue any:
 - 12.2.1.4.1 securities of CFR to any person; or
 - 12.2.1.4.2 securities of any Group Company of CFR to any person (other than any issue of such securities to CFR or to any Group Company of CFR); or
 - 12.2.1.4.3 options in respect of any securities of CFR or any Group Company of CFR to any person.

12.3 Small Pre-emptive Rights Offer

Notwithstanding anything to the contrary contained in this Circular, CFR shall be entitled at any time after the 30 day pre-emptive rights period prescribed under Chilean law in connection with the Pre-emptive Offer has expired to:

12.3.1 make another pre-emptive offer (“Small Pre-emptive Offer”) to its shareholders of up to 353 773 740 CFR Shares (being the difference between the 3 000 000 000 CFR Shares created in terms of the Capital Increase and the 2 646 226 260 CFR Shares offered in terms of the Pre-emptive Offer) at the same or higher price as the price under the Pre-emptive Offer, and otherwise substantially on the same terms and conditions as the terms and conditions under the Pre-emptive Offer; and

12.3.2 issue such CFR Shares which become available after the conclusion of the Small Pre-emptive Offer to any person,

provided that: (i) the CFR Shares issued pursuant to paragraph 12.3.1 or 12.3.2 shall not be offered at a price per CFR Share less than the Chilean Peso equivalent of R2.334 determined in accordance with the provisions of note 12 on page 31; and (ii) CFR’s shareholders on its South African sub-register would hold 15% or more of CFR’s issued shares immediately after the completion of the Small Pre-emptive Offer and implementation of the Scheme.

13. PRODUCT TRANSFER/MANUFACTURING

CFR intends initially to maintain overall manufacturing levels of facilities operated by Adcock Ingram and any of its Group Companies within South Africa, and then to transfer the production of a number of products, including those identified in Annexure 17, to Adcock Ingram facilities within South Africa as soon as possible after the Scheme Implementation Date, so as to increase such manufacturing levels.

14. EMPLOYEES

CFR has undertaken not to retrench any employees of Adcock Ingram or any Group Company of Adcock Ingram in South Africa for at least 12 months after the Scheme Implementation Date.

CFR has stated to the South African Competition Commission that the Transaction will not have any adverse effect on employment in South Africa and that no retrenchments will occur in South Africa as a consequence of the Transaction.

15. CERTIFICATED SHAREHOLDERS AND ISSUER INITIATED DEMATERIALIZED ACCOUNTS

As stated above, to the extent that Certificated Scheme Participants are entitled to receive the Share Consideration, they will have such consideration credited to an issuer initiated dematerialised account maintained by the Transfer Secretaries or another entity in South Africa appointed by CFR (“Relevant Person”). Going forward, such Scheme Participant may instruct the Relevant Person regarding the voting of its interest in CFR Shares. Such a Scheme Participant is entitled to dividends but is not entitled to trade its beneficial interests in its CFR Shares unless and until it has opened an account with a CSDP or Broker. Unless and until it has opened an account with a CSDP or Broker, it does not have to pay custody charges. For further information, please contact the Transfer Secretaries.

16. IMPLICATIONS OF RECEIVING, HOLDING AND TRADING IN CFR SHARES

The attention of Scheme Participants is drawn to the provisions of Annexure 10 which sets out the tax implications of the Scheme for Scheme Participants who are residents of South Africa for tax purposes.

As regards the ongoing tax and Exchange Control implications, as well as the administrative and practical implications, of the holding of and trading in CFR Shares after implementation of the Scheme, Scheme Participants are referred to paragraphs 1 to 3 (both inclusive) of Section 4 of the Prospectus.

17. ADCOCK INGRAM’S SUSPENSION AND TERMINATION OF LISTING

Application will be made to the JSE, subject to the Scheme becoming unconditional in accordance with its terms, for the suspension and subsequent termination of the listing on the Main Board of the JSE of the Adcock Ingram Ordinary Shares.

18. CFR’S LISTING ON THE JSE

The JSE has approved the application for the Secondary Listing, subject to the implementation of the Scheme. Upon listing of the CFR Shares on the JSE and pursuant to the Scheme, the CFR Shares will be

regarded as inward listed shares in terms of the provisions of Section H of the Exchange Control Rulings, which provisions will apply to the acquisition of CFR Shares by South African residents.

19. THIRD PARTY APPROACHES

Subsequent to the receipt by Adcock Ingram of an unsolicited proposal from The Bidvest Group Limited in March 2013, Adcock Ingram received a number of proposals from potential offerors (including CFR), each of which contemplated a scheme of arrangement and therefore required the co-operation of the Adcock Ingram Board.

With the exception of the offer by CFR constituted by the TIA, none of these proposals constituted an "offer" or a "firm intention to make an offer", as contemplated in Chapter 5 of the Companies Act and the Companies Regulations. The Independent Board confirms that it has not received any proposal that it regards as being more favourable than the proposal received from CFR, which proposal forms the basis for the Scheme.

20. IRREVOCABLE UNDERTAKINGS

CFR has received significant support for the Transaction from Adcock Ingram's Ordinary Shareholders. Adcock Ingram Ordinary Shareholders representing approximately 36.8% of the Adcock Ingram Ordinary Shares have pledged support for the Scheme by providing either irrevocable commitments to vote or letters of support in relation to the Scheme.

As at the date of this Circular, the following Adcock Ingram Ordinary Shareholders representing approximately 29.3% of the Adcock Ingram Ordinary Shares eligible to vote at a general meeting of the Adcock Ingram Shareholders have irrevocably undertaken to vote in favour of the Scheme Resolutions:

Adcock Ingram Shareholder	Adcock Ingram Shares held	Percentage of Adcock Ingram Ordinary Shares eligible to vote
Visio Capital Management (Pty) Ltd and Mazi Visio Manco (Pty) Ltd	15 000 000	8.8
Sanlam Investment Management (Pty) Ltd	5 520 000	3.2
ABSA Asset Management (Pty) Ltd	8 483 933	5.0
Stanlib Asset Management Ltd	6 193 195	3.6
Tiger Brands Black Management Trust 1 and Thusani Empowerment Investment Holdings (Pty) Ltd	5 827 301	3.4
Afena Capital	3 416 674	2.0
36One Asset Management (Pty) Ltd	3 100 000	1.8
Blue Falcon – Adcock Ingram Ordinary Shares*	1 883 000	1.1
Bophelo Trust – Adcock Ingram Ordinary Shares*	688 000	0.4
Total	50 112 103	29.3

**The Adcock Ingram "A" Ordinary Shareholder and the Adcock Ingram "B" Ordinary Shareholder will be required by CFR, pursuant to the "A" Ordinary Agreement and the "B" Ordinary Agreement respectively, not to vote their A Ordinary Shares and B Ordinary Shares respectively, at the Combined General Meeting.*

In addition to the above, a letter of support has been received from Prudential Portfolio Managers (South Africa) (Pty) Ltd, who represent approximately 7.5% of the Scheme Shares eligible to vote at a general meeting of the Adcock Ingram Shareholders.

To the best of Adcock Ingram's knowledge and belief, the details of trading in Adcock Ingram's Ordinary Shares during the period between the six months prior to the Offer Period and the Last Practicable Date by Adcock Ingram Shareholders who have provided irrevocable undertakings are set out in Annexure 21.

21. FUNDING AND CASH CONFIRMATION

Citibank has furnished guarantees in respect of the minimum Cash Consideration (i.e. 51.0%) as contemplated in Regulations 111(4) and 111(5) of the Takeover Regulations.

CFR International has entered into a bridge loan agreement (“Bridge Loan Agreement”) with the Banco Bilbao Vizcaya Argentaria, Chile, Banco Santander-Chile, Bancolombia (Panama) S.A., Bancolombia S.A. and Bank of America, N.A. for the purposes of satisfying a portion of the Cash Consideration and for settling the transaction costs in relation to the Scheme, the material terms of which are set out below.

The bridge loan in terms of the Bridge Loan Agreement is secured by guarantees from CFR and certain subsidiaries of CFR (including CFR Inversiones, Laboratorios Recalcine S.A., Farminindustria S.A., Lafranco S.A.S., Lafranco International S.A.S., Laboratorios Synthesis S.A.S. and Sunderlight Corp., and by Adcock Ingram (and certain subsidiaries of Adcock Ingram) immediately following the implementation of the Scheme), as well as by a pledge over the Adcock Ingram Ordinary Shares to be acquired by CFR Inversiones pursuant to the Scheme.

With respect to the Bridge Loan Agreement, the bridge loan amounts to USD600 000 000 (six hundred million United States Dollars). The interest rate for the bridge loan is Euro Dollar Rate plus an applicable margin. The applicable margin is staggered for the number of days after the closing and funding date under that Bridge Loan Agreement as follows: 0 – 90 days after the closing and funding date, it is 1.5%; 91 – 180 days after the closing and funding date, it is 3.5%; 181 – 270 days after the closing and funding date, it is 4%; and more than 271 days after the closing and funding date, it is 4.5%.

The bridge loan in terms of the Bridge Loan Agreement is payable in full on the earlier of the date falling:

- (a) sixteen months after the date on which the conditions precedent set forth in section 4.1 of the Bridge Loan Agreement are satisfied; and
- (b) twelve months after the date on which the conditions precedent set out in section 4.2 of the Bridge Loan Agreement are satisfied.

Following completion of the Capital Increase, CFR confirms that it shall have sufficient authorised and unissued CFR Shares available to fully satisfy the requirements of the Share Consideration.

Adcock Ingram and CFR, amongst other parties, have entered into an “Escrow and Flow of Funds Agreement” (“Escrow and Flow of Funds Agreement”) which provides, among other things, for the payment into escrow prior to Scheme Finalisation Date of the difference between the Maximum Cash Amount and the amount covered by the guarantees furnished by Citibank, as set out above.

22. INTERESTS OF CFR AND CFR DIRECTORS IN ADCOCK INGRAM SHARES

As at the Last Practicable Date, neither CFR, any CFR Group Company or any party acting in concert with them nor any of their directors held any, direct or indirect, beneficial interests in Adcock Ingram, nor did they have any dealings in Adcock Ingram Shares during the period beginning six months before the Offer Period and ending on the Last Practicable Date.

23. INTERESTS OF ADCOCK INGRAM AND ADCOCK INGRAM DIRECTORS IN CFR SHARES

As at the Last Practicable Date, neither Adcock Ingram, any Adcock Ingram Group Company nor any of their directors held any, direct or indirect, beneficial interests in CFR, nor did they have any dealings in CFR Shares during the period beginning six months before the Offer Period and ending on the Last Practicable Date.

24. INTERESTS OF ADCOCK INGRAM DIRECTORS IN ADCOCK INGRAM SHARES

24.1 As at the Last Practicable Date, the directors of Adcock Ingram held the following, direct and indirect, interests in Adcock Ingram Ordinary Shares:

Director	Direct beneficial	Indirect beneficial	Total	Percentage of Issued Share Capital
AG Hall	9 150	–	9 150	0.005
JJ Louw		39 300*	39 300	0.022

**These shares are subject to loans*

24.2 As at the Last Practicable Date, JJ Louw holds 19 100 Share Options. JJ Louw and AG Hall hold 841 402 and 472 075 Phantom Options, respectively.

25. INTERESTS IN CFR SHARES BY CFR DIRECTORS AND CFR CONTROLLING SHAREHOLDERS AND DEALINGS BY CFR DIRECTORS IN CFR SHARES

The direct, and indirect, interests of the CFR directors in CFR Shares are set out below:

Director	Direct beneficial	Indirect beneficial	Total	Percentage of Issued Share Capital
Juan Cruz Domingo Bilbao Hormaeche ⁽¹⁾	36 696 272	–	36 696 272	0.436
Guillermo Arturo Tagle Quiroz ⁽²⁾	–	176 530	176 530	0.002
Juan Antonio Guzmán Molinari ⁽³⁾	–	40 624	40 624	0.000
Alberto Eguiguren Correa ⁽⁴⁾	–	733 925	733 925	0.009

Notes:

- (1) During 2012, Yelcho Inmobiliaria S.A., related to the director Juan Cruz Bilbao Hormaeche, sold 28 189 597 shares in CFR.
(2) There have been no changes on the interests occurring between the end of the preceding financial year and the Last Practicable Date.
(3) There have been no changes on the interests occurring between the end of the preceding financial year and the Last Practicable Date.
(4) There have been no changes on the interests occurring between the end of the preceding financial year and the Last Practicable Date.
(5) Alejandro Esteban Weinstein Manieu holds 773 504 CFR Shares as at the Last Practicable Date.

The CFR Controlling Shareholders together own approximately 72.8% of the shares in CFR and are indirectly controlled by Alejandro Kostia Nicolas Weinstein Crenovich, Alejandro Esteban Weinstein Manieu and Nicolas Francisco Weinstein Manieu, members of the Weinstein family. Such control is exercised by CFR's CEO, Alejandro Esteban Weinstein Manieu, acting for the benefit of such named members of the Weinstein family.

The shares held by the CFR Controlling Shareholders are set out below:

Name of Shareholder	Number of Shares Owned	Percentage Share Ownership (%)
Inversiones Photon Limitada	4 455 553 218	52.9
Inversiones Quantum Limitada	1 170 391 322	13.9
Inversiones Quark Limitada	501 300 874	6.0
Total	6 127 245 414	72.8

As far as CFR is aware, on the assumption that 2 646 226 260 CFR Shares will be issued pursuant to the Capital Increase, and that the default Scheme Consideration will be paid, the only CFR Shareholders that will, directly or indirectly, hold 5% or more of the issued CFR Shares post-implementation of the Transaction are Inversiones Photon Limitada and Inversiones Quantum Limitada.

26. INTERESTS AND DEALINGS IN ADCOCK INGRAM ORDINARY SHARES AND CFR SHARES BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS

The details of trading in Adcock Ingram Ordinary Shares during the period beginning six months prior to the Offer Period and ending on the Last Practicable Date by Adcock Ingram Shareholders who have provided irrevocable undertakings to CFR are set out in Annexure 21.

None of the persons who have provided irrevocable undertakings to CFR have had any dealings in CFR Shares during the period beginning six months prior to the Offer Period and ending on the Last Practicable Date.

27. REMUNERATION OF ADCOCK INGRAM DIRECTORS

Subject to what is stated above at paragraph 11.3.4, the Adcock Ingram directors' emoluments will not be affected by the Scheme and the Secondary Listing.

28. ADCOCK INGRAM DIRECTORS' SERVICE CONTRACTS

28.1 Executive directors

Material particulars of service contracts with executive directors are as follows:

Executive directors	Position	2013 Retention bonus (R'000)	Notice period	Leave	Retirement age
JJ Louw	Chief Executive Officer	2 123	One month	32 days (equivalent to R520 000)	65
AG Hall	Deputy Chief Executive and Financial Director	1 714	One month	28 days (equivalent to R364 000)	65

28.2 Director remuneration

Executive directors	Basic salary (R'000)	Other benefits (R'000)	2013 Gross remuneration (R'000)	2012 Gross remuneration (R'000)
JJ Louw	3 587	658	4 246	3 949
AG Hall	2 896	531	3 427	3 188

28.3 Non-executive directors

Material particulars of service contracts with non-executive directors are as follows:

Non-executive directors	2013 Board Meeting Fees R	2013 Special Meeting Fees R	2013 Independent Meeting Fees R	2013 Total Fees R
KDK Mokhele	973 875	39 000	156 000	1 168 875
T Lesoli	266 898	39 000	–	305 898
CD Raphiri	309 637	26 000	–	335 637
LE Schonknecht	372 614	39 000	156 000	567 614
AM Thompson	480 595	26 000	156 000	662 595
E Diack	270 014	–	–	270 014
RI Stewart	540 028	39 000	117 000	696 028
PM Makwana	410 030	39 000	104 000	553 030
M Haus	328 558	39 000	130 000	497 558
	3 952 249	286 000	819 000	5 057 249

29. OTHER SERVICE CONTRACTS AND RETENTION AGREEMENTS

Adcock Ingram's policy is to employ each executive director, senior manager and employee in a critical position under a service contract which may be terminated by the employee on one or two months' notice. All other employees may terminate their employment on a 30-days' notice.

No service contracts have been entered into or amended within six months before the commencement of the Offer Period other than in the ordinary course of business and on arm's length terms.

As part of the Adcock Ingram Group's strategy to retain employees considered critical to operations, the Adcock Ingram Group selectively, under exceptional circumstances, enters into agreements in terms of which retention payments are made. Retention payments must be repaid if the individual concerned leaves within the stipulated period.

30. BAXTER

Subject to the implementation of the Scheme, the existing agreements with Baxter will be amended and a new agreement will come into effect, pursuant to which (i) certain products are excluded from the existing agreements with Baxter; (ii) Baxter is granted a call option to purchase Adcock Ingram Critical Care (Proprietary) Limited either: (a) in the 2017 calendar year or (b) at any time up to the termination of

the existing agreements with Baxter in 2023 pursuant to a change in control of CFR (“Baxter Call Option Agreement”).

Baxter has signed a waiver letter (“Baxter Waiver Letter”) which contains an undertaking by Baxter to not exercise its termination rights in respect of the existing agreements with Adcock Ingram Critical Care Proprietary Limited upon implementation of the Transaction, subject to signature of the various agreements and addenda by Adcock Ingram within seven Business Days after the Scheme Implementation Date. Baxter has undertaken to negotiate exclusively with CFR in relation to the foregoing matters for a period ending on the earliest of 24 February 2014 and the termination of exclusive negotiations between Adcock Ingram and CFR in relation to the offer contemplated herein, the withdrawal or failure of the Scheme for any other reason.

31. **STATEMENT WITH RESPECT TO AGREEMENTS BETWEEN ADCOCK INGRAM AND CFR AND OTHERS**

In order to regulate the implementation of the Scheme, and the proposals made to the holders of the Adcock Ingram “A” Ordinary Shares, the Adcock Ingram “B” Ordinary Shares and the participants of each of the Phantom Scheme and the Share Option Scheme, CFR and Adcock Ingram entered into the Transaction Implementation Agreement which regulates, *inter alia*:

- the conditions precedent to the Scheme and certain support and implementation undertakings given by Adcock Ingram and CFR in relation to implementing the Scheme;
- customary undertakings given by Adcock Ingram to CFR and *vice versa* in relation to its activities and preservation of their respective businesses, up until the Scheme Implementation Date;
- representations and warranties by Adcock Ingram and CFR to each other; and
- termination of the Transaction Implementation Agreement.

Adcock Ingram has not entered into any other agreements with CFR (and any concert party) with regard to the Scheme and the proposals made to the holders of the Adcock Ingram “A” Ordinary Shares, the Adcock Ingram “B” Ordinary Shares and the participants of each of the Phantom Scheme and the Share Option Scheme, save for the following arrangements (and any other arrangements set out in this Circular):

- **BEE**

CFR and Adcock Ingram have entered into agreements with each of Blue Falcon and the Bophelo Trust for the retention by them of their “A” Ordinary Shares and “B” Ordinary Shares, respectively, for a period after the implementation of the Scheme. The shares which will be retained by them equate to approximately 13% of all of the issued Adcock Ingram Shares. Upon the expiry of the period in respect of which they are required to hold their “A” Ordinary Shares and “B” Ordinary Shares, they will dispose of such shares for CFR Shares, cash or a combination of both.

Each of Blue Falcon and the Bophelo Trust have undertaken to CFR to attend, or refrain from attending, and to vote in favour of, or abstain from exercising their voting rights on, the Scheme Resolutions at the General Meetings, as CFR may require. The Adcock Ingram “A” Ordinary Shareholder and the Adcock Ingram “B” Ordinary Shareholder will be required by CFR, pursuant to the “A” Ordinary Agreement and the “B” Ordinary Agreement respectively, not to vote their A Ordinary Shares and B Ordinary Shares respectively, at the Combined General Meeting.

In terms of the agreement with Blue Falcon, Blue Falcon is entitled to nominate two directors to the Adcock Ingram Board after the implementation of the Scheme.

- **Phantom Scheme**

An offer will be made to holders of Phantom Options concurrently with the Scheme in terms of which each holder of Phantom Options may waive its rights under the Phantom Scheme (to the extent such rights are in existence as at the Scheme Implementation Date) and agree to the cancellation of his Phantom Options. On the Scheme Implementation Date, each holder of a Phantom Option who has provided such a waiver shall receive, in respect of each In The Money Option which it holds on that date, an amount in cash equal to R73.51 less the grant price of the relevant In The Money Option.

- **Share Option Scheme**

Share Option Scheme participants will benefit from the accelerated exercise of their existing options in order to participate in the Scheme.

Save as disclosed in this Circular, Adcock Ingram has not entered into any agreements with any directors or equivalent of CFR, or persons who were directors or equivalent of CFR within the preceding 12 months, or with holders of CFR securities or a beneficial interest in CFR, or persons who were holders thereof or interested therein within the preceding 12 months.

Save as disclosed in this Circular, CFR (and any person acting in concert with CFR) has not entered into any agreements with any directors or equivalent of Adcock Ingram, or persons who were directors or equivalent of Adcock Ingram within the preceding 12 months, or with holders of Adcock Ingram securities or a beneficial interest in Adcock Ingram, or persons who were holders thereof or interested therein within the preceding 12 months.

32. FINANCIAL INFORMATION AND PRO FORMA FINANCIAL INFORMATION OF ADCOCK INGRAM AND CFR

32.1 Adcock Ingram

The authorised and issued shares of Adcock Ingram before and after the Scheme are as follows:

Before the Scheme	After the Scheme
Authorised Shares 250 000 000 ordinary shares with a par value of 10 cents each 19 458 196 automatically convertible "A" ordinary shares with a par value of 10 cents each 6 486 065 automatically convertible "B" ordinary shares with a par value of 10 cents each	Authorised Shares 250 000 000 ordinary shares of 10 cents each 19 458 196 automatically convertible "A" ordinary shares with a par value of 10 cents each 6 486 065 automatically convertible "B" ordinary shares with a par value of 10 cents each
Issued Shares 175 207 848 ordinary shares of 10 cents each (includes Treasury Shares)	Issued Shares 175 754 048* ordinary shares of 10 cents each (includes Treasury Shares)
Treasury Shares 4 285 163 ordinary shares of 10 cents each	Treasury Shares 4 285 163 ordinary shares of 10 cents each

* Includes the accelerated 546 200 options under the Share Option Scheme.

Historical financial information relating to Adcock Ingram, which includes extracts of the audited historical financial information for Adcock Ingram for the three years ended 30 September 2012, 2011 and 2010 and reviewed financial results for the six-month period ended 31 March 2013, are set out in Annexure 2 to this Circular.

The share price history of Adcock Ingram Ordinary Shares on the JSE is set out in Annexure 14 of this Circular.

32.2 Pro forma financial information of Adcock Ingram

The *pro forma* balance sheet and *pro forma* income statement of Adcock Ingram based on the six month results of Adcock Ingram to 31 March 2013 and *pro forma* financial effects of the Scheme on an Adcock Ingram Ordinary Shareholder, are included in Annexure 4 to this Circular.

32.3 CFR

Historical financial information relating to CFR, which includes extracts of the audited historical financial information of CFR for the three financial years ended 31 December 2012, 2011 and 2010 and the financial results for six-month period ended 30 June 2013 are set out in Annexure 8 to this Circular.

The share price history of CFR Shares on the Santiago Stock Exchange is set out in Annexure 15 to this Circular.

33. COSTS AND EXPENSES

33.1 Subject to paragraphs 33.2 and 33.3, each of Adcock Ingram and CFR shall bear and pay all costs incurred by it in connection with the Scheme.

33.2 Adcock Ingram and CFR shall bear and pay the following costs in equal shares:

33.2.1 all costs incurred in relation to any application(s) to court as contemplated in section 115(3) and/or 115(5) of the Companies Act;

33.2.2 all fees payable to the various competition/anti-trust authorities (including the Competition Authorities); and

33.2.3 all fees and/or costs payable to CFR's nominated legal counsel and any other of CFR's advisers (other than CFR's South African or Chilean legal counsel) in respect of the submission and preparation of the filings to the various competition/anti-trust authorities.

33.3 CFR shall be liable for any:

33.3.1 taxes payable in respect of the transfer of the Adcock Ingram Ordinary Shares from the Scheme Participants to CFR Inversiones pursuant to the Scheme in terms of the South African Securities Transfer Tax Act, 25 of 2007; and

33.3.2 costs relating to the issue of CFR Shares and making the Scheme Consideration available (including costs associated with the Closing Settlement Arrangements and the appointment of South African transfer secretaries for the purposes of administering its South African register), provided that CFR shall not be liable for any costs related to the settlement by Adcock Ingram of the Share Consideration to the Scheme Participants in terms of the Scheme.

34. LITIGATION STATEMENT

There are no material legal or arbitration proceedings, including any such proceedings that are pending or threatened of which Adcock Ingram is aware, that may have, or have had during the previous 12 months before the date of this Circular, a material effect on the financial position of the Adcock Ingram Group.

35. MATERIAL CHANGES

There are no known material changes in the financial or trading position of Adcock Ingram subsequent to the latest published unaudited financial results for the six-month period ended 31 March 2013.

36. NOTICE OF THE COMBINED GENERAL MEETING AND THE ORDINARY GENERAL MEETING AND FORMS OF PROXY

36.1 A notice in respect of the Combined General Meeting and a notice in respect of the Ordinary General Meeting are attached to this Circular.

36.2 Forms of proxy for use by Certificated Ordinary Scheme Members, Adcock Ingram "A" Ordinary Shareholders, Adcock Ingram "B" Ordinary Shareholders and own name Dematerialised Scheme Members who are unable to attend the Relevant General Meeting(s) and wish to be represented thereat have also been attached to this Circular. The instructions for the completion and lodging of the applicable forms of proxy are recorded on such forms.

37. THE GENERAL MEETINGS

37.1 Rationale for the convening of two General Meetings

37.1.1 The Companies Act has substantially changed the procedure in relation to schemes of arrangement including:

37.1.1.1 by doing away with the two compulsory court applications previously required in terms of section 311 of the Companies Act, 1973 ("1973 Act"); and

37.1.1.2 by legislating new detailed requirements in relation to the retention of an independent expert by the company and the preparation and circulation of the report by that expert.

37.1.2 Furthermore, a key feature of the previous scheme of arrangement procedure has now fallen away, namely that whereas in the past the scheme meeting was not a company meeting but a special meeting convened by court order, the scheme meeting under the Companies Act is now a company meeting convened by a company in terms of its Memorandum of Incorporation. The resolution required to be passed is a special resolution of that company passed in terms of section 115(2) of the Companies Act read with section 65(9) of the Companies Act.

37.1.3 While under the 1973 Act, section 311(2) required a majority of three-quarters of the votes exercisable by the members or the specific class of members affected by the scheme of arrangement, under the Companies Act the specific requirement of approval by the affected class does not appear, instead the scheme of arrangement must be approved "by a special resolution adopted by persons entitled to exercise voting rights on the matter".

- 37.1.4 The Scheme proposed herein provides for an arrangement between Adcock Ingram and the holders of Adcock Ingram Ordinary Shares (excluding the Treasury Shares) only, and does not *per se* provide for an arrangement between Adcock Ingram and either the Adcock Ingram “A” Ordinary Shareholder or the Adcock Ingram “B” Ordinary Shareholder. In terms of the MOI, the A Ordinary Shares and the B Ordinary Shares rank *pari passu* with the Adcock Ingram Ordinary Shares with respect to voting rights and entitle each holder thereof to one vote per share on a poll in respect of every matter at every general meeting of Adcock Ingram.
- 37.1.5 To Adcock Ingram’s knowledge there is no judicial precedent in relation to the question as to whether the holders of voting rights who are shareholders of a specified class of shares (“Separate Class Shareholders”) are entitled to vote at a meeting in terms of section 115(2) of the Companies Act in relation to a scheme of arrangement between a company and a separate and different class of shareholders.
- 37.1.6 In light of the uncertainty on this question and in order to mitigate any prejudice to Adcock Ingram Shareholders, Adcock Ingram has determined that two separate meetings will be convened to consider and vote on the Scheme, namely the Combined General Meeting and the Ordinary General Meeting.
- 37.1.7 It is a condition precedent of the Scheme that the relevant special resolutions approving the Scheme are approved and adopted at each of the General Meetings in terms of the Companies Act.

37.2 Further information regarding General Meetings

- 37.2.1 The Scheme will be put to a vote at the Combined General Meeting and the Ordinary General Meeting to be held in the Auditorium at Adcock Ingram’s offices, 1 New Road, Midrand, Gauteng, South Africa at 10h00 and 10h30, respectively, on Wednesday, 18 December 2013 or on any other date to which that meeting may be postponed or adjourned.
- 37.2.2 Each Certificated Ordinary Scheme Member, Adcock Ingram “A” Ordinary Shareholder and Adcock Ingram “B” Ordinary Shareholder may attend, speak at and vote² at the Relevant General Meeting(s) (or if you are a company or other body corporate, be represented by a duly authorised person). If you do not wish to or are unable to attend the Relevant General Meeting(s) and wish to be represented thereat, you must complete and return the applicable form of proxy in accordance with the instructions therein to the Transfer Secretaries by hand to 70 Marshall Street, Johannesburg, or by post to PO Box 61051, Marshalltown, 2107, to be received no later than 10h00, in respect of the Combined General Meeting, and 10h30, in respect of the Ordinary General Meeting, on Friday, 13 December 2013. Forms of proxy may also be handed to the chairperson of the applicable General Meeting up to 10 minutes before that meeting (including any postponed or adjourned meeting) is due to commence.
- 37.2.3 Dematerialised Ordinary Scheme Members, other than own name Dematerialised Ordinary Scheme Members, must give their instructions to their CSDP or Broker by the time and in the manner prescribed in the custody agreement concluded between the relevant Dematerialised Scheme Member and their CSDP or Broker. If a Dematerialised Ordinary Scheme Member wishes to attend the Relevant General Meeting(s) in person or be represented thereat by proxy, he must arrange with his CSDP or Broker to give him the necessary letter of representation to do so. Persons who have dematerialised their Adcock Ingram Ordinary Shares and who do not have own name register, must **not** complete either form of proxy.
- 37.2.4 If the applicable Scheme Resolution is opposed by at least 15% of the voting rights that may be exercised on the resolution at the Relevant General Meeting, any person who voted against that Scheme Resolution may, within five Business Days of the Relevant General Meeting, require Adcock Ingram to seek Court approval for that Scheme Resolution.
- 37.2.5 If either Scheme Resolution is opposed by less than 15% of the voting rights that were exercised on that Scheme Resolution, any person who voted against that Scheme Resolution may, within 10 Business Days after the Relevant General Meeting, apply to the court for leave to apply to court for a review of the Scheme.

² The Adcock Ingram “A” Ordinary Shareholder and the Adcock Ingram “B” Ordinary Shareholder will be required by CFR, pursuant to the “A” Ordinary Agreement and the “B” Ordinary Agreement respectively, not to vote their A Ordinary Shares and B Ordinary Shares respectively, at the Combined General Meeting.

38. INTENDED ACTION OF ADCOCK INGRAM DIRECTORS

All of the Adcock Ingram directors who own Adcock Ingram Ordinary Shares in their personal capacity intend to vote in favour of the Scheme.

39. REPORT OF THE INDEPENDENT EXPERT

The Independent Expert's Report prepared in accordance with section 114(3) of the Companies Act and Regulation 90 of the Companies Regulations is provided in Annexure 1 to this Circular and has not been withdrawn prior to the publication of this Circular. Copies of section 115 and section 164 of the Companies Act are provided in Annexures 12 and 13 to this Circular, respectively. Having considered the terms and conditions of the Scheme and based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the Scheme are fair and reasonable to Adcock Ingram Ordinary Shareholders (other than the holder of Treasury Shares) and that the offer extended to participants in the Phantom Scheme is also fair and reasonable.

40. OPINIONS AND RECOMMENDATIONS

- 40.1 The Independent Board has appointed the Independent Expert to provide an independent expert's report which is referred to in paragraph 39 above.
- 40.2 The Independent Board has appointed Ernst & Young to prepare the reporting accountant's report required by paragraph 8.45 of the Listings Requirements. The reporting accountant's reports are contained in Annexures 3, 6 and 7 to this Circular.
- 40.3 The Independent Board supports the Scheme and unanimously recommends that Adcock Ingram Ordinary Shareholders (other than the holder of Treasury Shares), vote in favour of the Scheme, that the participants in the Phantom Scheme accept the Phantom Offer and that holders of Share Options exercise their Share Options as contemplated by paragraph 9.
- 40.4 The Adcock Ingram Board has further considered the terms and conditions of the Scheme and the opinion of the Independent Expert and the arrangements in respect of the holders of the Adcock Ingram "A" Ordinary Shares, Adcock Ingram "B" Ordinary Shares and the participants in each of the Phantom Scheme and the Share Option Scheme. Further, there are factors which are difficult to quantify, or are unquantifiable, which the Independent Board has taken into consideration, which factors includes the information set out in the Prospectus.
- 40.5 The Adcock Ingram Board, taking into account the above considerations, is unanimously of the opinion that the terms and conditions of the Scheme and related arrangements are fair and reasonable to the Adcock Ingram Ordinary Shareholders (other than the holder of the Treasury Shares), Adcock Ingram "A" Ordinary Shareholders, Adcock Ingram "B" Ordinary Shareholders and the participants of each of the Phantom Scheme and the Share Option Scheme and they recommend that Adcock Ingram Ordinary Shareholders (other than the holder of the Treasury Shares), vote in favour of the Scheme Resolutions to be proposed at the General Meetings, accept the Phantom Offer and exercise their Share Options as contemplated in paragraph 9, as the case may be.
- 40.6 Whilst Adcock Ingram has received proposals as contemplated in paragraph 19 above, the Adcock Ingram Board has not received any offers, other than the offer contemplated in this Circular, in the six months preceding the commencement of the Offer Period or during the Offer Period.
- 40.7 The Independent Board decided to commission a limited scope due diligence investigation in respect of CFR's business. The Independent Board believes that the disclosures contained in the Prospectus and the related risk statement are adequate in respect of the relevant matters arising from such due diligence investigation.

41. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this Circular which relates to Adcock Ingram and confirms that, to the best of its knowledge and belief, such information which relates to Adcock Ingram is true and this Circular does not omit anything likely to affect the importance of such information.

42. CFR BOARD RESPONSIBILITY STATEMENT

The CFR Board accepts responsibility for the information contained in this Circular which relates to CFR and confirms that, to the best of its knowledge and belief, such information which relates to CFR is true and this Circular does not omit anything likely to affect the importance of such information.

43. ADCOCK INGRAM BOARD RESPONSIBILITY STATEMENT

The Adcock Ingram Board accepts responsibility for the information contained in this Circular which relates to Adcock Ingram and confirms that, to the best of its knowledge and belief, such information which relates to Adcock Ingram is true and this Circular does not omit anything likely to affect the importance of such information.

44. CONSENTS

Each of Adcock Ingram's and CFR's advisers and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names appearing in this Circular and have not withdrawn their consent prior to the publication of this Circular.

45. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the registered office of Adcock Ingram, from Monday, 18 November 2013 up to and including the date of the General Meetings:

- 45.1 the consolidated audited annual financial statements of Adcock Ingram and its subsidiaries for the three financial years ended 30 September 2012 and the reviewed results for the six months ended 31 March 2013;
- 45.2 the consolidated audited annual financial statements of CFR and its subsidiaries for the three financial years ended 31 December 2012 and the unaudited results for the six months ended 30 June 2013;
- 45.3 the Transaction Implementation Agreement;
- 45.4 the MOI of Adcock Ingram and the bylaws of CFR;
- 45.5 a signed copy of this Circular;
- 45.6 the Independent Expert's Report;
- 45.7 the written consents referred to in paragraph 44 above;
- 45.8 the irrevocable undertakings referred to in paragraph 20 above;
- 45.9 the Share Option Deed and the Rules of the Phantom Scheme;
- 45.10 the Bophelo Trust deed of trust;
- 45.11 the "A" Ordinary Agreement;
- 45.12 the "B" Ordinary Agreement;
- 45.13 the Baxter Call Option Agreement;
- 45.14 the Baxter Waiver Letter;
- 45.15 the Reporting Accountant's Report on the audited historical financial information of Adcock Ingram and its subsidiaries;
- 45.16 the Reporting Accountant's Review Report on the unaudited consolidated financial results of Adcock Ingram and its subsidiaries for the six-month period ended 31 March 2013;

- 45.17 the Reporting Accountant's Report on the *pro forma* financial information of Adcock Ingram;
- 45.18 the Reporting Accountant's Report on the historical financial information of CFR and its subsidiaries;
- 45.19 the Reporting Accountant's Report on the forecast financial information contained in Annexure 19;
- 45.20 the TRP Exemption Letter;
- 45.21 the letter from the TRP indicating its approval of this Circular; and
- 45.22 the Prospectus.

**SIGNED ON BEHALF OF
THE ADCOCK INGRAM BOARD**

18 November 2013

**SIGNED ON BEHALF OF
THE CFR BOARD**

18 November 2013

INDEPENDENT EXPERT'S REPORT

15 November 2013

The Board of Directors
Adcock Ingram Holdings Limited
1 New Road
Midrand
1685

Dear Members of the Board

FAIR AND REASONABLE OPINION ON THE PROPOSED ACQUISITION BY CFR PHARMACEUTICALS S.A. ("CFR") OF 100% OF THE ISSUED SHARE CAPITAL OF ADCOCK INGRAM HOLDINGS LIMITED ("ADCOCK"), OTHER THAN THE ISSUED "A" AND "B" ORDINARY SHARES ("BOPHELO SCHEME SHARES") AND ANY ORDINARY SHARES HELD BY SUBSIDIARIES OF ADCOCK ("TREASURY SHARES"), BY WAY OF A SCHEME OF ARRANGEMENT (THE "TRANSACTION" OR THE "SCHEME")

1. INTRODUCTION

- 1.1 We refer to the joint announcement made by Adcock and CFR, dated 15 November 2013, of a firm intention by CFR to make an offer to acquire 100% of the issued share capital of Adcock, excluding the Bophelo Scheme Shares and Treasury Shares, by way of a scheme of arrangement in terms of section 114 of the Companies Act, No. 71 of 2008 (the "**Companies Act**"), at a price of R73.51 per ordinary par value share of ten cents each in Adcock ("**Adcock Shares**"), to be settled partly in cash and partly by the issue of ordinary nominative, no par value shares in CFR ("**CFR Shares**") (the "**Firm Intention Announcement**").
- 1.2 CFR has requested and received an exemption from the Takeover Regulation Panel (the "**TRP**") from the obligation to make a comparable offer in respect of the Bophelo Scheme Shares. The holders of the Bophelo Scheme Shares (the "**BEE Shareholders**") have irrevocably consented to CFR and Adcock being exempted from compliance with all the relevant takeover provisions relating to comparable offers in relation to the Bophelo Scheme Shares, and have confirmed that there are no arrangements and dealings as contemplated in section 127(1) of the Companies Act.
- 1.3 CFR has also entered into agreements with the BEE Shareholders, regarding the retention and future involvement of the BEE Shareholders in Adcock, in terms of which the BEE Shareholders:
 - (i) will remain invested in the Bophelo Scheme Shares upon and after implementation of the Scheme; and
 - (ii) will dispose of their Adcock Shares in accordance with the terms of the Scheme.
- 1.4 In terms of the Scheme, it is proposed that the participants in the Adcock long-term share incentive scheme for executives, key management and other critical employees (the "**Share Option Scheme**") will be entitled to participate in the Scheme as ordinary shareholders and, accordingly, no comparable offer is being made to them (and, as such, we are not separately opening on the Share Option Scheme). The basis of their participation is that the Share Option Scheme will be accelerated, on the following terms:
 - (i) the participants in the Share Option Scheme will be notified according to the Share Option Scheme rules so that the participants have an opportunity to exercise their options and become entitled to receive Adcock Shares upon such exercise;
 - (ii) each participant who exercises the right referred to in paragraph 1.4.i above will upon issue of Adcock Shares become subject to the proposed Scheme on the same terms as the existing holders of Adcock Shares; and
 - (iii) to the extent any participants in the Share Option Scheme do not exercise the right referred to in paragraph 1.4.i above, such options will lapse in accordance with the Share Option Scheme.

- 1.5 The Scheme further proposes that the phantom options issued under Adcock's Phantom Cash Option Scheme ("**Phantom Options**"), will, upon implementation of the Scheme, be treated as follows:
- (i) each holder of Phantom Options may waive their rights held under the Phantom Cash Option Scheme and agree to the cancellation of their Phantom Options; and
 - (ii) each holder of a Phantom Option so cancelled, shall receive, in respect of each such Phantom Option the exercise price of which is less than R73.51, an amount in cash equal to R73.51, less the amount of the exercise price of the relevant Phantom Option (the "**Phantom Consideration**").
- 1.6 The consideration payable to holders of Adcock Shares pursuant to the Scheme is proposed to be settled partly in cash and partly through the issue of CFR Shares as follows:
- (i) the cash consideration will comprise between 51.0% and 64.3% of the total consideration payable (R37.49 – R47.29 per Adcock Share); and
 - (i) the share consideration will comprise between 35.7% and 49.0% of the total consideration payable, based on an agreed value of R2.334 per CFR Share,
- with an aggregate consideration payable by CFR to holders of Adcock Shares of R12.6 billion (the "**Consideration**").
- 1.7 Adcock is precluded from declaring and paying dividends or effecting any acquisition of its own shares at any time prior to the implementation of the Scheme without the consent of CFR.
- 1.8 CFR is precluded from declaring and paying dividends or effecting any acquisition of its own shares at any time prior to the implementation of the Scheme without the consent of Adcock, save for the declaration and payment by CFR of dividends not to exceed 50% of CFR's net profits for fiscal year 2013 (including, but not limited to, the interim dividend that may be declared in respect of the first nine months ending September 2013).
- 1.9 In terms of section 114 of the Companies Act, as read with Regulation 90 of the Takeover Regulations, issued pursuant to section 223 as read with section 120 of the Companies Act (the "**Regulations**"), the independent board of directors of Adcock (the "**Board**") is required to obtain an opinion from an independent expert acceptable to the TRP regarding the fairness and reasonableness of the Transaction insofar as the shareholders of Adcock are concerned. JPMorgan Chase Bank, N.A., Johannesburg Branch ("**J.P. Morgan**"), has been appointed by the Board to provide such opinion ("**Opinion**") in relation to the aggregate consideration payable pursuant to the Transaction

2. BRIEF OVERVIEW OF THE TRANSACTION

- 2.1 The Transaction, if implemented, will result in the acquisition by CFR of a 100% shareholding in Adcock (excluding the Bophelo Scheme Shares and the Treasury Shares) and will result in the termination of Adcock's listing on the Main Board of the JSE Limited ("**JSE**"), and CFR will become secondary listed on the JSE.
- 2.2 The aggregate Consideration payable by CFR pursuant to the Scheme is R12.6 billion, with between R6.4 – 8.1 billion payable in cash and R4.5 to 6.2 billion to be settled by the issue of CFR Shares.
- 2.3 Following the Transaction, holders of Adcock Shares will own approximately 17 – 24% of CFR.
- 2.4 The effective date of the Transaction is expected to be in or about March 2014.

Please be advised that while certain of the details of the Transaction are summarised above, the terms of the Transaction are more fully described in the Firm Intention Announcement and in the joint Scheme circular to be issued to Adcock shareholders on or about 18 November 2013 (the "**Circular**"). As a result, the description of the Transaction and certain other information is qualified in its entirety by reference to the more detailed information appearing, or incorporated by reference, in the Firm Intention Announcement and the Circular.

3. INFORMATION AND SOURCES OF INFORMATION

- 3.1 In arriving at our Opinion, we have relied upon the following principal sources of public information:
- (a) audited annual financial statements for each of Adcock and CFR for the fiscal years ended 2010, 2011 and 2012;
 - (b) certain business and financial information relating to Adcock and CFR, the industries in which they operate and certain other listed companies engaged in businesses comparable to them that we deemed to be relevant (including in particular, equity research analysts' reports);
 - (c) financial information regarding certain transactions involving companies we deemed to be relevant and the consideration paid for such companies;
 - (d) current and historical market prices for Adcock Shares and CFR Shares and certain publicly traded securities of certain other companies we deemed relevant; and
 - (e) information regarding prevailing economic, financial, market and other conditions in effect at the date of this letter, sourced from an independent data provider.
- 3.2 Furthermore, in arriving at our Opinion, we have relied upon the following principal sources of non-public information delivered to us by or on behalf of Adcock:
- (a) management accounts for the fiscal years ending 2010, 2011 and 2012;
 - (b) financial forecasts for the fiscal years ending 2013, 2014 and 2015, which have been prepared by the management of Adcock and for which Ernst and Young Incorporated has provided a Limited Assurance Report, and financial forecasts for the fiscal years ending 2016, 2017 and 2018, prepared by the management of Adcock; and
 - (c) information and assumptions made available by, and discussions held with, the management of Adcock.
- 3.3 In addition, in arriving at our Opinion we have relied upon the following principal sources of non-public information provided to us by or on behalf of CFR:
- (a) certain unaudited internal financial analyses and forecasts as well as the estimated amount and timing of the revenue synergies, cost savings and related expenses and synergies expected to result from the Transaction (the "**Synergies**") prepared by the management of CFR; and
 - (b) information and assumptions made available by, and discussions held with, the management of CFR.

4. VALUATION APPROACH AND PROCEDURES PERFORMED

In arriving at our Opinion, we have:

- 4.1 In respect of Adcock:
- (a) performed a discounted cash flow ("**DCF**") analysis in respect of Adcock, based on forecasts and guidance provided by Adcock management for our use for the purposes of the Opinion:
 - (i) the key drivers of this analysis include: the discount rate, projected growth rates, in particular income and margin assumptions for each of the key lines of business; and
 - (ii) we have also performed sensitivity analyses in respect of the DCF analysis which we deemed to be relevant, including in relation to the discount and growth rates and macroeconomic forecasts;
 - (b) reviewed certain publicly available business and financial information concerning Adcock, the industry in which it operates and certain other listed companies engaged in businesses comparable to it that we deemed to be relevant;
 - (c) compared the financial and operating performance of Adcock with publicly available information concerning certain other companies we deemed relevant and performed an analysis of trading multiples of local and international companies we deemed relevant;
 - (d) compared the proposed financial terms of the Transaction with the publicly available financial terms of certain transactions involving companies we deemed relevant and the consideration paid for such companies;
 - (e) reviewed the information referred to in paragraphs 3.1 and 3.2 above;

- (f) reviewed the historical share price performance of Adcock on an unaffected basis i.e. prior to the announcement of a proposal from Bidvest Group Limited on 22 March 2013;
- (g) held discussions with the management of Adcock regarding the assumptions used in the management forecasts, past and current business operations, the financial condition and future prospects and operations of Adcock and the rationale for the Transaction and certain other matters we believed necessary or relevant to our inquiry;
- (h) considered the prevailing economic, financial, market and other conditions in the industry in which Adcock operates;
- (i) held discussions with management of Adcock regarding the Synergies;
- (j) considered the sources of information and, where relevant, evaluated the information referred to in paragraphs (a) to (h) (inclusive) above in order to satisfy ourselves regarding the appropriateness and reasonableness of such information;
- (k) evaluated any material adverse effects that the Transaction may have against:
 - (i) the Consideration that holders of Adcock Shares will receive in terms of the Transaction and the Phantom Consideration that holders of Phantom Options cancelled pursuant to the Scheme will receive in terms of the Transaction; and
 - (ii) any reasonably probable beneficial and significant effect of the Transaction on the business and prospects of Adcock; and
- (l) considered material interests of any director of Adcock in Adcock Shares and Phantom Options as disclosed by Adcock. In this regard, we note that the directors interests will be set out in the Circular and none of the Adcock directors have interests which are material. The effect on each such person will be the same as for any other holder of Adcock Shares or Phantom Options.

4.2 In respect of CFR:

- (a) performed a DCF analysis in respect of CFR, based on forecasts and guidance provided by CFR management for our use for the purposes of the Opinion:
 - (i) the key drivers of this analysis include: the discount rate, projected growth rates, in particular income and margin assumptions for each of the key lines of business; and
 - (ii) we have also performed sensitivity analyses in respect of the DCF analysis which we deem to be relevant, including in relation to the discount and growth rates;
- (b) reviewed certain publicly available business and financial information concerning CFR, the industry in which it operates and certain other listed companies engaged in businesses comparable to it that we deemed to be relevant;
- (c) compared the financial and operating performance of CFR with publicly available information concerning certain other companies we deemed relevant and performed an analysis of trading multiples of companies we deemed relevant;
- (d) reviewed the historical share price performance of CFR on an unaffected basis i.e. prior to the announcement by Adcock of a non-binding offer for Adcock received from CFR, on 3 July 2013;
- (e) reviewed the information referred to in paragraphs 3.1 and 3.3 above;
- (f) held discussions with the management of CFR regarding the assumptions used in the management forecasts and the rationale for the Transaction;
- (g) considered the prevailing economic, financial, market and other conditions in the industry in which CFR operates;
- (h) considered the sources of information and, where relevant, evaluated the information referred to in paragraphs (a) to (g) (inclusive) above in order to satisfy ourselves regarding the appropriateness and reasonableness of such information;
- (i) held discussions with management of CFR regarding the Synergies; and
- (j) reviewed the analysis of synergies as publicly announced in certain transactions involving companies which we deemed relevant.

5. **ASSUMPTIONS**

Our Opinion is based on the following key assumptions namely, that:

- 5.1 prevailing economic, regulatory and market conditions will not change materially;
- 5.2 Adcock and CFR are not involved in any material legal proceedings other than those conducted in the ordinary course of business;
- 5.3 there are no undisclosed contingencies or liabilities which could affect the value of Adcock or CFR;
- 5.4 the Transaction would not give rise to any undisclosed tax liabilities for Adcock or CFR; and
- 5.5 representations and statements made by Adcock, CFR and their respective management teams and their respective advisers and any information provided or reviewed during the course of forming this Opinion are true and correct in all respects.

6. **OTHER KEY CONSIDERATIONS**

In arriving at our Opinion, we have considered, in addition to the matters referred to above:

- 6.1 the Board's stated rationale for the Transaction as set out in paragraph 7 of the Firm Intention Announcement; and
- 6.2 that the 10-day volume weighted average price of CFR Shares on the Santiago Stock Exchange as of 13 November 2013 was R2.57, based on a weighted average exchange rate of CLP50.41 : R1.00.

7. **DEFINITION OF THE TERMS "FAIR" AND "REASONABLE"**

Fairness is primarily based on quantitative issues. We note that Regulation 110(8) of the Regulations provides that if the offer consideration per share in the company concerned is within the fair value range, it is generally considered to be fair. In this regard we have considered the Consideration payable by CFR in terms of the Transaction with reference to the valuation range we derived for Adcock.

We also note that Regulation 110(9) of the Regulations provides that an offer consideration per share in the company concerned, above that company's traded price at the time the offer was announced, or at some other more appropriate identifiable time, is generally considered to be reasonable. For the purposes of our analysis, we have considered the 10-day volume weighted average price of Adcock Shares at 20 March 2013, of R56.03, being immediately prior to the initial announcement of an unsolicited offer proposal for Adcock from Bidvest Group Limited on 22 March 2013 (the "**Undisturbed Price**").

8. **OPINION**

On the basis of and subject to the matters referred to in this letter, it is our opinion as of the date hereof that the Consideration to be paid to the holders of Adcock Shares and the Phantom Consideration to be paid to the holders of Phantom Options cancelled pursuant to the Scheme, in the Transaction is fair and reasonable, from a financial point of view, to such holders on the basis that, in our view:

- 8.1 The range of value of a CFR Share is between R2.23 to R2.64 per share, with a most likely value being R2.43, based on an exchange rate of R10.35 : US\$1.00.
- 8.2 The implied range of value of the Consideration, on a per Adcock Share basis, is between R70.49 to R76.82.
- 8.3 The fair value range of Adcock, on a per Adcock Share basis, is between R66.00 and R71.00, with a most likely value being R68.50 per share.
- 8.4 The implied range of value of the Consideration, on a per Adcock Share basis, is within the range of fair value of Adcock, on a per Adcock Share basis.
- 8.5 The implied range of value of the Consideration, on a per Adcock Share basis, is higher than the Undisturbed Price.
- 8.6 The Phantom Consideration is higher than the fair value range of Adcock, on a per Adcock Share basis.
- 8.7 The Phantom Consideration is higher than the Undisturbed Price.
- 8.8 Our Opinion is necessarily based on economic, market and other conditions as in effect on, and the

information reviewed by us or made available to us by or on behalf of, and discussions held with, the management of Adcock and CFR and their respective advisers, as of the date of this Opinion. It should be understood that subsequent developments may affect this Opinion and that we do not have any obligation to update, revise, or reaffirm this Opinion..

9. **LIMITING CONDITIONS**

There are certain limiting conditions which apply to the procedures performed by us and the information relied on by us in arriving at our Opinion:

- 9.1 in giving our Opinion, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by Adcock and CFR or otherwise reviewed by or for us, and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of Adcock or CFR under any laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to us or derived there from, including the Synergies, we have taken such steps referred to in paragraph 4 above in order to satisfy ourselves that such analyses and forecasts have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgements by management as to the expected future results of operations and financial condition of Adcock and CFR to which such analyses or forecasts relate. We express no view as to such analyses, projections or forecasts (including the Synergies) or the assumptions on which they were based and Adcock has confirmed that we may rely upon such financial analyses, projections and forecasts (including the Synergies) in the delivery of this Opinion;
- 9.2 while our work has involved a review of, *inter alia*, the annual financial statements, interim results and other information provided to us, our appointment does not constitute or include an audit conducted in accordance with generally accepted auditing standards. We also note that J.P. Morgan is not a registered auditor. Accordingly, we cannot express an audit opinion on the financial data or other information used in arriving at our Opinion;
- 9.3 in addition, we were not requested to and did not provide advice concerning the structure, the specific amount of the Consideration or the Phantom Consideration, or any other aspects of the Transaction, or to provide services other than the delivery of this Opinion. We were not authorised to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of Adcock or any other alternative transaction. We also note that we did not participate in negotiations with respect to the terms of the Transaction or in discussions relating to the underlying decision of the Board or the Board's stated rationale in pursuing the Transaction. Consequently, we have assumed that such terms are the most beneficial terms from Adcock's perspective that could, under the circumstances, be negotiated among the parties to the Transaction and that the decision and rationale of the Board has been taken in the best interests of all shareholders and the holders of Phantom Options. Accordingly, no opinion is expressed on the underlying decision by Adcock to engage in the Transaction or on whether any alternative transaction might produce benefits in excess of those received pursuant to the Transaction. We are not aware of and have assumed there is no related party transaction proposed, pending or in contemplation between Adcock and CFR that is in any way related to the Transaction. We are not expressing an opinion herein as to the price at which Adcock Shares or CFR Shares will trade at any future time. Other factors after the date hereof may affect the value of the businesses of Adcock and/or CFR after implementation of the Transaction, including but not limited to: (i) the total or partial disposition of the share capital of CFR by shareholders of CFR within a short period of time after the implementation of the Transaction, (ii) changes in prevailing interest rates and other factors which generally influence the price of securities, (iii) adverse changes in the current capital markets, (iv) the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of Adcock or CFR or any of their respective subsidiaries or affiliates, (v) any necessary actions by or restrictions of any governmental agencies or regulatory authorities, and (vi) timely execution of all necessary agreements to complete the Transaction on terms and conditions that are acceptable to all interested parties; and
- 9.4 we have also assumed that the Transaction will have the legal, accounting and taxation consequences described in any discussions with, and materials furnished to us by, the management of Adcock and CFR and we express no opinion on such consequences. We are not legal, regulatory or tax

experts and have relied on the assessments made by advisers to Adcock with respect to such issues. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on Adcock or CFR or on the contemplated benefits of the Transaction.

Notwithstanding the foregoing, none of the above statements invalidate any work that has been done by J.P. Morgan in providing this Opinion.

10. RELEVANT INFORMATION ABOUT J.P. MORGAN

J.P. Morgan (together with its affiliates) comprises a full service securities firm and a commercial bank engaged in securities trading and brokerage activities, as well as providing investment banking, asset management, financing and financial advisory services and other commercial and investment banking products and services to a wide range of corporations and individuals. As such, J.P. Morgan (together with its affiliates) may at any time hold long or short positions, and may trade or otherwise affect the Transaction, for its own account or the accounts of customers, in debt or equity securities or senior loans in Adcock and/or CFR and/or their respective subsidiary and holding companies. J.P. Morgan (together with its affiliates) recognises its responsibility for compliance with relevant securities laws in connection with such activities.

11. INDEPENDENCE, COMPETENCE AND FEES

J.P. Morgan has been appointed by the Board as an independent expert to provide it with an opinion regarding the fairness and reasonableness of the Transaction insofar as the shareholders of Adcock are concerned. As at the date of this letter, J.P. Morgan has no financial advisory or other material investment banking relationship with Adcock or CFR. J.P. Morgan has no material interest in the Transaction or in the success or failure thereof.

J.P. Morgan confirms that it has the necessary competence to provide the Opinion.

J.P. Morgan has acted as independent expert to the Board in providing this Opinion and will receive a fee equal to the South African Rand equivalent of US\$1.1million for its services, payment of which is not contingent on or related to the outcome of the Transaction. This Opinion is provided to the Board subject to the terms of the Engagement Letter between J.P. Morgan and Adcock, dated 14 May 2013

12. USE OF OPINION

This Opinion has been provided solely for the benefit of the Board in connection with and for the purposes of their consideration of the Transaction and may not be used or relied upon, in whole or in part, by any other person or used by the Board for any other purpose.

This Opinion does not constitute a recommendation to any holder of Adcock Shares or any holder of Phantom Options as to how such holders should act with respect to the Transaction or any other matter. This Opinion is not provided on behalf of, nor shall it confer rights or remedies upon, any holder of Adcock Shares, Phantom Options, CFR Shares or any other person, other than the Board, and may not be used by the Board for any other purpose. The decision of a holder of Adcock Shares or Phantom Options regarding the fairness and/or reasonableness of the Transaction may be influenced by his/her particular circumstances and any such holders should, accordingly, consult an independent adviser. In addition they should also obtain their own advice on taxation and legal implications of the Transaction as these implications have not been considered by J.P. Morgan.

13. CONSENTS

This Opinion may be reproduced in full in the Circular to be sent to Adcock shareholders and we consent to the inclusion of references thereto in the form and context in which they are to be published in the Firm Intention Announcement and in any confirmation provided by Adcock to the JSE as required in terms of the Listings Requirements, but it may not otherwise be disclosed publicly in any manner without our prior written approval.

Yours faithfully

JPMorgan Chase Bank, N.A., Johannesburg Branch

HISTORICAL FINANCIAL INFORMATION OF ADCOCK INGRAM AND ITS SUBSIDIARIES

Audited annual financial statements for the years ended 30 September 2012, 2011, 2010 and reviewed results for the six months ended 31 March 2013.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended 31 March 2013 (Reviewed) R'000	Year ended 30 Sept 2012 (Audited) R'000	Year ended 30 Sept 2011 (Audited) R'000	Year ended 30 Sept 2010 (Audited) R'000
REVENUE	2,474,360	4,644,406	4,534,235	4,200,022
TURNOVER	2,457,365	4,599,249	4,453,567	4,130,087
Cost of sales	(1,420,517)	(2,505,167)	(2,284,606)	(1,928,956)
Gross profit	1,036,848	2,094,082	2,168,961	2,201,131
Selling and distribution expenses	(296,126)	(571,500)	(530,005)	(442,805)
Marketing expenses	(97,375)	(208,625)	(206,981)	(162,442)
Research and development expenses	(52,051)	(81,601)	(70,723)	(65,287)
Fixed and administrative expenses	(116,397)	(363,535)	(292,614)	(362,290)
Operating profit	474,899	868,821	1,068,638	1,168,307
Finance income	9,201	18,285	63,778	59,288
Finance costs	(25,446)	(26,637)	(30,225)	(37,931)
Dividend income	7,794	26,872	16,890	10,647
Equity accounted profit attributable to joint ventures				
Profit before taxation and abnormal items	466,448	887,341	1,119,081	1,200,311
Abnormal items	–	–	–	(269,000)
Profit before taxation	466,448	887,341	1,119,081	931,311
Taxation	(139,934)	(168,265)	(326,129)	(308,542)
Profit for the period	326,514	719,076	792,952	622,769
(Loss)/profit after taxation for the period from a discontinued operation			(28,152)	20,459
Profit for the period	326,514	719,076	764,800	643,228
Other comprehensive income	56,765	(37,896)	17,591	(528)
Exchange differences on translation of foreign operations	56,232	(26,181)	4,709	(4,156)
Movement in cash flow hedge accounting reserve, net of tax	613	(11,715)	12,882	3,628
Net loss on available-for-sale financial asset, net of tax	(80)	–	–	–
Total comprehensive income for the period, net of tax	383,279	681,180	782,391	642,700

	Six months ended 31 March 2013 (Reviewed) R'000	Year ended 30 Sept 2012 (Audited) R'000	Year ended 30 Sept 2011 (Audited) R'000	Year ended 30 Sept 2010 (Audited) R'000
Profit attributable to:				
Owners of the parent	317,192	705,641	754,205	631,459
Non-controlling interests	9,322	13,435	10,595	11,769
	326,514	719,076	764,800	643,228
Total comprehensive income attributable to:				
Owners of the parent	372,310	670,434	770,658	630,931
Non-controlling interests	10,969	10,746	11,733	11,769
	383,279	681,180	782,391	642,700
Continuing operations:				
Basic earnings per ordinary share (cents)	188.0	417.8	458.5	354.9
Diluted basic earnings per ordinary share (cents)	187.8	417.2	457.5	354.1
Headline earnings per ordinary share (cents)	188.1	422.4	465.1	354.8
Diluted headline earnings per ordinary share (cents)	187.9	421.8	464.2	354.0

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Six months ended 31 March 2013 (Reviewed) R'000	Year ended 30 Sept 2012 (Audited) R'000	Year ended 30 Sept 2011 (Audited) R'000	Year ended 30 Sept 2010 (Audited) R'000
ASSETS				
Property, plant and equipment	1,655,881	1,560,177	1,161,558	857,471
Intangible assets	1,513,099	710,960	728,474	424,149
Other financial assets	139,653	139,751	140,210	139,012
Investment in associate	–	–	–	12,200
Investment in joint venture	–	–	–	–
Loans receivable	23,834	27,060	–	–
Deferred tax	5,735	5,097	3,775	23,967
Non-current assets	3,337,602	2,443,045	2,034,017	1,456,799
Inventories	1,305,287	956,164	864,465	719,236
Trade and other receivables	1,528,772	1,320,191	1,202,858	1,150,393
Cash and cash equivalents	97,607	492,716	1,103,977	1,430,917
Taxation receivable	32,851	70,170	30,143	–
Amounts owing by Group companies	–	–	–	–
Current assets	2,964,517	2,839,241	3,201,443	3,300,546
Total assets	6,302,119	5,282,286	5,235,460	4,757,345
EQUITY AND LIABILITIES				
Capital and reserves				
Issued share capital	16,858	16,872	16,888	17,365
Share premium	523,697	547,400	765,288	1,190,290
Non-distributable reserves	420,016	356,229	371,368	349,061
Retained income	2,624,482	2,502,510	1,932,212	1,357,939
Total shareholders' funds	3,585,053	3,423,011	3,085,756	2,914,655
Non-controlling interests	147,256	137,684	137,624	158,685
Total equity	3,732,309	3,560,695	3,223,380	3,073,340
Long-term borrowings	11,007	104,625	346,811	453,830
Post-retirement medical liability	16,645	15,341	13,987	15,808
Deferred tax	106,356	101,910	93,884	23,961
Non-current liabilities	134,008	221,876	454,682	493,599
Trade and other payables	1,086,833	983,589	954,076	889,162
Short-term borrowings	333,056	431,368	496,032	126,787
Cash-settled options	34,373	39,983	64,036	68,760
Provisions	41,621	44,775	42,859	84,464
Bank overdraft	939,919	–	395	–
Taxation payable	–	–	–	21,233
Amounts owing to Group companies	–	–	–	–
Current liabilities	2,435,802	1,499,715	1,557,398	1,190,406
Total equity and liabilities	6,302,119	5,282,286	5,235,460	4,757,345

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						
	Issued share capital R'000	Share premium R'000	Retained income R'000	Non- distributable reserves R'000	Total attributable to ordinary shareholders R'000	Non- controlling interest R'000	Total R'000
Balance at 30 September 2009 (audited)	17,363	1,203,854	1,001,942	77,494	2,300,653	24,943	2,325,596
Share issue	33	4,364			4,397		4,397
Movement in treasury shares	(31)	(17,928)			(17,959)		(17,959)
Share-based payment expense				272,095	272,095		272,095
Acquisition of "A" ordinary shares by Blue Falcon Trading 69 (Pty) Limited – non-controlling interest					93,750	93,750	
Acquisition through business combination: Ayrton Drug Manufacturing Limited					33,636	33,636	
Subsequent acquisition of non-controlling interests in Ayrton Drug Manufacturing Limited			(922)		(922)	(69)	(991)
Total comprehensive income			631,459	(528)	630,931	11,769	642,700
Profit for the period			631,459	(528)	631,459	11,769	643,228
Other comprehensive income					(528)		(528)
Dividends			(274,540)		(274,540)	(5,344)	(279,884)
Balance at 30 September 2010 (audited)	17,365	1,190,290	1,357,939	349,061	2,914,655	158,685	3,073,340
Share issue	25	3,368			3,393		3,393
Movement in treasury shares	(502)	(291,427)			(291,929)		(291,929)
Share-based payment expense – continuing operations				6,685	6,685		6,685
– discontinued operations				(831)	(831)		(831)
Disposal of business						(12,644)	(12,644)
Acquisition through business combination						14,072	14,072
Subsequent acquisition of non-controlling interests in:							
– Ayrton Drug Manufacturing Limited			(4,120)		(4,120)	(5,225)	(9,345)
– Addclin Research (Pty) Limited			1,345		1,345	(1,345)	
Total comprehensive income			754,205	16,453	770,658	11,733	782,391
Profit for the year			754,205		754,205	10,595	764,800
Other comprehensive income				16,453	16,453	1,138	17,591
Dividends			(177,157)		(177,157)	(27,652)	(204,809)
Distribution out of share premium		(136,943)			(136,943)		(136,943)
Balance at 30 September 2011 (audited)	16,888	765,288	1,932,212	371,368	3,085,756	137,624	3,223,380

	Attributable to owners of the parent					
	Issued share capital R'000	Share premium R'000	Retained income R'000	Non-distributable reserves R'000	Non-attributable to ordinary shareholders R'000	Total R'000
Share issue	57	7,011			7,068	7,068
Movement in treasury shares	(73)	(45,610)			(45,683)	(45,683)
Share-based payment expense				20,068	20,068	20,068
Disposal of non-controlling interests in National Renal Care (Pty) Limited			11,279		11,279	20,387
Acquisition of non-controlling interests in Ayrton Drug Manufacturing Limited			(2,148)		(2,148)	(11,060)
Total comprehensive income			705,641	(35,207)	670,434	681,180
Profit for the year			705,641	(35,207)	705,641	719,076
Other comprehensive income			(144,474)		(144,474)	(155,356)
Dividends					(179,289)	(179,289)
Distribution out of share premium		(179,289)			(179,289)	
Balance at 30 September 2012 (audited)	16,872	547,400	2,502,510	356,229	3,423,011	3,560,695
Share issue	33	3,562			3,595	3,595
Movement in treasury shares	(47)	(27,265)			(27,312)	(27,312)
Share-based payment expense				8,669	8,669	8,669
Acquisition of non-controlling interests in Ayrton Drug Manufacturing Limited			(92)		(92)	(253)
Total comprehensive income			317,192	55,118	372,310	383,279
Profit for the year			317,192		317,192	326,514
Other comprehensive income			(195,128)	55,118	55,118	56,765
Dividends					(195,128)	(196,364)
Balance at 31 March 2013 (reviewed)	16,858	523,697	2,624,482	420,016	3,585,053	3,732,309

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended 31 March 2013 (Reviewed) R'000	Year ended 30 Sept 2012 (Audited) R'000	Year ended 30 Sept 2011 (Audited) R'000	Year ended 30 Sept 2010 (Audited) R'000
Cash flows from operating activities				
Operating profit before working capital changes	590,571	1,077,581	1,185,976	1,319,448
Working capital changes	(437,308)	(292,138)	(157,419)	115,364
Cash generated from operations	153,263	785,443	1,028,557	1,434,812
Finance income, excluding receivable	11,788	19,369	59,516	59,288
Finance costs, excluding accrual	(20,573)	(22,672)	(29,624)	(37,931)
Dividend income, excluding receivable	7,794	27,035	14,298	10,647
Dividends paid	(196,364)	(155,356)	(204,809)	(279,884)
Taxation paid	(100,638)	(196,158)	(341,156)	(324,832)
Net cash (outflow)/inflow from operating activities	(144,730)	457,661	526,382	862,100
Cash flows from investing activities				
Decrease/(increase) in other financial assets	–	457	(6)	(975)
Acquisition of businesses, net of cash	(821,593)	–	(328,775)	(139,501)
Proceeds on disposal of business	–	–	84,989	–
Purchase of intangible assets	–	(13,109)	–	–
Purchase of property, plant and equipment	(157,950)	(511,793)	(432,979)	(333,062)
Proceeds on disposal of property, plant and equipment	–	1,732	4,220	2,819
Decrease/(increase) in loans receivable	2,827	(11,221)	–	–
Net cash outflow from investing activities	(976,716)	(533,934)	(672,551)	(470,719)
Cash flows from financing activities				
Acquisition of non-controlling interests	(253)	(11,060)	(9,345)	(991)
Proceeds from issue of share capital	3,595	7,068	3,393	4,397
Purchase of treasury shares	(27,312)	(45,683)	(291,929)	(17,959)
Subscription for "A" shares	–	–	–	93,750
Distribution out of share premium	–	(179,289)	(136,943)	–
Increase in borrowings	31,789	16,503	371,536	443,763
Repayment of borrowings	(225,757)	(321,777)	(117,329)	(174,730)
Net cash (outflow)/inflow from financing activities	(217,938)	(534,238)	(180,617)	348,230
Net (decrease)/increase in cash and cash equivalents	(1,339,384)	(610,511)	(326,786)	739,611
Net foreign exchange difference on cash and cash equivalents	4,356	(355)	(549)	(1,411)
Translation difference relating to translation to USD	–	–	–	–
Cash and cash equivalents at beginning of period	492,716	1,103,582	1,430,917	692,717
Cash and cash equivalents at end of period	(842,312)	492,716	1,103,582	1,430,917

SEGMENT REPORTING (AS CURRENTLY REPORTED)

	Six months ended 31 March 2013 (Reviewed) R'000	Year ended 30 Sept 2012 (Audited) R'000	Year ended 30 Sept 2011 (Audited) R'000
TURNOVER			
Southern Africa	2,329,872	4,435,938	4,296,829
OTC	906,058	1,791,875	1,608,046
Prescription	856,707	1,520,219	1,632,071
Hospital	567,107	1,123,844	1,056,712
Rest of Africa and India	212,393	295,545	257,476
	2,542,265	4,731,483	4,554,305
<i>Less: Inter-company sales</i>	(84,900)	(132,234)	(100,738)
	2,457,365	4,599,249	4,453,567
Contribution after marketing expenses (CAM)			
Southern Africa	591,892	1,245,746	1,369,231
OTC	322,121	660,492	680,703
Prescription	178,204	371,801	485,182
Hospital	91,567	213,453	203,346
Rest of Africa and India	56,206	75,703	62,744
<i>Less: Intercompany</i>	(4,751)	(7,492)	
	643,347	1,313,957	1,431,975
<i>Less: Other operating expenses⁽¹⁾</i>	(168,448)	(445,136)	(363,337)
Research and development	(52,051)	(81,601)	(70,723)
Fixed and administrative	(116,397)	(363,535)	(292,614)
Operating profit	474,899	868,821	1,068,638

SEGMENT REPORTING (AS PREVIOUSLY REPORTED)

	Year ended 30 Sept 2010 (Audited) R'000
TURNOVER	
OTC	1,427,291
Prescription	1,666,373
Hospital	1,346,990
	444,064
OPERATING PROFIT	
OTC	407,082
Prescription	540,440
Hospital	252,780
	1,200,302

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting policies

Basis of preparation

The consolidated and separate annual financial statements (annual financial statements) are presented in South African Rands and all values are rounded to the nearest thousand (R'000), except where otherwise indicated.

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), its interpretations adopted by the Accounting Standards Board (IASB), the AC500 standards as issued by the Accounting Practices Board or its successor, and the Companies Act. The annual financial statements have been prepared on the historical cost basis, except for the following items in the statements of financial position:

- Available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, and liabilities for cash-settled share-based payments that are measured at fair value; and
- Post-employment benefit obligations are measured in terms of the projected unit credit method.

The Group¹ has made the following accounting policy election in terms of IFRS:

- Cumulative gains and losses recognised in other comprehensive income (OCI) in terms of a cash flow hedge relationship are transferred from OCI and included in the initial measurement of the non-financial asset or liability.

(1) All references to Group hereafter include the separate annual financial statements, where applicable

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except where the Group has adopted the following new and amended IFRS and IFRIC interpretations during the year. When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

IAS 1 Presentation of Items of Other Comprehensive Income (Amendment to IAS 1)

The amendment to IAS 1 requires that items presented in other comprehensive income be grouped separately into those items that will be recycled into profit or loss at a future point in time, and those that will never be recycled. This had no impact on the Group's financial position or performance when this becomes applicable from 1 October 2012.

Basis of consolidation

The consolidated financial statements include the financial statements of Adcock Ingram and its subsidiaries, joint ventures, associates and special purpose entities deemed to be controlled by the Group. The financial results of the subsidiaries are prepared for the same reporting period using consistent accounting policies.

Investments in subsidiaries in the Adcock Ingram financial statements are accounted for at cost less any impairments.

The results of subsidiaries acquired are included in the consolidated financial statements from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

Subsidiaries acquired with the intention of disposal within 12 months are consolidated in line with the principles of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* and disclosed as held for sale. All intra group transactions, balances, income and expenses are eliminated on consolidation. Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the parent. These interests are presented separately in the consolidated statement of comprehensive income, and in the consolidated statement of financial position, separately from own shareholders' equity.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Losses are attributed to any relevant non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss, or retained earnings, as appropriate.

Underlying concepts

The financial statements are prepared on the going concern basis, which assumes that the Group will continue in operation for the foreseeable future.

The financial statements are prepared using the accrual basis of accounting whereby the effects of transactions and other events are recognised when they occur, rather than when the cash is received or paid.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are only offset when there is a legally enforceable right to offset, and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies are the specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements. Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively. If after making every reasonable effort to do so, it is impracticable to apply the change retrospectively, it is applied prospectively from the beginning of the earliest period practicable.

Changes in accounting estimates are adjustments to assets or liabilities or the amounts of periodic consumption of assets that result from new information or new developments. Such changes are recognised in profit or loss in the period they occur.

Prior period errors are omissions or misstatements in the financial statements of one or more prior periods. They may arise from a failure to use, or misuse of reliable information that was available at the time or could reasonably be expected to have been obtained. Where prior period errors are material, they are retrospectively restated. If it is impracticable to do so, they are corrected prospectively from the beginning of the earliest period practicable.

Foreign currencies

The consolidated financial statements are presented in South African Rands (Rands), which is the Group's functional and presentational currency. Each foreign entity in the Group determines its own functional currency.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rates of exchange ruling at the transaction date.

Foreign currency balances

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Exchange differences are taken to profit or loss, except for differences arising on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to other comprehensive income until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to such exchange differences are also accounted for in other comprehensive income.

If non-monetary items measured in a foreign currency are carried at historical cost, the exchange rate used is the rate applicable at the initial transaction date. If they are carried at fair value, the rate used is the rate at the date when the fair value was determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Foreign operations

At the reporting date, the assets and liabilities of the foreign operations are translated into the presentation currency of the Group (Rands) at the exchange rate ruling at the date of the statement of financial position. Items of profit or loss are translated at the weighted average exchange rate for the year. Exchange differences are taken directly to a separate component of other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

Significant accounting judgements and estimates

Estimates, assumptions and judgements

In the process of applying the Group's accounting policies, management has made certain judgements, estimates and assumptions, apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Carrying value of goodwill; property, plant and equipment, and intangible assets

Goodwill and indefinite life intangible assets are tested for impairment bi-annually, while property, plant and equipment and finite life intangible assets are tested or when there is an indicator of impairment. The calculation of the recoverable amount requires the use of estimates and assumptions concerning the future cash flows which are inherently uncertain and could change over time. In addition, changes in economic factors such as discount rates could also impact this calculation.

Residual values and useful lives of property, plant and equipment, and intangible assets

Residual values and useful lives of property, plant and equipment and intangible assets are assessed on an annual basis. Estimates and judgements in this regard are based on historical experience and expectations of the manner in which assets are to be used, together with expected proceeds likely to be realised when assets are disposed of at the end of their useful lives. Such expectations could change over time and therefore impact both depreciation and amortisation charges and carrying values of property, plant and equipment and intangible assets in the future.

Fair value of BEE share allocations

In calculating the amount to be expensed as a share-based payment, the Group is required to calculate the fair value of the equity instruments granted to the BEE participants in terms of the staff empowerment transactions.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

Cash-settled share options granted to employees for services rendered or to be rendered are raised as a liability and recognised in profit or loss over the vesting period. The liability is remeasured to its fair value annually until settled and any changes in value are recognised in profit or loss. Fair value is measured using a Black-Scholes option pricing model.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

Pension and other post-employment benefits

The cost of defined benefit pension plans and post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Provisions

The establishment and review of the provisions requires significant judgement by management as to whether or not a reliable estimate can be made of the amount of the obligation. Best estimates, being the amount that the Group would rationally pay to settle the obligation, are recognised as provisions at the reporting date.

Standards and interpretations issued that are not yet effective

The following standards and interpretations have not been applied by the Group as the standards and interpretations are not yet effective. The Group intends to adopt these standards when they become effective.

IFRS 9 Financial Instruments: Recognition and Measurement

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and deals with the classification and measurement of financial instruments. This standard is part of the IASB's project to replace IAS 39 in its entirety. The Board's work on the subsequent phases is ongoing and includes impairment, hedge accounting and derecognition. On adoption, the Group will need to consider its financial assets and liabilities in light of its business model or managing such assets and liabilities, as well as the cash flow characteristics of such instruments, in determining the appropriate classification and measurement of these items. IFRS 9 will be effective for the Group from 1 October 2015.

IFRS 10 Consolidated Financial Statements; IAS 27 Consolidated and Separate Financial Statements; IAS 28 Investments in Associates and Joint Ventures; IFRS 11 Joint Arrangements; IFRS 12 Disclosure of Interest in Other Entities

IFRS 10 replaces the portion of IAS 27 that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12 *Consolidation – Special Purpose Entities*. IFRS 10 establishes a single control model that applies to all entities. The changes will require management to make significant judgements to determine which entities are controlled and therefore required to be consolidated by the parent. Therefore, IFRS 10 may change which entities are consolidated within a group.

IFRS 11 replaces IAS 31 *Interest in Joint Ventures* and SIC 13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers*. IFRS 11 uses some of the terms that were used in IAS 31 but with different meanings which may create some confusion as to whether there are significant changes. IFRS 11 focuses on the nature of the rights and obligations arising from the arrangement compared to the legal form in IAS 31. IFRS 11 uses the principle of control in IFRS 10 to determine joint control which may change whether joint control exists. IFRS 11 addresses only two forms of joint arrangements: joint operations where the entity recognises its assets, liabilities, revenues and expenses and/or its relative share of those items and joint ventures which is accounted for on the equity method (proportional consolidation will no longer be permitted).

IFRS 12 includes all the disclosures that were previously in IAS 27 related to consolidated financial statements as well as all of the disclosures that were previously included in IAS 31 and IAS 28 *Investments in Associates*. A number of new disclosures are also required.

IAS 28 caters for joint ventures accounted for by applying the equity accounting method as well as prescribing the accounting for investments in associates. The Group will need to consider the new definition of control to determine which entities are controlled or jointly controlled and then to account for them under the new standards. Additional disclosures will also be required.

All of the above will be effective for the Group from 1 October 2013.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single framework for all fair value measurement when fair value is required or permitted by IFRS. IFRS 13 does not change when an entity is required to use fair value but rather describes how to measure fair value under IFRS when it is permitted or required by IFRS. There are also consequential amendments to other standards to delete specific requirements for determining fair value. The Group will need to consider the new requirements to determine fair values going forward. IFRS 13 will be effective for the Group from 1 October 2013.

IFRS 7 Financial Instruments: Disclosures; IAS 32 Financial Instruments: Presentation: Offsetting of Financial Assets and Financial Liabilities

IFRS 7 as amended provides additional disclosures, similar to current US GAAP requirements.

IAS 32 as amended clarifies the meaning of the entity currently having a legally enforceable right to set-off financial assets and financial liabilities.

IFRS 7 will be effective for the Group from 1 October 2013 and IAS 32 from 1 October 2014.

IAS 19 Employee Benefits

IAS 19 as revised will be effective for the Group from 1 October 2013. The 'corridor approach' currently allowed as an alternative basis in IAS 19 for the recognition of actuarial gains or losses on defined benefit plans has been removed. Actuarial gains or losses in respect of these are now recognised in other comprehensive income when they occur.

The amounts recognised in profit or loss, for defined benefit plans, are limited to current and past service costs, gains or losses on settlements and interest income/expense.

The distinction between short-term and other long-term benefits will be based on the expected timing of the settlement rather than the employee's entitlement to the benefits. The Group expects this to have an impact on the manner in which leave pay and similar liabilities are currently classified.

1. REVENUE

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
Revenue comprises:				
– Turnover	2,457,365	4,599,249	4,453,567	4,130,087
– Finance income	9,201	18,285	63,778	59,288
– Dividend income	7,794	26,872	16,890	10,647
	2,474,360	4,644,406	4,534,235	4,200,022

2. SEGMENT REPORTING

Turnover				(1)
Southern Africa	2,329,872	4,435,938	4,296,829	4,130,087
OTC	906,058	1,791,875	1,608,046	1,427,291
Prescription	856,707	1,520,219	1,632,071	1,666,373
Hospital	567,107	1,123,844	1,056,712	1,036,423
Rest of Africa and India	212,393	295,545	257,476	–
	2,542,265	4,731,483	4,554,305	4,130,087
Less: Inter-company sales	(84,900)	(132,234)	(100,738)	–
	2,457,365	4,599,249	4,453,567	4,130,087

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
Contribution after marketing expenses (CAM)				
Southern Africa	591,892	1,245,746	1,369,231	
OTC	322,121	660,492	680,703	
Prescription	178,204	371,801	485,182	
Hospital	91,567	213,453	203,346	
Rest of Africa and India	56,206	75,703	62,744	
Less: Inter-company	(4,751)	(7,492)	0	
	643,347	1,313,957	1,431,975	
Less: Other operating expenses ⁽²⁾	(168,448)	(445,136)	(363,337)	
Research and development	(52,051)	(81,601)	(70,723)	
Fixed and administrative	(116,397)	(363,535)	(292,614)	
Operating profit	474,899	868,821	1,068,638	1,168,307

OPERATING PROFIT

(1) Following a restructuring towards the end of the 2011 financial year, after the integration of the Hospital operations with the Pharmaceutical operations, decision making changed, with a corresponding change in segmental reporting to align the reporting in accordance with IFRS 8. Segmental reporting for the 2010 financial year was therefore based on the previous method of reporting.

(2) Other operating expenses are managed on a central basis and are not allocated to operating segments.

Total assets		Total assets			
Southern Africa	4,998,083		5,282,285	5,235,460	4,528,638
Pharmaceuticals	4,305,599	Pharmaceuticals	4,666,865	4,675,621	3,653,871
Hospital	692,484	Hospital	615,420	559,839	874,767
Rest of Africa and India	1,304,036				
Total assets	6,302,119	Total assets	5,282,285	5,235,460	4,528,638

3. INVENTORY

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
The amount of inventories written down recognised as an expense in profit or loss	9,466	42,336	20,907	26,821

4. CAPITAL COMMITMENTS

Capital commitments				
– contracted	96,764	64,632	292,983	503362
– approved	106,084	143,403	120,845	154992
	202,848	208,035	413,828	658,354

5. HEADLINE EARNINGS

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
Earnings per share is derived by dividing earnings attributable to owners of Adcock Ingram for the period, by the weighted average number of shares in issue.				
Headline earnings is determined as follows:				
Earnings attributable to owners of Adcock Ingram from total operations	317,192	705,641	754,205	631,459
<i>Adjusted for:</i>				
Loss/(profit) from discontinued operation	–	–	28,397	(14,907)
Earnings attributable to owners of Adcock Ingram from continuing operations	317,192	705,641	782,602	616,552
<i>Adjusted for:</i>				
Impairment of investment	–	–	12,200	–
Impairment of leasehold improvements and intangible assets	–	1,887	–	–
Tax indemnity on discontinued operation	–	2,355	–	–
Loss/(profit) on disposal of property, plant and equipment, net of tax	167	3,526	(857)	(221)
Headline earnings	317,359	713,409	793,945	616,331

6. SHARE CAPITAL

	Number of shares			
	'000	'000	'000	'000
Number of ordinary shares in issue	201,066	200,735	200,156	199,904
Number of A and B shares held by the BEE participants	(25,944)	(25,944)	(25,944)	(25,944)
Number of ordinary shares held by the BEE participants	(2,255)	(1,782)	(1,042)	(309)
Number of ordinary shares held by Group company	(4,285)	(4,285)	(4,285)	–
Net shares in issue	168,582	168,724	168,885	173,651
Headline earnings and basic earnings per share are based on:				
Weighted average number of shares	168,696	168,894	170,697	173,712
Diluted weighted average number of shares	168,868	169,131	171,049	174,101

7. BUSINESS COMBINATION

7.1 Cosme Farma Laboratories Limited (Cosme)

On 17 January 2013, the Group acquired certain assets of Cosme, a division of the Cosme Group, based in Goa, India. Cosme is a mid-sized sales and marketing pharmaceutical business which has been operating in the Indian domestic pharmaceutical market for the past 40 years and is ranked in the top 70 in India, per IMS Health, with a sales force of approximately 1 000 staff.

The fair value of the identifiable assets as at the date of acquisition was:

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
Assets				
Property, plant and equipment	130			
Marketing-related intangible assets	618,748			
Customer-related intangible assets	87,368			
Contract-related intangible assets	13,040			
Manufacturing-related intangible assets	1,630			
Total identifiable net assets at fair value	720,916			
Goodwill arising on acquisition	61,484			
Purchase consideration	782,400			
VAT recoverable and deposits	39,193			
Included in cash flows from investing activities	821,593			

The significant factors that contributed to the recognition of goodwill of R61.5 million include, but are not limited to, the establishment of a presence within the domestic Indian market, with local management and expertise to drive the company's product sales into the various channels and customers that exist within this market.

From the date of acquisition, Cosme contributed R35.0 million towards revenue.

Analysis of cash flows on acquisition

Transaction costs of the acquisition (included in cash flows from operating activities)	4,248
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Cash outflow on acquisition	4,248
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Transaction costs of R4.2 million have been expensed during the six months and are included in fixed and administrative expenses.

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
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7.2 The Scientific Group (Pty) Ltd

On 31 January 2011, the group disposed of its 74% holding in The Scientific Group (Pty) Limited (TSG).

The results of TSG are presented below and the 30 September 2011 figures include trading for the four-month period ended 31 January 2011:

Turnover			90,103	310,567
Cost of sales			(52,265)	(176,871)
Gross profit			37,838	133,696
Selling and distribution expenses			(20,397)	(57,126)
Marketing expenses			(794)	(1,266)
Fixed and administrative expenses			(12,119)	(43,309)
Operating profit			4,528	31,995
Finance costs			(1,046)	(2,542)
Profit before taxation			3,482	29,453
Taxation			(2,780)	(8,994)
Profit for the period from discontinued operation			702	20,459
Loss on disposal of the discontinued operation			(27,737)	–
Attributable taxation			(1,117)	–
(Loss)/profit after tax for the period from a discontinued operation			28,152	20,459
Cash inflow on disposal:				
Consideration received			77,827	
Net overdraft disposed of with the discontinued operation			7,162	
Net cash inflow			84,989	
Included in the Group's consolidated statement are cash flows from the TSG discontinued operation. These cash flows are included in operating and investing activities as follows:				
Cash outflow from operating activities			35,611	
Cash outflow from investing activities			9,530	
Net cash outflow			45,141	

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
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7.3 NutriLida

On 31 July 2011, Adcock Ingram Healthcare (Pty) Ltd acquired 100% of the business of NutriLida (Pty) Limited, Zeiss Road Manufacturing (Pty) Limited and Midsummer Assets and Leasing (Pty) Limited (NutriLida), a vitamins, minerals and supplements business based in Johannesburg, as a going concern. The Group has acquired NutriLida because it significantly enlarges the range of products in the vitamins, minerals and supplements category.

The fair value of the identifiable assets as at the date of acquisition was:

Assets

Property, plant and equipment	1,332
Other intangibles	139,307
Cash and cash equivalents	26,595
Investments	1,192
Inventories	36,552
Accounts receivable	47,191
Receiver of Revenue	2,888
	255,057

Liabilities

Accounts payable	(29,673)
Deferred tax	(38,991)
	(68,664)

Total identifiable assets at fair value

Goodwill arising on acquisition	186,393
	163,607

Purchase consideration

Net cash acquired with business	350,000
	(26,595)

Net cash consideration

323,405

The fair value of the trade receivables equals the gross amount of trade receivables and amounts to R47.2 million. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected. An amount of R50 million was paid into an escrow account as a guarantee for any returns or uncollected trade receivables.

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
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The significant factors that contributed to the recognition of goodwill of R163.6 million include, but are not limited to, the acquisition of trade listings of an established product portfolio within the FMCG channel.

From the date of acquisition, Nutrilida contributed R43.1 million towards revenue and R15.3 million towards profit before income tax.

Should the Nutrilida acquisition have been included from 1 October 2010, the contribution is estimated to have been R233.4 million to revenue and R75.6 million towards profit before income tax.

Analysis of cash flows on acquisition

Transaction costs of the acquisition (included in cash flows from operating activities)	(2,441)
Net cash acquired with the business (included in cash flows from investing activities)	26,595
Cash inflow on acquisition	24,154

Transaction costs of R2.4 million have been expensed and are included in fixed and administrative expenses.

7.4 Bioswiss (Pty) Ltd

On 1 April 2011, Adcock Ingram Healthcare (Pty) Ltd acquired 51% of Bioswiss (Pty) Ltd, a specialised diabetes pharmaceutical company in South Africa. The Group has acquired Bioswiss as it adds a diabetes portfolio to the range of products.

The fair value of the identifiable assets as at the date of acquisition was:

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
Assets				
Accounts receivable			11,812	
Marketing-related intangible assets			10,255	
Customer-related intangible assets			1,010	
Contract-related intangible assets			7,840	
Inventories			5,009	
Cash and cash equivalents			2,124	
Other intangibles			114	
Property, plant and equipment			15	
			38,179	
Liabilities				
Long-term borrowings			(1,922)	
Accounts payable			(2,161)	
Deferred tax			(5,342)	
Receiver of Revenue			(36)	
			(9,461)	
Total identifiable assets at fair value				
			28,718	
Non-controlling interests measured at fair value			(14,072)	
Goodwill arising on acquisition			10,354	
Purchase consideration				
			25,000	
Deferred consideration			(8,506)	
Net cash acquired with business			(2,124)	
Cash injection			(9,000)	
Net cash consideration				
			5,370	
<p>The significant factors that contributed to the recognition of goodwill include, but are not limited to, the acquisition of a diabetes product portfolio.</p> <p>The fair value of the trade receivables equals the gross amount of trade receivables and amounts to R11.8 million. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.</p> <p>From the date of acquisition, Bioswiss contributed R6.8 million towards revenue and reported a loss before income tax of R2.5 million.</p>				

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
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Should the Bioswiss acquisition have been included from 1 October 2010, the contribution is estimated to have been R6.8 million to revenue and R2.5 million towards loss before income tax.

Analysis of cash flows on acquisition

Transaction costs of the acquisition (included in cash flows from operating activities)

(675)

Net cash acquired with the business (included in cash flows from investing activities)

2,124

Cash inflow on acquisition

1,449

Transaction costs of R0.7 million have been expensed and are included in fixed and administrative expenses.

Of the total purchase price, a payment of R8.5 million has been deferred. The deferred portion of the purchase price has been fully provided for. R2.5 million of the deferred portion is subject to the achievement of certain revenue targets.

7.5 **Unique Formulations**

On 17 November 2009, the group acquired 100% of the assets of Unique Formulations, a vitamin and mineral supplement company based in Cape Town, as a going concern. The Group acquired Unique as it gave the Company entry into the vitamins, minerals and supplements category.

The fair value of the identifiable assets as at the date of acquisition was:

Assets

Property, plant and equipment	196
Marketing-related intangible assets	24,204
Inventories	2,024
Accounts receivable	2,669
Total identifiable net assets at fair value	29,093
Goodwill arising on acquisition	8,448
Purchase consideration	37,541

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
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The fair value of the trade receivables equals the gross amount of trade receivables and amounts to R2.7 million. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected. Any uncollected amounts will be off-set against the deferred portion of the purchase price.

The significant factors that contributed to the recognition of goodwill include, but are not limited to, the acquisition of trade listings of an established product portfolio within the FMCG channel.

From the date of acquisition, the Unique business contributed R23.1 million towards revenue in the 2010 financial year. Should the Unique business have been included from 1 October 2009, the contribution is estimated to have been R24.8 million to revenue.

As the business was fully integrated into the OTC segment, it is not possible to determine the exact contribution towards profit before income tax.

Analysis of cash flows on acquisition

Transaction costs of the acquisition (included in cash flows from operating activities)

(253)

Net cash flow on acquisition

(253)

Transaction costs of R0.3 million have been expensed and are included in fixed and administrative expenses in the 2010 financial year.

Of the total purchase price, a payment of R17.5 million was deferred. The deferred portion of the purchase price, which was fully provided for, was subject to the achievement of certain revenue targets.

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
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During the 2011 financial year, an amount of R3.78 million was paid, after withholding R3.43 million for trade debtors receipts and R6.55 million was adjusted through profit and loss as certain performance criteria were not met. Of the initial deferred amount of R17.5 million, an amount of R3.75 million is still outstanding at 30 September 2011.

7.6 **Indigenous Systems (Pty) Limited**

On 1 April 2010, The Scientific Group (Pty) Ltd acquired the net assets of Indigenous Systems (Pty) Limited ("Indigenous"), an unlisted company in South Africa, as a going concern. The Group acquired Indigenous as it enlarges the product portfolio.

The fair value of the identifiable assets as at the date of acquisition was:

Assets

Property, plant and equipment	1,925
Inventories	7,642
Accounts receivable	7,018
	16,585

Liabilities

Accounts payable	(415)
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Net purchase price

16,170

The fair value of the trade receivables equals the gross amount of trade receivables and amounts to R7.0 million. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected. Any uncollected amounts will be offset against the deferred portion of the purchase price.

From the date of acquisition, the Indigenous business contributed R20.5 million towards revenue and R3.2 million towards profit before income tax in the 2010 financial year.

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
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Should the Indigenous business have been included from 1 October 2009, the contribution is estimated to have been R39 million to revenue and R5.9 million towards profit before income tax.

Of the total purchase price, a payment of R3.2 million was deferred. The deferred portion of the purchase price, which was fully provided for, was subject to the achievement of certain revenue targets. This business was subsequently sold as part of the disposal of The Scientific Group (refer note 1).

7.7 **Ayrton Drug Manufacturing Limited**

On 1 April 2010, Adcock Ingram International (Pty) Limited (Adcock Ingram International), a wholly owned subsidiary of Adcock Ingram Holdings Limited, acquired a 65.59% stake in a leading listed Ghanaian pharmaceutical company, Ayrton Drug Manufacturing Limited ("Ayrton") for R121 million, to establish a presence in Western Africa.

The fair value of the identifiable assets as at the date of acquisition was:

Assets

Property, plant and equipment	20,355
Marketing-related intangible assets	28,295
Customer-related intangible assets	9,141
Other Intangibles	1,211
Cash and cash equivalents	14,417
Inventories	20,299
Accounts receivable	23,778
	117,496

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
Liabilities				
Accounts payable				(10,028)
Receiver of Revenue				(1,465)
Deferred Tax				(9,359)
				(20,852)
Total identifiable net assets at fair value				
				96,644
Non-controlling interests measured at fair value				(33,636)
Fair value of net assets				
				63,008
Goodwill arising on acquisition				57,869
Purchase consideration				
				120,877
<p>The fair value of the trade receivables equals the gross amount of trade receivables and amounts to R23.8 million. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.</p> <p>Goodwill represents the difference between the purchase consideration and the fair value of the net assets acquired as there are no further separately identifiable intangible assets. The significant factors that contributed to the recognition of goodwill include, but are not limited to, the establishment of a presence within the Western African markets, with local management and distribution capabilities to drive the group's product sales into the various channels and customers that exist within those markets.</p> <p>From the date of acquisition, the Ayrton business contributed R44.3 million towards revenue and R9.7 million towards profit before income tax in the 2010 financial year.</p>				

	Reviewed six months ended 31-Mar 2013 R'000	Audited Year ended 30-Sep 2012 R'000	Audited Year ended 30-Sep 2011 R'000	Audited Year ended 30-Sep 2010 R'000
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Should the Ayrton business have been included from 1 October 2009, the contribution is estimated to have been R85.7 million to revenue and R19.4 million towards profit before income tax in the 2010 financial year.

Analysis of cash flows on acquisition

Transaction costs of the acquisition (included in cash flows from operating activities)				(1,867)
Net cash acquired with the business (included in cash flows from investing activities)				14,417
Cash inflow on acquisition				12,550

Transaction costs of R1.9 million have been expensed and are included in fixed and administrative expenses in the 2010 financial year.

Acquisition of additional interest in Ayrton

Adcock has placed an order on the Ghanaian stock exchange to purchase additional shares at GH¢0.16.

Following the initial transaction, Adcock Ingram International (Pty) Limited acquired an additional 0.59% of the shares of Ayrton for R1 million, increasing its ownership to 66.18% at 30 September 2010.

A cash consideration of R0.991 million was paid.

The difference of R0.922 million between the consideration paid and the carrying value of the interest acquired has been recognised in retained earnings within equity.

During the 2011 financial year, an additional 5.17% interest of the voting shares of Ayrton was acquired, increasing its ownership to 71.35%. A cash consideration of R9.345 million was paid. The difference of R4.120 million between the consideration paid and the carrying value of the interest acquired has been recognised in retained earnings within equity.

REPORTING ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION OF ADCOCK INGRAM AND ITS SUBSIDIARIES

The Directors
Adcock Ingram Holdings Ltd
1 New Road
Midrand
Johannesburg

Independent Reporting Accountant's Report on the Historical Financial Information of Adcock Ingram Holdings Limited ("Adcock")

Introduction

At your request, we present our Reporting Accountant's Report on the Consolidated Historical Financial Information of Adcock Ingram Holdings Limited ("Adcock") for the three years ended 30 September 2012, 2011 and 2010 (the "Historical Financial Information") for inclusion in the circular to be dated on or about 18 November 2013 ("Circular"). This report is required for the purposes of complying with Section 8.48 of the Listings Requirements of the JSE Limited (the "Listings Requirements") and is given for the purpose of complying with those requirements and for no other purpose. We are the independent auditors of Adcock.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Listings Requirements and consenting to its inclusion in the Circular.

Responsibility of the Directors

The Directors of Adcock are responsible for the compilation, contents and preparation of the Circular in accordance with the Listings Requirements. The Directors are also responsible for the fair presentation in accordance with International Financial Reporting Standards ("IFRS") of the Consolidated Historical Financial Information contained therein to which this Independent Reporting Accountant's Report relates, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Historical Financial Information subjected to audit or review

We have audited the consolidated historical financial information for the three years ended 30 September 2012, 2011 and 2010 attached as Annexure 3 to the Circular to be dated on or about 18 November 2013, prepared in accordance with IFRS and in compliance with the JSE Listings Requirements.

Responsibility of the Independent Reporting Accountant's on the Consolidated Historical Financial Information for the three years ended 30 September 2012, 2011 and 2010

Our responsibility is to express an audit opinion on the Consolidated Historical Financial Information for the three years ended 30 September 2012, 2011 and 2010 included in Annexure 3 to the Circular based on our audit.

We conducted our audit of the Consolidated Historical Financial Information for the three years ended 30 September 2012, 2011 and 2010 in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Historical Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Historical Financial Information for the three years ended 30 September 2012, 2011 and 2010. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Historical Financial Information, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Consolidated Historical Financial Information for the three years ended 30 September 2012, 2011 and 2010 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Historical Financial Information for the three years ended 30 September 2012, 2011 and 2010.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on Consolidated Historical Financial Information for the three years ended 30 September 2012, 2011 and 2010

In our opinion, the Consolidated Historical Financial Information for the three years ended 30 September 2012, 2011 and 2010 consisting of the consolidated financial position of Adcock and its consolidated financial performance and its consolidated cash flows for the three years ended 30 September 2012, 2011 and 2010 included in the Circular has been prepared, in all material respects, in accordance with the Listings Requirements.

Ernst & Young Inc.

Director: Warren Kenneth Kinnear
Reporting Accountant Specialist and Auditor
Registered Auditor (RA)
Chartered Accountant (SA)

PRO FORMA FINANCIAL INFORMATION OF ADCOCK INGRAM

FINANCIAL EFFECTS OF THE SCHEME ON ADCOCK INGRAM SHAREHOLDERS

The table below sets out the *pro forma* financial effects of the Scheme on Adcock Ingram Ordinary Shareholders, for which the directors of Adcock Ingram are responsible, based on the six-month results of Adcock Ingram to 31 March 2013 and the assumptions set out below the table. The *pro forma* financial effects have been prepared for illustrative purposes only, in order to provide information on how the Scheme may affect the basic earnings per shares ("EPS"), diluted earnings per shares ("DEPS"), headline earnings per share ("HEPS"), diluted headline earnings per shares ("DHEPS") and dividend per share ("DPS") of the Adcock Ingram Ordinary Shares exchanged for CFR Shares, assuming the Scheme had become operative on 1 October 2012, and for the purposes of net asset value per share ("NAVPS") and net tangible asset value per share ("NTAVPS") as if the Scheme had become operative on 31 March 2013. Due to their nature, the *pro forma* financial effects may not give a true reflection of the financial effects of the Scheme. Adcock Ingram Ordinary Shareholders should note that the table below does not take account of the potential revenue and cost synergy effects or the cash impact that have been identified if the Scheme is implemented. Adcock Ingram Ordinary Shareholders should not base any investment decision solely on the information provided in this Annexure 4. The illustration below compares 1 Adcock Ordinary Share pre Scheme implementation to 1 CFR Share post Scheme implementation. Adcock Ingram Ordinary Shareholders should take into consideration the number of CFR Shares to be obtained as a result of the Scheme implementation for 1 Adcock Ingram Ordinary Share currently held and the cash element of the Scheme Consideration when considering the information below.

Adcock Ingram Ordinary Shareholders are cautioned that due to their nature, the *pro forma* financial effects may not fairly present the actual financial effects of the Scheme. Adcock Ingram Ordinary Shareholders are reminded that, according to the Scheme, one Adcock Ingram Ordinary Share is equivalent to 31.5 CFR Shares for the purposes of the Scheme Consideration. Therefore, Adcock Ingram Ordinary Shareholders are cautioned when comparing CFR Shares and Adcock Ingram Ordinary Shares on a like-for-like basis as depicted below. In addition, Adcock Ingram Ordinary Shareholders should note that the table below does not take account of the potential revenue and cost synergy effects or the cash impact that have been identified if the Scheme is implemented.

PRO FORMA FINANCIAL INFORMATION TO 31 MARCH 2013

	Before the Scheme Adcock Ingram (ZAR)	After the Scheme CFR (ZAR)	Percentage change
EPS	1.88	0.018	(99.0%)
DEPS	1.88	0.018	(99.0%)
HEPS	1.88	0.018	(99.0%)
DHEPS	1.88	0.018	(99.0%)
NAVPS	22.03	1.05	(95.2%)
NTAVPS	13.06	(0.40)	(103.1%)
Weighted average number of shares in issue ('000)	168,696	11,062,226	
Shares in issue at period-end ('000)	168,582	11,062,226	
Diluted number of shares ('000)	168,868	11,137,876	

Notes:

The *pro forma* financial information assumes a minimum of 51.0% of the Scheme Consideration will be settled in cash and a maximum of 49.0% of the Scheme Consideration will be settled in CFR Shares. All assumptions made with respect to the purchase price allocation and deal structure are preliminary and, therefore, subject to change once the purchase price allocation and deal structure have been finalised.

1. The financial information in the "Before the Scheme" column was arrived at by using the Adcock Ingram profits and the number of Adcock Ingram Shares as published for the period ended 31 March 2013.
2. The financial information included in the "After the Scheme" was taken into account by using the new consolidated profits of CFR and the new number of CFR Shares that will be in issue after the implementation of the Scheme.

3. All income statement information was converted at an average exchange rate of ZAR8.40 to US\$1.
4. All balance sheet information was converted at the closing exchange rate at 31 March 2013 of to ZAR9.21 to US\$1.
5. The CFR Group financial information has been extracted, without adjustment, from the CFR Group's unaudited financial statements for the six-month period ended 30 June 2013.
6. The Adcock Ingram Group financial information has been extracted from the Adcock Ingram Group reviewed financial statements for the six month period ended 31 March 2013. This financial information has been adjusted for:
 - a. Conversion from South African Rands to US dollars; and
 - b. Compliance with CFR Group's accounting policies.
7. The CFR Group's financial information is unaudited and has not been reviewed.
8. The Scheme Consideration is likely to be funded by bank debt amounting to US\$600 million, cash-on-hand, and by the issue of CFR Shares to the value of US\$620 million (2 646 226 260 new CFR Shares) as reflected in the *pro forma* statement of financial position. An interest rate of 6% per annum is assumed (included Chilean taxation 20%),
9. Non-recurring Transaction costs amounting to US\$55.7 million are being incurred of which US\$35,8 million would have been expensed through the statement of comprehensive income. These costs are assumed to be tax deductible in Chile and South Africa, respectively (US\$12,5 million). However due to the tax timing difference relating to the realisation of debt issuance costs, taken into account in determining the effective interest rate of the debt raised for the Transaction a deferred tax liability (US\$2,8 million) has been recognised resulting in net Transaction costs of US\$26,1 million. These costs will be paid out of available cash resources and are attributable to various professional advisers, regulatory authorities and printing costs. The balance of the costs consist of debt issuance costs of US\$13,9 million and have been taken into account in determining the effective interest rate of the debt portion of the Scheme Consideration. US\$6 million issuance costs relating to the Capital Increase have been set off against equity in the *pro forma* statement of financial position.
10. The *pro forma* financial information does not take into consideration the impact of the "A Ordinary Agreement" and the "B Ordinary Agreement", respectively.
11. In terms of the requirements of IFRS 3 and based on CFR Group's managements' best estimate, the excess of the Scheme Consideration paid to Adcock Ingram's Ordinary Shareholders over the net asset value at 1 January 2013 (1 October 2012 "Adcock") has been allocated as follows:

	Amount 01.01.2013 ThUS\$	Year of amortisation comprehensive Income Statement	6 months amortisation ThUS\$	Adjustment
Inventories (brand and products)	26.987	1	(13.494)	Cost of sales
Intangible	27.601	20	(690)	Selling and Admin
PP&E	4.546	20	(114)	Selling and Admin
Intangible (licenses)	3.800	15	(126)	Selling and Admin
Intangible (client relationships)	281.600	20	(7.040)	Selling and Admin
Total			(21.464)	
Income tax effects (28% tax rate)			6.010	Taxation

12. It is assumed that each holder of a Phantom Option will receive an amount in cash equal to R73,51 less the grant price of the relevant In The Money Option. The number of Phantom Options outstanding as at 31 March 2013 was 3 898 557. An additional amount of US\$5.479 million would have been paid as of that date. The effect on profit and loss would have been US\$3.945 million, assuming a South African tax rate of 28% (selling and administrative expenses US\$5.479 million and taxation US\$1.534 million).

PRO FORMA FINANCIAL INFORMATION TO 30 SEPTEMBER 2012

	Before the Scheme Adcock Ingram (ZAR)	After the Scheme CFR (ZAR)	Percentage change
EPS	4.18	0.043	(99.0%)
DEPS	4.17	0.042	(99.0%)
HEPS	4.22	0.050	(98.8%)
DHEPS	4.22	0.050	(98.8%)
NAVPS	23.54	0.98	(95.8%)
NTAVPS	16.80	-0.30	(101.8%)
Weighted average number of shares in issue ('000)	168,893	11,062,226	
Shares in issue at period-end ('000)	168,724	11,062,226	
Diluted number of shares ('000)	169,130	11,140,894	

Notes:

The *pro forma* financial information assumes a minimum of 51.0% of the Scheme Consideration will be settled in cash and a maximum of 49.0% of the Scheme Consideration will be settled in CFR Shares. All assumptions made with respect to the purchase price allocation and deal structure are preliminary and, therefore, subject to change once the purchase price allocation and deal structure have been finalised.

1. The financial information in the "Before the Scheme" column was arrived at by using the Adcock Ingram profits and the number of Adcock Ingram Shares as published for the period ended 30 September 2012.
2. The financial information included in the "After the Scheme" was taken into account by using the new consolidated profits of CFR and the new number of CFR Shares that will be in issue after the implementation of the Scheme.
3. All income statement information was converted at an average exchange rate of ZAR8.08 to US\$1.
4. All balance sheet information was converted at the closing exchange rate at 30 September 2012 of ZAR8.29 to US\$1.
5. The CFR Group financial information has been extracted, without adjustment, from the CFR Group's audited financial statements for the year ended 31 December 2012.
6. The Adcock Ingram Group financial information has been extracted from the Adcock Ingram Group audited financial statements for the year ended 30 September 2012. This financial information has been adjusted for:
 - a. Conversion from South African Rands to US dollars; and
 - b. Compliance with CFR Group's accounting policies.
7. The Scheme Consideration is likely to be funded by bank debt amounting to US\$600 million, cash-on-hand, and by the issue of new CFR Shares to the value of US\$620 million (2 646 226 260 new CFR Shares) and US\$43 million cash resources as reflected in the *pro forma* statement of financial position. An interest rate of 6% per annum is assumed (included Chilean taxation 20%).
8. Non-recurring transaction costs amounting to US\$57,6 million are being incurred of which US\$37,7 million would have been expensed through the statement of comprehensive income. These costs are assumed to be tax deductible in Chile and South Africa, respectively (US\$13 million). However due to the tax timing difference relating to the realisation of debt issuance costs, taken into account in determining the effective interest rate of the debt raised for the Transaction a deferred tax liability (US\$2,8 million) has been recognised resulting in net Transaction costs of US\$27,5 million. These costs will be paid out of available cash resources and are attributable to various professional advisers, regulatory authorities and printing costs. The balance of the costs consist of debt issuance costs of US\$13, 9 million and have been taken into account in determining the effective interest rate of the debt portion of the Scheme Consideration. US\$6 million issuance costs relating to the Capital Increase have been set off against equity in the *pro forma* statement of financial position.
9. The *pro forma* financial information does not take into consideration the impact of the "A Ordinary Agreement" and the "B Ordinary Agreement", respectively.
10. In terms of the requirements of IFRS 3 and based on CFR Group's managements' best estimate, the excess of the Scheme Consideration paid to Adcock Ingram Ordinary Shareholders over the net asset value at 1 January 2013 (1 October 2012 "Adcock") has been allocated as follows:

	Amount 01.01.2013 ThUS\$	Year of amortisation comprehensive Income Statement	12 months amortisation ThUS\$	Adjustment
Inventories	31.850	1	(31.850)	Cost of sales
Intangible (brand and products)	22.443	20	(1.172)	Selling and Admin
PP&E	2.243	20	(112)	Selling and Admin
Intangible (licenses)	3.800	15	(254)	Selling and Admin
Intangible (client relationships)	260.200	20	(13.010)	Selling and Admin
Total			(46.398)	
Income tax effects (28% tax rate)			12.991	Taxation

11. It is assumed that each holder of a Phantom Option will receive an amount in cash equal to R73.51 less the grant price of the relevant In The Money Option. The number of Phantom Options outstanding as at 30 September 2012 was 3 463 690. An additional amount of US\$5.159 million would have been paid as of that date. The effect on profit or loss would have been US\$3.715 million, assuming a South African tax rate of 28% (selling and administrative expenses ThUS\$5.159 and taxation ThUS\$1.444).

I. PRO FORMA FINANCIAL EFFECTS OF THE AQUISITION AT 31 DECEMBER 2012

The following *pro forma* financial information is the responsibility of the directors of Adcock Ingram and has been prepared in accordance with the South African Institute of Chartered Accountants' Guide on *pro forma* financial information and Listings Requirements, to illustrate the potential effect of the acquisition of the Adcock Ingram Group on the consolidated statement of comprehensive income of the CFR Group for the year ended 31 December 2012 and on the consolidated statement of financial position at 31 December 2012.

The *pro forma* financial information is prepared based on the same accounting policies applied to the statutory financial statements of the CFR Group for the year ended 31 December 2012. The *pro forma* financial information has been prepared for illustrative purposes only and does not constitute statutory accounts of the CFR Group or Adcock Ingram Group. Due to its nature, the *pro forma* financial information addresses a hypothetical situation and, therefore, does not represent the CFR Group's actual financial position or results following the completion of the acquisition. The *pro forma* consolidated statement of comprehensive income is based on the assumption that the acquisition took effect on 1 January 2012 and the *pro forma* statement of financial position is based on the assumption that the acquisition took effect on 31 December 2012.

The independent reporting accountants' report on CFR Group, prepared in accordance with the provisions of the Listings Requirements, relating to the *pro forma* financial information and the effects is set out in Annexure 6 of the Circular.

All assumptions made with respect to the purchase price allocation are preliminary and, therefore, subject to change once the purchase price allocation is finalised after an independent review by specialists.

a. *Pro forma* statement of comprehensive income of the CFR Group and the Adcock Ingram Group.

The *pro forma* consolidated statement of comprehensive income set out below presents the effects of the acquisition on the results of the CFR Group for the period ended 31 December 2012 (1 October 2011 "Adcock") based on the assumption that the acquisition was effective on 1 January 2012 (1 October 2011 "Adcock"):

	CFR Group (Audited) ⁽¹⁾ 01.01.2012 31.12.2012 ThUS\$	Adcock Ingram Group ⁽²⁾ 01.10.2011 30.09.2012 ThUS\$	Adjustments financing ⁽³⁾ ThUS\$	Adjustments Transaction cost ⁽⁴⁾ ThUS\$	Adjustments amortisation intangibles ⁽⁵⁾ ThUS\$	Phantom Options ⁽⁶⁾ ThUS\$	<i>Pro forma</i> ThUS\$
Revenue	570,832	545,049	–	–	–	–	1,115,88
Cost of sales	(171,34)	(295,785)	–	–	(31,850)	–	(498,977)
Gross profit	399,490	249,264	–	–	(31,850)	–	616,904
Selling and administrative expenses	(317,825)	(148,259)	–	–	(14,548)	(5,159)	(485,791)
Other income (expenses)	982	–	–	–	(37,697)	–	(36,715)
Income from joint venture companies	82,647	101,005	–	(37,697)	(46,398)	(5,159)	94,398
Foreign exchange gain	1,319	6,776	–	–	–	–	8,095
	9,670	–	–	–	–	–	9,670
	93,636	107,781	–	(37,697)	(46,398)	(5,159)	112,163
Finance income	3,245	2,025	–	–	–	–	5,270
Finance costs	(10,638)	(2,301)	(36,000)	–	–	–	(48,939)
Profit before taxation	86,243	107,505	(36,000)	(37,697)	(46,398)	(5,159)	68,494
Taxation	(8,703)	(18,890)	7,200	4,987	12,991	1,444	(971)
Net profit after taxation	77,540	88,615	(28,800)	(32,710)	(33,407)	(3,715)	67,523
Net profit attributable to:							
Owners of the parent ⁽¹⁾	79,566	87,332	(28,800)	(32,710)	(33,407)	(3,715)	68,266
Non-controlling interests	(2,026)	1,283	–	–	–	–	(743)
Net profit after taxation	77,540	88,615	(28,800)	–	–	(3,715)	67,523
Other comprehensive income	2,112	(14,831)	–	–	–	–	(12,719)
Exchange differences on translation of foreign operations	(605)	(3,240)	–	–	–	–	(3,845)
Exchange differences on translation of Adcock operation to US\$	–	(10,141)	–	–	–	–	(10,141)
Movement in cash flow hedge accounting reserve, net of tax	–	(1,450)	–	–	–	–	(1,450)

	CFR Group (Audited)⁽¹⁾ 01.01.2012 31.12.2012 ThUS\$	Adcock Ingram Group⁽²⁾ 01.10.2011 30.09.2012 ThUS\$	Adjustments financing⁽³⁾ ThUS\$	Adjustments Transaction cost⁽⁴⁾ ThUS\$	Adjustments amortisation intangibles⁽⁵⁾ ThUS\$	Phantom Options⁽⁶⁾ ThUS\$	Pro forma ThUS\$
Net income on available-for-sale financial asset, net of tax	2,717	–	–	–	–	–	2,717
Total comprehensive income for the period, net of tax	79,652	73,784	(28,800)	(32,710)	(33,407)	(3,715)	54,804
Total comprehensive income attributable to:							
Owners of the parent	80,996	72,834	(28,800)	(32,710)	(33,407)	(3,715)	55,198
Non-controlling interests	(1,344)	950	–	–	–	–	(394)
Total comprehensive income for the period, net of tax	79,652	73,784	(28,800)	(32,710)	(33,407)	(3,715)	54,804
Reconciliation of headline earnings							
Net profit after taxation/owners of the parent ⁽¹⁾	79,566	87,332	(28,800)	(32,710)	(33,407)	(3,715)	68,266
Profit on sale of property, plan and equipment	(270)	436	–	–	–	–	166
Impairment of leasehold improvements and intangibles assets	–	234	–	–	–	–	234
Profit on assets available for sale	(712)	–	–	–	–	–	(712)
Taxation	229	291	–	–	–	–	520
Headline earnings ⁽⁴⁾	78,813	88,293	(28,800)	(32,710)	(33,407)	(3,715)	68,474
Weighted average number of shares ('000) ⁽²⁾	8,416,000	168,894	–	–	–	–	8,416,000
Diluted weighted average number of shares ('000) ⁽³⁾	8,494,668	169,131	–	–	–	–	8,494,668
Increase of capital-new shares ('000) ⁽⁵⁾	2,646,226	–	–	–	–	–	2,646,226
Earnings per share (US\$):							
Basic (1)/((2)+(5))	0.007193	0.517082	–	–	–	–	0.006171
Diluted (1)/((3)+(5))	0.007142	0.516357	–	–	–	–	0.006128
Headline (4)/((2)+(5))	0.007125	0.522772	–	–	–	–	0.006190
Diluted headline (4)/((3)+(5))	0.007074	0.522039	–	–	–	–	0.006146
Distribution to shareholders during the year	0.001564	0.130000	–	–	–	–	0.131564
Interim dividend (US\$)	0.001452	0.001452	–	–	–	–	–
Final dividend (US\$)	0.000112	0.130000	–	–	–	–	0.130112

Notes:

1. The CFR Group financial information has been extracted, without adjustment, from the CFR Group's audited financial statements for the year ended 31 December 2012.
2. The Adcock Ingram Group financial information has been extracted from the Adcock Ingram Group audited financial statements for the year ended 30 September 2012. This financial information has been adjusted for:
 - a. Conversion from South African Rands to US dollars; and
 - b. Compliance with CFR Group's accounting policies.
3. The CFR Group's historical financial information has been reviewed by their auditors Deloitte & Touche. A copy of the Deloitte & Touche report can be found in Annexure 9.
4. The Scheme Consideration is likely to be funded by bank debt amounting to US\$600 million and by the issue of CFR Shares to the value of US\$620 million (2 646 226 260 new CFR Shares) and US\$43 million cash resources as reflected in the *pro forma* statement of financial position. An interest rate of 6% per annum is assumed (included Chilean taxation 20%).
5. Non-recurring transaction costs amounting to US\$57,6 million are being incurred of which US\$37,7 million would have been expensed through the statement of comprehensive income. These costs are assumed to be tax deductible in Chile and South Africa, respectively (US\$13 million). However due to the tax timing difference relating to the realisation of debt issuance costs, taken into account in determining the effective interest rate of the debt raised for the Transaction a deferred tax liability (US\$2,8 million) has been recognised resulting in net Transaction costs of US\$27,5 million. These costs will be paid out of available cash resources and are attributable to various professional advisers, regulatory authorities and printing costs. The balance of the costs consist of debt issuance costs of US\$13,9 million and have been taken into account in determining the effective interest rate of the debt portion of the Scheme Consideration. US\$6 million issuance costs relating to the Capital Increase have been set off against equity in the *pro forma* statement of financial position.
6. The *pro forma* financial information does not take into consideration the impact of the "A Ordinary Agreement" and the "B Ordinary Agreement", respectively.
7. In terms of the requirements of IFRS 3 and based on CFR Group's managements' best estimate, the excess of the Scheme Consideration paid to Adcock Ingram Ordinary Shareholders over the net asset value at 1 January 2013 has been allocated as follows:

	Amount 01.01.2013 ThUS\$	Year of amortisation comprehensive Income Statement	12 months amortisation ThUS\$	Adjustment
Inventories	31 850	1	(31 850)	Cost of sales
Intangible (brand and products)	22 443	20	(1 172)	Selling and Admin
PP&E	2 243	20	(112)	Selling and Admin
Intangible (licenses)	3 800	15	(254)	Selling and Admin
Intangible (client relationships)	260 200	20	(13 010)	Selling and Admin
Total			(46 398)	
Income tax effects (28% tax rate)			12 991	Taxation

8. It is assumed that each holder of a Phantom Option will receive an amount in cash equal to R73.51 less the grant price of the relevant In The Money Option. The number of Phantom Options outstanding as of 30 September 2012 was 3 463 690. An additional amount of US\$5.159 million would have been paid as of that date. The effect on profit or loss would have been US\$3.715 million, assuming a South African tax rate of 28% (selling and administrative expenses ThUS\$5.159 and taxation ThUS\$1.444).
9. Subsequent events

No events of a material nature have occurred between the reporting date and the date of this report, which would result in an adjustment to the *pro forma* financial information.

(a) *Pro forma* statement of financial position of the CFR Group and the Adcock Ingram Group

The *pro forma* consolidated statement of financial position set out below presents the effects of the acquisition on the financial position of the CFR Group as at 31 December 2012 (30 September 2012 "Adcock") based on the assumption that the acquisition was effective on 31 December 2012:

	CFR Group (Audited) ⁽¹⁾ 31.12.2012 ThUS\$	Adcock Ingram Group ⁽²⁾ 30.09.2012 ThUS\$	Financial and Transaction cost adjustment cost ⁽³⁾ ThUS\$	Purchase price allocation adjustment ⁽⁴⁾ ThUS\$	Con- solidated adjustment ⁽⁵⁾ ThUS\$	Phantom Options ⁽⁶⁾ ThUS\$	Pro forma 31.12.2012 ThUS\$
Currents assets							
Cash and cash equivalents	150,501	52,363	1,220,000	(1,263,000)	–	(9,982)	149,882
Other current financial as sets	6,650	–	–	–	–	–	6,650
Other non-financial as sets	3,124	–	–	–	–	–	3,124
Trade and other receivables	196,545	151,449	–	–	–	–	347,994
Trade receivables from related entities	706	–	–	–	–	–	706
Inventories	149,62	112,322	–	26,987	–	–	288,929
Tax assets	22,804	8,464	7,767	–	–	–	39,035
Total current assets	529,950	324,598	1,227,767	(1,236,013)	–	(9,982)	836,320
Non-current assets							
Other financial assets	5,921	16,858	–	–	–	–	22,779
Other non-financial assets	1,819	–	–	–	–	–	1,819
Collection rights	1,814	1,275	–	–	–	–	3,089
Accounts receivable from related entities	6,744	–	–	–	–	–	6,744
Investments in associates and joint venture companies	53,269	15,006	–	411,473	(411,473)	–	68,275
Intangible assets other than goodwill ⁽³⁾	167,716	54,59	–	453,163	–	–	675,469
Goodwill ⁽⁴⁾	485,420	31,170	–	516,514	–	–	1,033,104
Property, plant and equipment	200,757	175,008	–	4,546	–	–	380,311
Deferred tax as sets	31,151	615	–	5,432	–	–	37,198
Total non-current assets	954,611	294,522	–	1,391,128	(411,473)	–	2,228,788
Total assets	1,484,561	619,120	1,227,767	1,55,115	(411,473)	(9,982)	3,065,108

(b) *Pro forma* statement of financial position of the CFR Group and the Adcock Ingram Group (continued)

The *pro forma* consolidated statement of financial position set out below presents the effects of the acquisition on the financial position of the CFR Group as at 31 December 2012 (30 September 2012 "Adcock") based on the assumption that the acquisition was effective on 31 December 2012:

	CFR Group (Audited)⁽¹⁾	Adcock Ingram Group⁽²⁾	Financial and Transaction cost adjustment cost⁽³⁾	Purchase price allocation adjustment⁽⁴⁾	Consolidated adjustment⁽⁵⁾	Phantom Options⁽⁶⁾	Pro forma 31.12.2012
	31.12.2012	30.09.2012	31.12.2012	31.12.2012	31.12.2012	31.12.2012	31.12.2012
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current liabilities							
Other financial liabilities	34,941	48,604	–	–	–	–	83,545
Trade creditors and other accounts payable	115,884	108,786	57,597	–	–	–	282,267
Trade payables to related entities	19,873	–	–	–	–	–	19,873
Other provisions	8,874	5,353	–	–	–	–	14,227
Tax liabilities	8,014	(1,808)	–	–	–	(1,444)	4,762
Provisions for employee benefits	12,256	–	–	–	–	–	12,256
Other non-financial liabilities	489	4,823	–	–	–	(4,823)	489
Total current liabilities	200,331	165,758	57,597	–	–	(6,267)	417,419
Non-current liabilities							
Other financial liabilities	466,415	12,232	586,100	–	–	–	1064,747
Other accounts payable	1	–	–	–	–	–	1
Other provisions	18,382	–	–	19,400	–	–	37,782
Deferred tax liabilities	71,206	12,293	2,780	135,715	–	–	221,994
Provisions for employee benefits	7,210	790	–	–	–	–	8,000
Other non-financial liabilities	1,605	–	–	–	–	–	1,605
Total non-current liabilities	564,819	25,315	588,880	155,115	–	–	1,334,129
Capital and reserves							
Issued share capital and premiums	525,294	67,585	614,000	–	(67,585)	–	1,139,294
Retained income	224,215	329,525	(32,710)	–	(329,525)	(3,715)	187,790
Other reserves	(41,526)	14,363	–	–	(14,363)	–	(41,526)
Total shareholder funds	707,983	411,473	581,290	–	(411,473)	(3,715)	1,285,558
Non-controlling interest	11,428	16,574	–	–	–	–	28,002
Total capital and reserves⁽¹⁾	719,411	428,047	581,290	–	(411,473)	(3,715)	1,313,560
Total capital, reserves and liabilities	1,484,561	619,120	1,227,767	155,115	(411,473)	(9,982)	3,065,108
Shares outstanding ('000)⁽²⁾							
Shares outstanding ('000)⁽²⁾	8,416,000	168,894	–	–	–	–	8,416,000
Increase of capital-new shares ('000)⁽⁵⁾							
Increase of capital-new shares ('000)⁽⁵⁾	2,646,226	–	–	–	–	–	2,646,226
Net asset value per share (US\$) (1)/((2)+(5))	0.0650	25.344	–	–	–	–	0.1187
Net tangible asset value per share (US\$) ((1)-(3)-(4))/((2)+(5))	0.0060	20.266	–	–	–	–	(0.0357)

10. CFR management performed a provisional purchase price allocation for the acquisition. These adjustments are considered provisional and in terms of IFRS 3: Business Combinations, CFR management will finalize these adjustments within 12 months from date of acquisition.

The purchase price allocation is as follows:

	31.12.2012 ThUS\$
Goodwill	516.514
Other intangibles	453.163
Property, plant and equipment	4.546
Deferred taxation assets	5.432
Inventories	26.987
Provisions	(19.400)
Deferred taxation liabilities	(135.715)

The following assumptions have been applied:

(a) Goodwill

Goodwill of US\$516,5 million is calculated as the excess of the Scheme Consideration over the net asset value after adjusting for fair value considerations.

Other intangibles

(b) CFR management has identified the following intangibles during the provisional purchase price allocation.

(1) Adcock Group brand	US\$140,2 million
(2) Other products brand	US\$27,6 million
(3) Licenses	US\$3,8 million
(4) Customer relationships	US\$281,6 million

CFR management considered the above in applying a number of valuation techniques considered appropriate for the different categories of intangibles.

Intangible (brand Adcock)

The trademark "Adcock" is valued through the use of the income approach (*relief-from-royalty* method). This is a common methodology based on the concept of a theoretical payment attributable to use of intellectual property. Net sales were projected by CFR management and an estimate of an arm's length royalty rate derived from available market data. Cash flows were projected over a discrete five-year period with terminal value after this to reflect the cash flows attributable to this indefinite-lived asset. An asset-specific discount rate was used to arrive at a net present value amount.

Intangible (brand other products)

The major brands (OTC) were valued through the use of the income approach (*relief-from-royalty* method). Net sales projected by management for 20 years and an estimate of an arm's length royalty rate derived from available market data. An asset-specific discount rate was used to arrive at a net present value amount.

Intangible (licenses)

Licenses were valued using a cost approach (*Replacement Cost*). This approach considers the concept of replacement as an indicator of value. To derive the value, CFR management estimated the costs associated to register the products in relevant markets.

Intangible (client relationships)

Customer relationships are valued through the use of the income approach (multi-period-excess-earnings method) based on CFR management projections.

This method is predicated on the basis that the value of an intangible asset is the present value of the earnings it generates, net of a reasonable return on other assets also contributing to that stream of earnings.

An attrition rate was estimated using CFR management's expectations, historical data about customer retention and third party estimates for similar transactions. An asset-specific discount rate was used to arrive at a net present value amount.

(c) Property, plant and equipment

Land and buildings was adjusted to reflect the average appreciation in the real estate market.

(d) Provisions

CFR management's best estimates after considering all factors.

(e) Deferred taxation

Deferred taxation was applied to all adjustments at the South African tax rate of 28%.

(f) Inventories

Inventories were adjusted to reflect the fair value after considering a reasonable manufacturing profit.

11. Consolidated adjustment

Corresponds to the equity of Adcock Ingram elimination for consolidation purposes in the *pro forma* consolidated statement of financial position at 31 December 2012.

12. Subsequent events

No events of a material nature have occurred between the reporting date and the date of this report, which would result in an adjustment to the *pro forma* financial information.

II. PRO FORMA FINANCIAL EFFECTS OF THE AQUISITION AT 30 JUNE 2013

The following *pro forma* financial information is the responsibility of the directors of Adcock Ingram and has been prepared in accordance with the South African Institute of Chartered Accountants' Guide on *pro forma* financial information and the Listings Requirements, to illustrate the potential effect of the acquisition of the Adcock Ingram Group on the consolidated statement of comprehensive income of the CFR Group for the six month period ended 30 June 2013 and on the consolidated statement of financial position at 30 June 2013.

The *pro forma* financial information is prepared based on the same accounting policies applied to the statutory financial statements of the CFR Group for the six-month period ended 30 June 2013 and for the year ended 31 December 2012. The *pro forma* financial information has been prepared for illustrative purposes only and does not constitute statutory accounts of the CFR Group or Adcock Ingram Group. Due to its nature, the *pro forma* financial information addresses a hypothetical situation and, therefore, does not represent the CFR Group's actual financial position or results following the completion of the acquisition. The *pro forma* consolidated statement of comprehensive income is based on the assumption that the acquisition took effect on 1 January 2013 and the *pro forma* statement of financial position is based on the assumption that the acquisition took effect on 30 June 2013.

The independent reporting accountants' report on CFR Group, prepared in accordance with the provisions of the Listings Requirements, relating to the *pro forma* financial information and the effects is set out in Annexure 9 to this Prospectus.

All assumptions made with respect to the purchase price allocation are preliminary and, therefore, subject to change once the purchase price allocation is finalised after an independent review by specialists.

- c. *Pro forma* income statement of comprehensive income of the CFR Group and the Adcock Ingram Group.

The *pro forma* consolidated statement of comprehensive income set out below presents the effects of the acquisition on the results of the CFR Group for the period ended 30 June 2013 (31 March 2013 "Adcock") based on the assumption that the acquisition was effective on 1 January 2013 (1 October 2012 "Adcock"):

	CFR Group ⁽¹⁾ 01.01.2013 30.06.2013 ThUS\$	Adcock Ingram Group ⁽²⁾ 01.10.2012 31.03.2013 ThUS\$	Adjust- ments financing ⁽³⁾ ThUS\$	Adjust- ments Transaction cost ⁽⁴⁾ ThUS\$	Adjust- ments amortisation intangibles ⁽⁵⁾ ThUS\$	Phantom Options ⁽⁶⁾ ThUS\$	<i>Pro forma</i> ThUS\$
Revenue	374,034	264,911	-	-	-	-	638,945
Cost of sales	(109,102)	(153,744)	-	-	(13,494)	-	(276,340)
Gross profit	264,932	111,167	-	-	(13,494)	-	362,605
Selling and administrative expenses	(187,398)	(63,041)	-	-	(7,970)	(5,479)	(263,888)
Other expenses	(3)	-	-	(35,823)	-	-	(35,826)
	77,531	48,126	-	(35,823)	(21,464)	(5,479)	62,891
Income from joint venture companies	4,576	4,654	-	-	-	-	9,230
Foreign exchange gain	(6,821)	-	-	-	-	-	(6,821)
	75,286	52,780	-	(35,823)	(21,464)	(5,479)	65,300
Finance income	888	883	-	-	-	-	1,771
Finance costs	(15,165)	(2,718)	(18,000)	-	-	-	(35,883)
Profit before taxation	61,009	50,945	(18,000)	(35,823)	(21,464)	(5,479)	31,188
Taxation	(11,673)	(14,363)	3,600	4,987	6,010	1,534	(9,905)
Net profit after taxation	49,336	36,582	(14,400)	(30,836)	(15,454)	(3,945)	21,283
Net profit attributable to:							
Owners of the parent ⁽¹⁾	51,647	35,881	(14,400)	(30,836)	(15,454)	(3,945)	22,893
Non-controlling interests	(2,311)	701	-	-	-	-	(1,610)
Net profit after taxation	49,336	36,582	(14,400)	(30,836)	(15,454)	(3,945)	21,283

	CFR Group ⁽¹⁾ 01.01.2013 30.06.2013 ThUS\$	Adcock Ingram Group ⁽²⁾ 01.10.2012 31.03.2013 ThUS\$	Adjust- ments financing ⁽³⁾ ThUS\$	Adjust- ments Transaction cost ⁽⁴⁾ ThUS\$	Adjust- ments amortisation intangibles ⁽⁵⁾ ThUS\$	Phantom Options ⁽⁶⁾ ThUS\$	Pro forma ThUS\$
Other comprehensive income	(83,123)	(37,105)	–	–	–	–	(120,228)
Exchange differences on translation of foreign operations	(84,473)	6,361	–	–	–	–	(78,112)
Exchange differences on translation of Adcock operation to US\$	–	(43,526)	–	–	–	–	(43,526)
Movement in cash flow hedge accounting reserve, net of tax	–	69	–	–	–	–	69
Net income on available-for-sale financial asset, net of tax	1,350	(9)	–	–	–	–	1,341
Total comprehensive income for the period, net of tax	(33,787)	(523)	(14,400)	(30,836)	(15,454)	(3,945)	(98,945)
Total comprehensive income attributable to:							
Owners of the parent	(29,820)	(1,409)	(14,400)	(30,836)	(15,454)	(3,945)	(95,864)
Non-controlling interests	(3,967)	886	–	–	–	–	(3,081)
Total comprehensive income for the period, net of tax	(33,787)	(523)	(14,400)	(30,836)	(15,454)	(3,945)	(98,945)
Reconciliation of headline earnings							
Net profit after taxation/ owners of the parent ⁽¹⁾	51,647	35,881	(14,400)	(30,836)	(15,454)	(3,945)	22,893
Profit on sale of property plan and equipment	3	19	–	–	–	–	22
Headline earnings⁽⁴⁾	51,650	35,900	(14,400)	(30,836)	(15,454)	(3,945)	22,915
Weighted average number of shares ('000) ⁽²⁾	8,416,000	168,696	–	–	–	–	8,416,000
Diluted weighted average number of shares ('000) ⁽³⁾	8,491,650	168,868	–	–	–	–	8,491,650
Increase of capital – new shares ('000) ⁽⁵⁾	2,646,226	–	–	–	–	–	2,646,226
Earnings per share (US\$):							
Basic (1)/((2)+(5))	0.004669	0.212696	–	–	–	–	0.002069
Diluted (1)/((3)+(5))	0.004637	0.212480	–	–	–	–	0.002055
Headline (4)/((2)+(5))	0.004669	0.212809	–	–	–	–	0.002071
Diluted headline (4)/((3)+(5))	0.004637	0.212592	–	–	–	–	0.002057
Distribution to shareholders during the year	0.002300	0.080000	–	–	–	–	0.082300
Interim dividend (US\$)	0.0016661	–	–	–	–	–	0.001666
Final dividend (US\$)	00.006340	0.080000	–	–	–	–	0.080634

Notes:

- The CFR Group financial information has been extracted, without adjustment, from the CFR Group's unaudited financial statements for the six-month period ended 30 June 2013.
- The Adcock Ingram Group financial information has been extracted from the Adcock Ingram Group reviewed financial statements for the six-month period ended 31 March 2013. This financial information has been adjusted for:
 - Conversion from South African Rands to US dollars; and
 - Compliance with CFR Group's accounting policies.
- The CFR Group's financial information is unaudited and has not been reviewed.

4. The Scheme Consideration is likely to be funded by bank debt amounting to US\$600 million and by the issue of new CFR Shares to the value of US\$620 million (2 646 226 260 new CFR Shares) as reflected in the *pro forma* statement of financial position. An interest rate of 6% per annum is assumed (included Chilean taxation 20%).
5. Non-recurring Transaction costs amounting to US\$55.7 million are being incurred of which US\$35,8 million would have been expensed through the statement of comprehensive income. These costs are assumed to be tax deductible in Chile and South Africa, respectively (US\$12,5 million). However due to the tax timing difference relating to the realisation of debt issuance costs, taken into account in determining the effective interest rate of the debt raised for the proposed Transaction a deferred tax liability (US\$2,8 million) has been recognised resulting in net Transaction costs of US\$26,1 million. These costs will be paid out of available cash resources and are attributable to various professional advisers, regulatory authorities and printing costs. The balance of the costs consist of debt issuance costs of US\$13,9 million and have been taken into account in determining the effective interest rate of the debt portion of the Scheme Consideration. US\$6 million issuance costs relating to the Capital Increase have been set off against equity in the *pro forma* statement of financial position.
6. The *pro forma* financial information does not take into consideration the impact of the "A Ordinary Agreement" and the "B Ordinary Agreement", respectively.
7. In terms of the requirements of IFRS 3 and based on CFR Group's managements' best estimate, the excess of the Scheme Consideration paid to Adcock Ingram Ordinary Shareholders over the net asset value at 1 January 2013 has been allocated as follows:

	Amount 01.01.2013 ThUS\$	Year of amortisation comprehensive Income Statement	6 months amortisation ThUS\$	Adjustment
Inventories (brand and products)	26.987	1	(13.494)	Cost of sales
Intangible	27.601	20	(690)	Selling and Admin
PP&E	4.546	20	(114)	Selling and Admin
Intangible (licenses)	3.800	15	(126)	Selling and Admin
Intangible (client relationships)	281.600	20	(7.040)	Selling and Admin
Total			(21.464)	
Income tax effects (28% tax rate)			6.010	Taxation

8. It is assumed that each holder of a Phantom Option will receive an amount in cash equal to R73.51 less the grant price of the relevant In The Money Option. The number of the shares as of 31 March 2013 was 3 898 552. An additional amount of US\$5.479 million would have been paid as of that date. The effect on profit and loss would have been US\$3.945 million, assuming a South African tax rate of 28% (selling and administrative expenses US\$5.479 million and taxation US\$1.534 million).
9. Subsequent events
No events of a material nature have occurred between the reporting date and the date of this report, which would result in an adjustment to the *pro forma* financial information.

(d) *Pro forma* statement of financial position of the CFR Group and the Adcock Group

The *pro forma* consolidated statement of financial position set out below presents the effects of the acquisition on the financial position of the CFR Group as at 30 June 2013 (31 March 2013 "Adcock") based on the assumption that the acquisition was effective on 30 June 2013 (31 March 2013 "Adcock"):

	CFR Group ⁽¹⁾ 30.06.2013 ThUS\$	Adcock Ingram Group ⁽²⁾ 31.03.2013 ThUS\$	Financial and Transaction cost adjustment cost ⁽³⁾ ThUS\$	Purchase price allocation adjustment ⁽⁴⁾ ThUS\$	Con- solidated adjustment ⁽⁵⁾ ThUS\$	Phantom Options ⁽⁶⁾ ThUS\$	<i>Pro forma</i> 31.12.2012 ThUS\$
Currents assets							
Cash and cash equivalents	118,199	4,654	1,220,000	(1,263,000)	–	(9,211)	70,642
Other current financial assets	2,691	–	–	–	–	–	2,691
Other non-financial assets	5,713	–	–	–	–	–	5,713
Trade and other receivables	203,684	156,424	–	–	–	–	360,108
Trade receivables from related entities	1,421	–	–	–	–	–	1,421
Inventories	164,157	138,870	–	42,646	–	–	345,673
Tax as sets	27,329	3,567	7,767	–	–	–	38,663
Total current assets	523,194	303,515	1,227,767	(1,220,354)	–	(9,211)	824,911
Non-current assets							
Other financial assets	8,130	15,163	–	–	–	–	23,293
Other non-financial assets	1,306	–	–	–	–	–	1,306
Collection rights	1,836	787	–	–	–	–	2,623
Accounts receivable from related entities	6,442	–	–	–	–	–	6,442
Investments in associates and joint venture companies	55,437	16,190	–	386,280	(386,280)	–	71,627
Intangible assets other than goodwill ⁽³⁾	160,422	129,518	–	425,477	–	–	715,417
Goodwill ⁽⁴⁾	444,974	34,771	–	550,528	–	–	1,030,273
Property, plant and equipment	183,673	167,238	–	4,321	–	–	355,232
Deferred tax assets	29,181	37	–	5,432	–	–	34,650
Total non-current assets	891,401	363,704	–	1,372,038	(386,280)	–	2,240,863
Total assets	1,414,595	667,219	1,227,767	151,684	(386,280)	(9,211)	3,065,774

The *pro forma* consolidated statement of financial position set out below presents the effects of the acquisition on the financial position of the CFR Group as at 30 June 2013 based on the assumption that the acquisition was effective on 30 June 2013.

	CFR Group ⁽¹⁾ 30.06.2013 ThUS\$	Adcock Ingram Group ⁽²⁾ 31.03.2013 ThUS\$	Financial and Transaction cost adjustment cost ⁽³⁾ ThUS\$	Purchase price allocation adjustment ⁽⁴⁾ ThUS\$	Con- solidated adjustment ⁽⁵⁾ ThUS\$	Phantom Options ⁽⁶⁾ ThUS\$	Pro forma 31.12.2012 ThUS\$
Current liabilities							
Other financial liabilities	38,089	135,100	–	–	–	–	173,189
Trade creditors and other accounts payable	106,831	110,246	55,723	–	–	–	272,800
Trade payables to related entities	11,664	–	–	–	–	–	11,664
Other provisions	7,894	3,877	–	–	–	–	11,771
Tax liabilities	14,256	(1,374)	–	–	–	(1,534)	11,348
Provisions for employee benefits	11,315	–	–	–	–	–	11,315
Other non-financial liabilities	2,448	3,732	–	–	–	(3,732)	2,448
Total current liabilities	192,497	251,581	55,723	–	–	(5,266)	494,535
Non-current liabilities							
Other financial liabilities	455,365	404	586,100	–	–	–	1,041,869
Other accounts payable	53	–	–	–	–	–	53
Other provisions	17,834	–	–	19,400	–	–	37,234
Deferred tax liabilities	69,785	11,472	2,780	132,284	–	–	216,321
Provisions for employee benefits	6,571	179	–	–	–	–	6,750
Other non-financial liabilities	1,992	–	–	–	–	–	1,992
Total non-current liabilities	551,600	12,055	588,880	151,684	–	–	1,304,219
Capital and reserves							
Issued share capital and premiums	525,294	64,903	614,000	–	(64,903)	–	1,139,294
Retained income	260,368	343,323	(30,836)	–	(343,323)	(3,945)	225,587
Other reserves	(122,625)	(21,946)	–	–	21,946	–	(122,625)
Total shareholder funds	663,037	386,280	583,164	–	(386,280)	(3,945)	1,242,256
Non-controlling interest	7,461	17,303	–	–	–	–	24,764
Total capital and reserves⁽¹⁾	670,498	403,583	583,164	–	(386,280)	(3,945)	1,267,020
Total capital reserves and liabilities	1,414,595	667,219	1,227,767	151,684	(386,280)	(9,211)	3,065,774
Shares outstanding (‘000)⁽²⁾	8,416,000	168,696	–	–	–	–	8,416,000
Increase of capital- new shares (‘000)⁽⁵⁾	2,646,226	–	–	–	–	–	2,646,226
Net asset value per share (US\$) (1)/ (2)+(5)	0.0606	2.3924	–	–	–	–	0.1145
Net tangible asset value per share (US\$) (1)–(3)–(4))/((2)+(5))	0.0059	1.4185	–	–	–	–	(0.0433)

Notes:

10. CFR management performed a provisional purchase price allocation for the acquisition. These adjustments are considered provisional and in terms of IFRS 3: Business combinations, management will finalise these adjustments within 12 months from date of acquisition.

The purchase price allocation is as follows:

30.06.2013

ThUS\$

Goodwill	550,528
Other intangibles	425,477
Property, plant and equipment	4,321
Deferred tax assets	5,432
Inventories	42,646
Provisions	(19,400)
Deferred tax liabilities	(132,284)

The following assumptions have been applied:

(a) Goodwill

Goodwill of US\$550,5 million is calculated as the excess of the Scheme Consideration over the net asset value after adjusting for fair value considerations.

(b) Other intangibles

Management has identified the following intangibles during the provisional purchase price allocation:

(1) Adcock Group brand	US\$70,8 million
(2) Other products brand	US\$34,5 million
(3) Licenses	US\$3,8 million
(4) Customer relationships	US\$316,4 million

CFR management considered the above in applying a number of valuation techniques considered appropriate for the different categories of intangibles.

Intangible (brand Adcock)

The trademark "Adcock" is valued through the use of the income approach (*relief-from-royalty* method). This is a common methodology based on the concept of a theoretical payment attributable to use of intellectual property. Net sales were projected by CFR management and an estimate of an arm's length royalty rate derived from available market data. Cash flows were projected over a discrete five-year period with terminal value after this to reflect the cash flows attributable to this indefinite-lived asset. An asset-specific discount rate was used to arrive at a net present value amount.

Intangible (brand other products)

The major brands (OTC) were valued through the use of the income approach (*relief-from-royalty* method). Net sales projected by CFR management for 20 years and an estimate of an arm's length royalty rate derived from available market data. An asset-specific discount rate was used to arrive at a net present value amount.

Intangible (licenses)

Licenses were valued using a cost approach (*Replacement Cost*). This approach considers the concept of replacement as an indicator of value. To derive the value, CFR management estimated the costs associated to register the products in relevant markets.

Intangible (client relationships)

Customer relationships are valued through the use of the income approach (Multi-period-excess-earnings method) based on CFR management projections.

This method is predicated on the basis that the value of an intangible asset is the present value of the earnings it generates, net of a reasonable return on other assets also contributing to that stream of earnings.

An attrition rate was estimated using CFR management's expectations, historical data about customer retention and third party estimates for similar transactions. An asset-specific discount rate was used to arrive at a net present value amount.

(c) Property, plant and equipment

Land and buildings was adjusted to reflect the average appreciation in the real estate market.

(d) Provisions

CFR management's best estimates after considering all factors.

(e) Deferred taxation

Deferred taxation was applied to all adjustments at the South African tax rate of 28%.

(f) Inventories

Inventories were adjusted to reflect the fair value after considering a reasonable manufacturing profit.

11. Consolidated adjustment

Corresponds to the equity of Adcock Ingram elimination for consolidation purposes in the *pro forma* consolidated statement of financial position at 30 June 2013 (31 March 2013 "Adcock").

12. Subsequent events

No events of a material nature have occurred between the reporting date and the date of this report, which would result in an adjustment to the *pro forma* financial information.

STATEMENT OF ADJUSTMENTS RELATING TO PREVIOUSLY REPORTED HISTORICAL FINANCIAL INFORMATION OF ADCOCK INGRAM LIMITED AND ITS SUBSIDIARIES

The information below represents the Adcock Ingram historical and reviewed financial results for the six-month period ended 31 March 2013 adjusted to be in line with the CFR Group accounting policies.

The adjustment relates to the accounting policy choice relating to Joint Ventures. CFR's accounting policy choice is to equity account for Joint Ventures whilst Adcock's accounting policy choice is to proportionately consolidate.

The adjustments below reflect the Adcock Ingram financial information for the specified periods to be in line with the CFR accounting policy choice.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended 31 March 2013 (Reviewed) R'000	Adjustments Six months ended 31 March 2013 (Note 1) R'000	Adjustments Six months ended 31 March 2013 (Note 2) R'000	Adjusted Six months ended 31 March 2013 R'000	Year Ended 30 Sept 2012 (Audited) R'000	Adjustments Year ended 30 Sept 2012 (Note 1) R'000	Adjustments Year ended 30 Sept 2012 (Note 2) R'000	Adjusted Year ended 30 Sept 2012 R'000
REVENUE	2,474,360	(13,896)	(103,050)	2,357,414	4,644,406	(14,613)	(182,566)	4,447,227
TURNOVER	2,457,365	(13,619)	(101,933)	2,341,813	4,599,249	(14,472)	(180,781)	4,403,996
Cost of sales	(1,420,517)	(10,193)	71,610	(1,359,100)	(2,505,167)	(26,639)	141,862	(2,389,944)
Gross profit	1,036,848	(23,812)	(30,323)	982,713	2,092,082	(41,111)	(38,919)	2,014,052
Selling and distribution expenses	(296,126)	62	8,935	(287,129)	(571,500)	215	11,839	(559,446)
Marketing expenses	(97,375)		86	(97,289)	(208,625)			(208,625)
Research and development expenses	(52,051)			(52,051)	(81,601)			(81,601)
Fixed and administrative expenses	(116,397)	(824)	(3,583)	(120,804)	(363,535)	15,196	71	(348,268)
Operating profit	474,899	(24,574)	(24,885)	425,440	868,821	(25,700)	(27,009)	816,112
Finance income	9,201	(277)	(1,117)	7,807	18,285	(141)	(1,785)	16,359
Finance costs	(25,446)	1,146	274	(24,026)	(26,637)	3,142	4,902	(18,593)
Dividend income	7,794			7,794	26,872			26,872
Equity accounted profit attributable to joint ventures		14,819	18,523	33,342		15,252	12,625	27,877
Profit before taxation and abnormal items	466,448	(8,886)	(7,205)	450,357	887,341	(7,447)	(11,267)	868,627
Abnormal items	-			-	-			-
Profit before taxation	466,448	(8,886)	(7,205)	450,357	887,341	(7,447)	(11,267)	868,627
Taxation	(139,934)	8,886	4,077	(126,971)	(168,265)	7,447	8,190	(152,628)
Profit for the period	326,514	-	(3,128)	323,386	719,076	-	(3,077)	715,999
Profit for the period	326,514	-	(3,128)	323,386	719,076	-	(3,077)	715,999
Other comprehensive income	56,765	-	-	56,765	(37,896)	-	-	(37,896)
Exchange differences on translation of foreign operations	56,232			56,232	(26,181)			(26,181)

	Adjustments		Adjustments			Adjustments		Adjustments	
	Six months ended	Six months ended	Six months ended	Adjusted Six months ended	Year Ended	Year ended	Year ended	Year ended	Adjusted Year ended
	31 March 2013	31 March 2013	31 March 2013	31 March 2013	30 Sept 2012	30 Sept 2012	30 Sept 2012	30 Sept 2012	30 Sept 2012
	(Reviewed)	(Note 1)	(Note 2)	(Audited)	(Note 1)	(Note 2)	(Note 1)	(Note 2)	(Note 2)
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Exchange differences on translation of total operations to USD						–			
Movement in cash flow hedge accounting reserve, net of tax	613			613	(11,715)				(11,715)
Net loss on available-for-sale financial asset, net of tax	(80)			(80)	–				–
Total comprehensive income for the period, net of tax	383,279	–	(3,128)	380,151	681,180	–		(3,077)	678,103
Profit attributable to:									
Owners of the parent	317,192	–	–	317,192	705,641	–	–	–	705,641
Non-controlling interests	9,322		(3,128)	6,194	13,435		(3,077)		10,358
	326,514	–	(3,128)	323,386	719,076	–		(3,077)	715,999
Total comprehensive income attributable to:									
Owners of the parent	372,310			372,310	670,434				670,434
Non-controlling interests	10,969		(3,128)	7,841	10,746		(3,077)		7,667
	383,279	–	(3,128)	380,151	681,180	–		(3,077)	678,103
Continuing operations:									
Basic earnings per ordinary share (cents)	188.0			188.0	417.8				417.8
Diluted basic earnings per ordinary share (cents)	187.8			187.8	417.2				417.2
Headline earnings per ordinary share (cents)	188.1			188.1	422.4				422.4
Diluted headline earnings per ordinary share (cents)	187.9			187.9	421.8				421.8

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Six months ended 31 March 2013 (Reviewed) R'000	Adjustments Six months ended 31 March 2013 (Note 1) R'000	Adjustments Six months ended 31 March 2013 (Note 2) R'000	Adjusted Six months ended 31 March 2013 R'000	Year Ended 30 Sept 2012 (Audited) R'000	Adjustments Year ended 30 Sept 2012 (Note 1) R'000	Adjustments Year ended 30 Sept 2012 (Note 2) R'000	Adjusted Year ended 30 Sept 2012 R'000
1.1 ASSETS								
Property, plant and equipment	1,655,881	(77,114)	(38,507)	1,540,260	1,560,177	(68,878)	(40,484)	1,450,815
Intangible assets	1,513,099			1,513,099	710,960	(6)		710,954
Other financial assets	139,653			139,653	139,751			139,751
Investment in Associate	–			–	–			–
Investment in Joint Venture	–	80,991	68,120	149,111	–	64,799	59,598	124,397
Loans receivable	23,834		(16,584)	7,250	27,060		(16,489)	10,571
Deferred tax	5,135		(4,797)	338	5,097			5,097
Non-current assets	3,337,602	3,877	8,232	3,349,711	2,443,045	(4,085)	2,625	2,441,585
Inventories	1,305,287	(19,087)	(7,215)	1,278,985	956,164	(20,468)	(4,547)	931,149
Trade and other receivables	1,528,772	(60,634)	(27,471)	1,440,667	1,320,191	(32,225)	(32,455)	1,255,511
Cash and cash equivalents	97,607	(12,592)	(42,150)	42,865	492,716	(11,986)	(46,643)	434,087
Taxation receivable	32,851	–	–	32,851	70,170			70,170
Current assets	2,964,517	(92,313)	(76,836)	2,795,368	2,839,241	(64,679)	(83,645)	2,690,917
Total assets	6,302,119	(88,436)	(68,604)	6,145,079	5,282,286	(68,764)	(81,020)	5,132,502
EQUITY AND LIABILITIES								
Capital and reserves								
Issued share capital	16,858	–	–	16,858	16,872	–	–	16,872
Share premium	523,697	–	–	523,697	547,400	–	–	547,400
Non-distributable reserves	420,016	–	–	420,016	356,229	–	–	356,229
Retained income	2,624,482	–	–	2,624,482	2,502,510	–	–	2,502,510
Total shareholders' funds	3,585,053	–	–	3,585,053	3,423,011	–	–	3,423,011
Non-controlling interests	147,256	–	(15,310)	131,946	137,684	–	(12,184)	125,500
Total equity	3,732,309	–	(15,310)	3,716,999	3,560,695	–	(12,184)	3,548,511
Long-term borrowings	11,007	(1,686)	(5,601)	3,720	104,625	–	(3,221)	101,404
Post-retirement medical liability	16,645	(14,992)	–	1,653	15,341	(8,797)	–	6,544
Deferred tax	106,356	(704)	–	105,652	101,910	–	–	101,910
Non-current liabilities	134,008	(17,382)	(5,601)	111,025	221,876	(8,797)	(3,221)	209,858
Trade and other payables	1,086,833	(27,608)	(43,867)	1,015,358	983,589	(26,938)	(54,800)	901,851
Short-term borrowings	333,056	(25,158)	(3,533)	304,365	431,368	(21,397)	(7,049)	402,922
Cash-settled options	34,373	–	–	34,373	39,983	–	–	39,983

	Six months ended 31 March 2013 (Reviewed) R'000	Adjustments Six months ended 31 March 2013 (Note 1) R'000	Adjustments Six months ended 31 March 2013 (Note 2) R'000	Adjusted Six months ended 31 March 2013 R'000	Year Ended 30 Sept 2012 (Audited) R'000	Adjustments Year ended 30 Sept 2012 (Note 1) R'000	Adjustments Year ended 30 Sept 2012 (Note 2) R'000	Adjusted Year ended 30 Sept 2012 R'000
Provisions	41,621	(721)	(5,196)	35,704	44,775	(395)	–	44,380
Bank overdraft	939,919			939,919	–			
Taxation payable	–	(17,567)	4,903	(12,664)	–	(11,237)	(3,766)	(15,003)
Current liabilities	2,435,802	(71,054)	(47,693)	2,317,055	1,499,715	(59,967)	(65,615)	1,374,133
Total equity and liabilities	6,302,119	(88,436)	(68,604)	6,145,079	5,282,286	(68,764)	(81,020)	5,132,502

Notes:

1. Adcock Ingram Limited India Joint Venture adjustment from Proportionate Consolidation to Equity Accounting.
2. National Renal Care Joint Venture adjustment from Proportionate Consolidation to Equity Accounting and foreign currency difference on translating adjustments from ZAR to USD.

REPORTING ACCOUNTANT'S REPORT ON *PRO FORMA* FINANCIAL INFORMATION OF ADCOCK INGRAM

The Directors

Adcock Ingram Holdings Limited
1 New Road
Midrand
Johannesburg

Independent Reporting Accountant's Assurance Report on the compilation of *pro forma* financial information of Adcock Ingram Holdings Limited ("Adcock") included in a circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of the "Combined entity" (Adcock Ingram Holdings Limited ("Adcock") and CFR Pharmaceuticals S.A ("CFR")) by the directors. The *pro forma* financial information, as set out in Annexure 4 of the Scheme Circular ("Circular"), consists of the *pro forma* statements of comprehensive income, the *pro forma* statements of financial position, the related notes and the *pro forma* financial effects of the Scheme on the Adcock Ingram Holdings Limited shareholders. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Annexure 4 in conjunction with the salient features of the Circular, on the reported historical financial position as at 31 March 2013 and 30 September 2012, and the reported historical financial performance for the period then ended, as if the corporate action or event had taken place at 1 October 2011 and 1 October 2012, respectively and for the periods then ended. As part of this process, information about Adcock's financial position and financial performance has been extracted by the directors from the Adcock's financial statements for the periods ended 31 March 2013 and 30 September 2012, on which review and audit reports were issued respectively. Information about CFR's financial position and financial performance has been extracted by the directors from CFR's financial statements for the year ended 31 December 2012, on which an auditor's report was issued by Deloitte & Touche (Refer to Annexure 9 for a copy of the Deloitte & Touche audit report) and from the management accounts and published results of CFR for the six-month period ended 30 June 2013, which have not been audited or reviewed.

Directors' Responsibility for the *Pro Forma* Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a circular.

This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and as described in Annexure 4 of the Circular.

For purposes of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria as reflected in Annexure 4; and
- the *pro forma* financial information reflects the proper application of those adjustments as reflected in Annexure 4 to the adjusted financial information.

The *pro forma* financial information reflects the proper application of those adjustments on the Adcock Ingram shareholder. Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 4 of the Circular.

Ernst & Young Inc.

Director: Warren Kenneth Kinnear

Reporting Accountant Specialist

Registered Auditor (RA)

Chartered Accountant (SA)

INDEPENDENT AUDITOR'S REVIEW REPORT

The Directors

Adcock Ingram Holdings Limited
1 New Road
Midrand
Johannesburg

Independent Auditor's Review Report

We have reviewed the unaudited consolidated financial results of Adcock Ingram Holdings Ltd (the "Company") for the six-month period ended 31 March 2013 which comprise the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cashflows and accompanying notes as set out in Annexure 2.

Directors' Responsibility for the Financial Information

The directors are responsible for the preparation and presentation of the financial information in accordance with the international financial reporting standards and in the manner required by the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the financial information that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial information based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity or applicable national review standard. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the financial information are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with this standard consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unaudited consolidated financial results of Adcock Ingram Holdings Ltd (the "Company") for the six-month period ended 31 March 2013 are not prepared, in all material respects, in accordance with the International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

Ernst & Young Inc.

Director: Warren Kenneth Kinnear
Registered Auditor (RA)
Chartered Accountant (SA)

HISTORICAL FINANCIAL INFORMATION OF CFR AND ITS SUBSIDIARIES

Annual financial statements for the years ended 31 December 2012, 2011, 2010 and interim financial information for the six-month period ended 30 June 2013.

	Notes	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Assets				
Current assets				
Cash and cash equivalents	7	150,501	258,655	45,679
Other financial assets		6,650	18,338	–
Other non-financial assets		3,124	2,644	4,427
Trade and other receivables		196,545	138,379	110,576
Trade receivables with related entities	8	706	126	3,191
Inventories	9	149,620	133,602	115,090
Tax assets		22,804	16,194	12,439
Total current assets		529,950	567,938	291,402
Non-current assets				
Other financial assets		5,921	491	1,015
Other non-financial assets		1,819	1,169	690
Collection rights		1,814	1,512	9
Trade receivables with related entities	8	6,744	9	2,623
Investments in associate and joint venture companies		53,269	40,171	29,704
Intangible assets other than goodwill	10	167,716	19,662	14,190
Goodwill	11	485,420	60,831	50,773
Property, plant and equipment	12	200,757	156,661	129,729
Deferred tax assets	13	31,151	12,853	7,576
Total non-current assets		954,611	293,359	236,309
Total assets		1,484,561	861,297	527,711
Equity and liabilities				
Current liabilities				
Other financial liabilities	14	34,941	31,683	96,473
Trade and other accounts payable		115,884	74,661	70,624
Trade payables with related entities	8	19,873	22,936	309
Other provisions		8,874	8,077	1,580
Tax liabilities		8,014	9,152	4,952
Provisions for employee benefits		12,256	7,364	6,025
Other non-financial liabilities		489	912	384
Total current liabilities		200,331	154,785	180,347
Non-current liabilities				
Other financial liabilities	14	466,415	16,603	16,606
Other accounts payable	1	18	2,109	–
Trade payables with related entities	8	–	–	491
Other provisions		18,382	1,123	855
Deferred tax liabilities	13	71,206	17,445	14,587
Provisions for employee benefits		7,210	4,838	2,645

	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Other non-financial liabilities	1,605	1,008	1,812
Total non-current liabilities	564,819	41,035	39,105
Equity			
Issued share capital	525,294	525,294	234,227
Retained income	224,215	170,906	109,831
Other reserves	(41,526)	(43,495)	(36,619)
Total shareholders' funds	707,983	652,705	307,439
Non-controlling interest	11,428	12,772	820
Total equity	719,411	665,477	308,259
Total equity and liabilities	1,484,561	861,297	527,711

	Notes	Audited 01.01.2012 31.12.2012 ThUS\$	Reviewed 01.01.2011 31.12.2011 ThUS\$	Reviewed 01.01.2010 31.12.2010 ThUS\$
Sales		570,832	490,946	378,219
Cost of sales		(171,342)	(144,406)	(84,791)
Gross profit		399,490	346,540	293,428
Selling and administrative expenses		(299,820)	(244,983)	(195,679)
Distribution expenses		(18,005)	(15,569)	(12,774)
Other income		982	14,344	516
Foreign exchange gain/(loss)		9,670	3,223	(3,561)
Profit from operations		92,317	103,555	81,930
Income from associates and joint venture companies		1,319	1,426	(624)
Profit before net finance costs		93,636	104,981	81,306
Finance income		3,245	3,339	395
Finance costs	15	(10,638)	(9,684)	(7,699)
Net profit before taxation		86,243	98,636	74,002
Taxation	16	(8,703)	(7,700)	(9,700)
Net profit after taxation		77,540	90,936	64,302
Earnings/(loss) attributable to:				
Owners of the Company		79,566	91,084	64,587
Non-controlling interest		(2,026)	(148)	(285)
Net profit		77,540	90,936	64,302

Earnings per share

Common shares:

Basic earnings per share US\$	19	0.009450	0.010823	0.009611
Diluted earnings per share US\$	19	0.009367	0.011602	0.009611

Statement of other comprehensive income

Net profit for the year		77,540	90,936	64,302
Gains from exchange differences on translation, before taxes		(605)	(6,856)	24,235
Net fair value gain on financial assets available for sale, before taxes		3,395	-	-

	Audited 01.01.2012 31.12.2012 ThUS\$	Reviewed 01.01.2011 31.12.2011 ThUS\$	Reviewed 01.01.2010 31.12.2010 ThUS\$
Income taxes related to financial assets available for sale	(678)	–	–
Total comprehensive income	79,652	84,080	88,537
Comprehensive income attributable to:			
Owners of the company	80,996	83,908	87,863
Non-controlling interests	(1,344)	172	674
Total comprehensive income	79,652	84,080	88,537

	Issued capital ThUS\$	Reserve for exchange differences on translation ThUS\$	Reserves for revaluation of financial assets available for sale ThUS\$	Other reserves ThUS\$	Total other reserves ThUS\$	Retained income ThUS\$	Equity attributable to owners of the Company ThUS\$	Non-controlling interests ThUS\$	Total equity ThUS\$
Opening balance at 01/01/2012	525,294	34,666	-	(78,161)	(43,495)	170,906	652,705	12,772	665,477
Net profit	-	-	-	-	-	79,566	79,566	(2,026)	77,540
Other comprehensive income	-	(1,287)	2,717	-	1,430	-	1,430	682	2,112
Dividends paid	-	-	-	-	-	(26,257)	(26,257)	-	(26,257)
Increase for transfers and other changes	-	-	-	539	539	-	539	-	539
Closing balance at 31/12/2012	525,294	33,379	2,717	(77,622)	(41,526)	224,215	707,983	11,428	719,411
Opening balance at 01/01/2011	234,227	41,842	-	(78,461)	(36,619)	109,831	307,439	820	308,259
Net profit	-	-	-	-	-	91,084	91,084	(148)	90,936
Other comprehensive income	-	(7,176)	-	-	(7,176)	-	(7,176)	320	(6,856)
Capital increase	291,067	-	-	-	-	-	291,067	-	291,067
Increase for changes in non-controlling interests	-	-	-	-	-	-	-	11,780	11,780
Dividends paid	-	-	-	-	-	(30,009)	(30,009)	-	(30,009)
Increase for transfers and other changes	-	-	-	300	300	-	300	-	300
Closing balance at 31/12/2011	525,294	34,666	-	(78,161)	(43,495)	170,906	652,705	12,772	665,477
Opening balance at 01/01/2010	234,227	18,566	-	(86,338)	(67,772)	71,467	237,922	146	238,068
Net profit	-	-	-	-	-	64,587	64,587	(285)	64,302
Other comprehensive income	-	23,276	-	-	23,276	-	23,276	959	24,235
Dividends	-	-	-	-	-	(26,223)	(26,223)	-	(26,223)
Increase for transfers and other changes	-	-	-	7,877	7,877	-	7,877	-	7,877
Closing balance at 31/12/2010	234,227	41,842	-	(78,461)	(36,619)	109,831	307,439	820	308,259

Statements of cash flows, indirect	Audited 01.01.2012 31.12.2012 ThUS\$	Reviewed 01.01.2011 31.12.2011 ThUS\$	Reviewed 01.01.2010 31.12.2010 ThUS\$
Cash flows provided by/(used in) operating activities			
Net profit for the year	77,540	90,936	64,302
Adjustments for reconciliation of income/(loss)			
Adjustments for income tax charge	8,703	7,700	258
Adjustments for decreases/(increases) in inventories	(1,067)	(18,315)	(36,400)
Adjustments for decreases/(increases) in trade accounts receivable	(6,119)	(38,469)	(39,920)
Adjustments for decreases/(increases) in other receivables from operating activities	(12,742)	(236)	691
Adjustments for increases/(decreases) in trade accounts payable	12,227	(576)	25,651
Adjustments for increases/(decreases) in other payables from operating activities	(17,769)	(12,698)	445
Adjustments for depreciation and amortisation charges	15,352	12,991	11,232
Adjustments for provisions	2,282	331	–
Adjustments for non-controlling interests	(1,319)	(1,426)	247
Other adjustments for non-cash items	–	712	6,276
Adjustments for losses/(gains) on disposal of non-current assets	–	(14,561)	–
Total adjustments for reconciliation of income/(loss)	(452)	(64,547)	(31,520)
Income tax refunded/(paid)	–	–	(26,223)
Net cash flow provided by/(used in) operating activities	77,088	26,389	6,559
Cash flows provided by/(used in) investment activities			
Cash flows from the loss of control over subsidiaries or other businesses	–	10,060	–
Cash flows used to gain control over subsidiaries or other businesses	(541,133)	(26,551)	(75,132)
Cash flows used in purchasing non-controlling interests	(12,975)	(13,526)	–
Loans to related entities	(6,735)	–	–
Proceeds of sales of property, plant and equipment	–	4,068	–
Purchases of property, plant and equipment	(25,304)	(18,667)	(17,476)
Purchases of intangible assets	(11,401)	(2,196)	(4,351)
Dividends received	827	–	–
Other cash inflows	8,606	10,298	–
Net cash flow provided by/(used in) investment activities	(588,115)	(36,514)	(96,959)
Cash flows provided by/(used in) financing activities			
Proceeds of share issues	–	291,067	–
Proceeds of non-current loans	456,802	–	–
Proceeds of current loans	–	–	91,310
Total loan proceeds	456,802	291,067	91,310
Repayments of loans	(13,694)	(66,419)	–
Payments of financial lease obligations	(1,562)	–	–
Dividends paid	(30,006)	–	–
Interest paid	(7,115)	(9,193)	–
Other cash inflows/(outflows)	(9,312)	–	–
Net cash flow provided by/(used in) financing activities	395,113	215,455	91,310
Net increase/(decrease) in cash and cash equivalents before the effect of exchange rate changes	(115,914)	205,330	910
Effects of exchange rate changes on cash and cash equivalents	7,760	7,646	23,276
Net increase/(decrease) in cash and cash equivalents	(108,154)	212,976	24,186
Cash and cash equivalents at beginning of period	258,655	45,679	21,493
Cash and cash equivalents at end of period	150,501	258,655	45,679

(1) ENTITY REPORTING

(a) General information

These consolidated financial statements reflect the relevant information from the audited consolidated financial statements at 31 December 2012, and reviewed consolidated financial statements for 31 December 2011 and 2010, which are filed with the Superintendency of Securities and Insurance, and on our website: www.cfr-corp.com

In Management's opinion, these notes provide sufficient information for readers, but in less detail than that contained in the stand-alone and consolidated financial statements filed with the Superintendency of Securities.

(b) Seasonality

Seasonality of the Company's operations has no significant impact on the condensed consolidated financial statements.

(c) Description of main operations and activities

CFR Pharmaceuticals S.A. (CFR) is a leading pharmaceutical company in Latin America with operations in 15 countries in the region (principally Chile, Peru, Argentina and Colombia) and other emerging and niche markets.

It has eleven production facilities in Chile, Argentina, Colombia, Peru and Canada, with the capacity to produce solids, creams, ointments and liquids, which enables it to manufacture products that meet rigorous quality parameters.

The Company's segments are as described below:

Specialty Pharma:

Specialty Pharma focuses on chronic, semi-chronic and acute medications, sold mainly in pharmacies and by prescription.

Complex Therapeutics:

Mainly due to the kind of diseases that this area treats, this segments is focused on customers such as government institutions, hospitals, private clinics and institutions dedicated to complex treatments. The drugs included in this line of business require more stringent control measures to ensure the quality of finished products.

Health and Wellness:

This segments specialises in the sale of responsible self-medication and pharmaceutical recommended products, including nutrition, dermocare, nutritional supplements and homeopathic medicines. It has a wide range of products for personal care, well being and beauty, including sweeteners, energisers, dermo-cosmetics, cosmetics, anti-allergy, weight reducers, dental products, vitamins and triglyceride level regulators.

Other:

Includes those products that are not classifiable within the previous three segments, among others is our veterinary medicine division.

(2) BASIS OF PREPARATION

(a) Consolidated financial statements

The information contained in these condensed consolidated financial statements is the responsibility of the Company's Board of Directors, which states expressly that it has applied all the principles and criteria included in International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the board at its meeting held in August 2013.

These condensed consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS); the interpretations adopted by the International Accounting Standards Board (IASB) and include disclosures as required by IAS 34, Interim Financial Reporting.

The condensed consolidated financial statements have been prepared using accounting policies that comply with IFRS and are consistent with those applied in the preparation of the financial statements for year ended 31 December 2012.

These condensed consolidated financial statements have been prepared based on the accounting records kept by the Company and its subsidiaries. Each entity prepares its financial statements following the accounting principles and criteria in force in their respective countries, and subsequently the necessary adjustments and reclassifications are made in the consolidation process to standardize such principles and criteria and bring them into line with IFRS.

The condensed consolidated financial statements for 31 December 2012 have been audited and the condensed financial statements for periods ended 31 December, 2011 and 2010 have been reviewed by the auditors. A copy of the audit report is set out in Annexure 9 to this Circular.

(b) **Functional and presentation currency, continued**

The functional currency of CFR Pharmaceuticals S.A. and subsidiaries is the currency of the main economic environment in which they operate. Transactions other than those performed in the entity's functional currency are translated at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional one are translated at the period-end exchange rates. Gains or losses from transactions in currencies other than the functional currency are booked to results in the net gains and losses of the period within other financial items.

The functional currency of CFR Pharmaceuticals S.A. and some of its subsidiaries is the US dollar. In the consolidation, the financial statements of the foreign and Chilean subsidiaries whose functional currency is other than the US dollar have been translated using the methodology stipulated in IAS 21: The Effects of Changes in Foreign Exchange Rates. The financial statements of the subsidiary in Venezuela, which is considered to be a hyperinflationary economy, are converted by restating such financial statements in the unit of measure current at the date of presentation of the information and translating them at the respective period-end exchange rate, in accordance with IAS 29: Financial Reporting in Hyperinflationary Economies.

(c) **Basis of consolidation**

The consolidated financial statements include the assets, liabilities, results and cash flows of the Company and its subsidiaries. The balances and effects of significant transactions between the companies comprising the consolidated Group have been eliminated, as well as unrealised income, and the participation of minority interests has been booked in the statements of financial position and of comprehensive results, as non-controlling interests.

(3) **NEW ACCOUNTING PRONOUNCEMENTS**

- (a) The following new standards and interpretations have been adopted in these condensed consolidated financial statements:

Amendments to IFRS	Date of obligatory application
IAS 12, <i>Deferred Taxes – Recovery of Underlying Asset</i>	Annual periods beginning on or after 1 January 2012
IFRS 1 (Revised), <i>First-time Adoption of IFRS</i> – (i) <i>Elimination of Dates Fixed for First-Time Adoption</i> – (ii) <i>Severe Hyperinflation</i>	Annual periods beginning on or after 1 July 2011
IFRS 7, <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>	Annual periods beginning on or after 1 July 2011

The application of these standards has had no significant impact on the amounts reported in these financial statements, but they could affect the booking of future transactions or agreements.

(1) The following new standards and interpretations have been issued, but their application date is not yet in force:

New IFRS	Date of obligatory application
IFRS 9, <i>Financial Instruments</i>	Annual periods beginning on or after 1 January 2015
IFRS 10, <i>Consolidated Financial Statements</i>	Annual periods beginning on or after 1 January 2013
IFRS 11, <i>Joint agreements</i>	Annual periods beginning on or after 1 January 2013
IFRS 12, <i>Disclosures of Participations of Other Entities</i>	Annual periods beginning on or after 1 January 2013
IFRS 13, <i>Measurement of Fair Value</i>	Annual periods beginning on or after 1 January 2013
IAS 27 (2011) <i>Separate Financial Statements</i>	Annual periods beginning on or after 1 January 2013
IAS 28 (2011) <i>Investments in Associates and Joint Ventures</i>	Annual periods beginning on or after 1 January 2013
IFRS amendments	Date of obligatory application
IAS 1, <i>Presentation of Financial Statements – Presentation of Components of Other Comprehensive Results</i>	Annual periods beginning on or after July 1, 2012
IAS 16, <i>Property, Plant and Equipment</i>	Annual periods beginning on or after 1 January 2013
IAS 19, <i>Employee Benefits (2011)</i>	Annual periods beginning on or after 1 January 2013
IAS 32, <i>Financial Instruments: Presentation – Clarification of Requirements for Netting Financial Assets and Liabilities</i>	Annual periods beginning on or after 1 January 2014
IAS 34, <i>Interim Financial Reporting</i>	Annual periods beginning on or after 1 January 2013
IAS 36, <i>Impairment of Assets</i>	Annual periods beginning on or after 1 January 2014
IAS 39, <i>Financial Instruments: Recognition and Measurement</i>	Annual periods beginning on or after 1 January 2014
IFRS 7, <i>Financial Instruments: Disclosures – Modifications of Disclosures Concerning the Netting of Financial Assets and Liabilities</i>	Annual periods starting on or after 1 January 2013
<i>Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)</i>	Annual periods beginning on or after 1 January 2014
IFRS 10, IFRS 11 and IFRS 12 – <i>Consolidated Financial Statements, Joint Ventures & Disclosures of Participations in Other Entities – Guidelines for Transition</i>	Annual periods starting on or after 1 January 2013
New Interpretations	Date of obligatory application
IFRIC 20 , <i>Stripping Costs in the Production Phase of a Surface Mine</i>	Annual periods beginning on or after 1 January 2013

Management has assessed the application and impact of these new standards, amendments and interpretations, and has concluded that the new standards do not have a significant impact on the financial statements of the Company.

(4) **INFORMATION BY SEGMENT**

(a) **Segmentation criteria**

In carrying out its activities, CFR Pharmaceuticals S.A. is structured based on the typical activities of the pharmaceutical sector; it has therefore determined the following relevant segments:

- Specialty Pharma
- K2 Health & Wellness
- Complex Therapeutics
- Other

The products and service provided by each segment are strictly related to each line of the Company's business. These activities are described in Note 1.

The segments indicated serve as a basis for the Board's decision-making. As the parent, CFR Pharmaceuticals S.A. defines ordinary revenue as that generated by sales of its products and related services.

(b) **Changes in the measurement used for the segments with reference to the previous period**

In line with its growth, and looking for the best corporate practices for CFR, the Company in 2012 implemented several changes in its management structure with the purpose of maintaining and increasing its competitive advantages including constant innovation, speed of execution, cost control and proximity to market. Accordingly, CFR's operations and operating segments are structured under the following breakdown, which follows the new management structure of the Company and its internal reporting: Specialty Pharma, Complex Therapeutics, K2 Health & Wellness and Others (including our veterinary business). These segments replaced the former segments of Gynopharm, Drugtech, Biomedical Sciences, Recalcine, Complex Injectables, K2 and Others.

(c) **Sales by geographic zones (countries).**

Country	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Argentina	92,089	96,418	33,538
Bolivia	13,830	12,161	10,911
Chile	164,858	139,643	120,933
Colombia	56,064	48,562	44,400
Central America	16,155	11,848	8,358
Ecuador	32,322	26,440	24,512
Paraguay	9,878	8,166	6,865
Peru	107,508	92,440	78,179
Venezuela	64,620	43,691	43,918
Canada	6,158	–	–
Others*	7,350	11,577	6,605
Total sales	570,832	490,946	378,219

* Other countries as of 31 December 2012 include Panama and Vietnam (with a presence in those countries and which are consolidated), and sales to Mexico and Thailand which are not consolidated.

(5) **ACQUISITIONS OF SUBSIDIARIES, ASSOCIATES AND NON-CONTROLLING INTERESTS**

(a) **Acquisitions during 2012:**

On 11 December 2012, CFR International (subsidiary of CFR Pharmaceuticals S.A.) acquired 100% of the shares of the Lafrancol Group, comprised of the following:

- Doral Investments
- Lafrancol S.A.S.
- Lafrancol International S.A.S.
- Lafrancol Peru SRL
- Lafrancol Guatemala S.A.
- Lafrancol Ecuador S.A.
- Lafrancol Dominican Republican S.A.
- American Generics S.A.S.
- Naturmedik S.A.S.
- Uquifa S.A.S.
- Focus S.A.S.
- Pauly Pharmaceuticals S.A.S.

The purchase consideration, per the purchase agreement, amounted to ThUS\$562,000, less some adjustments for bank debt, related balances and minimum working capital, leaving a net amount consideration of ThUS\$541,133. This transaction has been recognised as a business combination, in accordance with IFRS 3: Business Combinations. The purchase price allocation was provisional at 31 December 2012; due to the timing of the transaction. The values will be finalised within a year of the acquisition. Goodwill amounting to ThUS\$427,043 and intangibles amounting to ThUS\$ 139,513 were recognised as a result of this acquisition.

Furthermore, the acquisition did not contribute significantly to the consolidated net profit or revenues for the year ended 31 December 2012, due to the minimal time period from the acquisition date to the end of the fiscal year.

(b) **Acquisitions during 2011:**

The Group acquired entities in 2011; however these were not considered significant. Total purchase consideration for these acquisitions amounted to ThUS\$40,078.

(c) **Acquisitions during 2010:**

On June 10, 2010, the Company acquired 75% of the shares of Laboratorios Northia in Argentina for ThUS\$25,000.

In September 2010, the Company purchased an additional interest of 50% in Fada Pharma, also in Argentina (to bring its interest to 100%), for a total consideration of ThUS\$51,719.

The acquisitions were made primarily to take advantage of certain synergies of the acquired businesses with the Company.

(d) **Acquisitions during 2010, continued**

The gross contractual amounts of the accounts receivable as of the acquisition date were ThUS\$ 28,394 and ThUS\$14,619 as to Fada Pharma and Laboratorios Northia, respectively. The contractual amount not expected to be collected were ThUS\$1,344 and ThUS\$738, respectively.

At 31 December 2010 the acquisitions contributed ThUS\$(2,122) and ThUS\$(944) to the consolidated net profit and ThUS\$28,931 and ThUS\$7,894 to the consolidated revenues as to Fada Pharma and Laboratorios Northia, respectively.

The fair value of the identifiable assets and liabilities of Fada Pharma and Laboratorios Northia at their respective acquisition dates were:

	Reviewed Fada Pharma Fair Value ThUS\$	Reviewed Laboratorios Northia Fair Value ThUS\$
Assets		
Current assets		
Cash and cash equivalents	2,061	1,596
Other financial assets	–	125
Trade and other receivables	27,050	13,881
Inventories	13,050	7,684
Tax assets	1,044	–
Total current assets	43,205	23,286
Property, plant and equipment	25,466	11,261
Intangible assets other than goodwill	8,322	5,450
Deferred tax assets	–	294
Total non-current assets	33,788	17,005
Total assets	76,993	40,291
Equity and liabilities		
Current liabilities		
Other financial liabilities	13,303	8,677
Trade and other payables	16,322	9,628
Other provisions	–	511
Provisions for employee benefits	2,811	1,376
Tax liabilities	318	130
Total current liabilities	32,754	20,322

	Reviewed Fada Pharma Fair Value ThUS\$	Reviewed Laboratorios Northia Fair Value ThUS\$
Non-current liabilities		
Other financial liabilities	5,340	15
Tax liabilities	238	–
Deferred tax liabilities	6,120	2,358
Total non-current liabilities	11,698	2,373
Total equity	32,541	17,596
Total equity and liabilities	76,993	40,291
Total identifiable net assets at fair value	32,541	17,596
Non-controlling interest measured at fair value	(7,442)	(238)
Goodwill arising from the acquisition	25,121	7,642
Consideration transferred for the purchase	50,220	25,000
Net cash received by the subsidiary	2,061	1,596
Payment made in cash	(50,220)	(25,000)
Net cash disbursement	(48,159)	(23,404)

The amount of transaction costs incurred for the acquisitions of Fada Pharma and Laboratorios Northia acquisition were not significant to disclose.

(6) DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During December 2011, the Company disposed of various companies in Mexico by sale. The gross proceeds received were ThUS\$1,229 resulting in a gain of ThUS\$1,073.

(7) CASH AND CASH EQUIVALENTS

	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Cash	1,853	1,226	3,442
Balances in banks	38,488	55,933	23,357
Deposits of less than 90 days	70,169	191,749	12,367
Short-term fixed-income mutual funds ⁽¹⁾	37,975	9,747	6,216
Other	2,016	–	297
Total	150,501	258,655	45,679

⁽¹⁾ Fixed-income mutual funds have been included as they do not present a significant risk in their valuation.

(8) **BALANCES WITH RELATED ENTITIES**
(a) **Trade receivables with related entities**

Tax number	Company	Relationship	Currency	Audited 31.12.2012		Reviewed 31.12.2011		Reviewed 31.12.2010	
				Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$
Foreign	Sinensix (Scotland)	Equity method investment	U.S. Dollars	—	—	—	—	575	2,388
Foreign	Atlas Pharmaceuticals SA (Argentina)	Equity method investment	Argentine Peso	—	—	—	—	1,754	—
Foreign	Mercap Inversiones Ltda	Related	Chilean Peso	—	—	—	—	746	—
Foreign	Ecuadorian Aquagesión SA (Ecuador)	Related	Peso Ecuatoriano	—	—	—	—	—	235
Foreign	Allergy Therapeutic ⁽¹⁾	Related	U.S. Dollars	—	6,735	56	—	—	—
Foreign	East Europe Investment SA	Related	Chilean Peso	—	—	—	—	64	—
Foreign	Others	Related	Others	125	9	70	9	52	—
Foreign	Domesco	Related	U.S. Dollars	581	—	—	—	—	—
Total				706	6,744	126	9	3,191	2,623

(1) Relate to loans to Allergy granted in 2012 with a term of 24 months and interest accruing at 3% per annum. As of December 31, 2011 they relate to reimbursement of expenses.

(b) Trade payables with related entities

Tax number	Company	Relationship	Currency	Audited 31.12.2012		Reviewed 31.12.2011		Reviewed 31.12.2010	
				Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$
76.134.041-7	Inversiones Quark Ltda. ^(1,2)	Shareholder	Chilean Pesos	1,565	-	1,789	-	-	-
76.105.899-1	Fondo de Inversión Privado Sancata ^(1,2)	Shareholder	Chilean Pesos	-	-	480	-	-	-
76.131.953-1	Inversiones Photon Ltda ⁽²⁾	Shareholder	Chilean Pesos	14,000	-	16,325	-	-	-
76.131.979-5	Inversiones Quantum Ltda ⁽²⁾	Shareholder	Chilean Pesos	3,653	-	4,174	-	-	-
Foreign	Allergy Therapeutic ⁽³⁾	Associate	Pounds	329	-	168	-	-	-
78.413.930-1	Honorato Russi & Compañía Ltda	Common Directors	Chilean Pesos	-	-	-	-	197	-
Foreign	Mercap Inversiones Ltda	Related	Chilean Peso	-	-	-	-	-	491
Foreign	Biotech	Associate	U.S. Dollars	-	-	-	-	47	-
Foreign	Others	Related	Others	326	-	-	-	65	-
Total				19,873	-	22,936	-	309	491

(1) All the companies with tax numbers are companies incorporated in Chile.

(2) Relate to all the minimum dividends provided for as of December 31, 2012 and 2011, less the dividends paid in February and May 2012.

(3) Purchases of finished products.

(9) INVENTORIES

Inventories comprises the following:

	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Raw materials	44,120	36,605	59,413
Consumables	20,927	16,860	–
Work in progress	9,445	7,140	7,366
Finished goods	63,814	66,710	48,004
Goods in transit	11,314	6,287	307
Total	149,620	133,602	115,090

- The cost of inventories is adjusted against results when this exceeds their net realisable value. For this purpose, net realisable value is understood to be the estimated sale price in the normal course of business, less all estimated costs to be incurred in the trading, selling and distribution processes. As of 31 December, 2012, 2011 and 2010, the inventories have been adjusted by ThUS\$15,529 (of which ThUS\$4,147 relates to the Lafrancol (Group)), ThUS\$12,516 and ThUS\$8,892, respectively.
- As of 31 December, 2012, net inventories have been incorporated of ThUS\$14,951 as a result of the take-over of the Lafrancol group.
- Inventory balances are not subject to any guarantees, pledges or restrictions of any kind.

(10) INTANGIBLE ASSETS OTHER THAN GOODWILL

	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Trademarks and patents	11,723	10,077	9,360
Software	4,254	809	522
Others	151,739	8,776	4,308
Total	167,716	19,662	14,190

The intangible assets increased significantly in 2012 as a result of the acquisition of the Lafrancol Group in December 2012 (refer to Note 5). The intangible assets that arose from this business combination relate to the following:

	31.12.2012 ThUS\$
Brand	48,873
Principal products	8,730
Customer portfolio	81,910
Total	139,513

(11) GOODWILL

The movement in goodwill during the period to 31 December 2012, 2011 and 2010 is as follows:

Movement	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Opening balance	60,831	50,773	15,533
Additions ⁽¹⁾	427,043	14,244	35,240
Translation effect ⁽²⁾	(2,454)	(4,186)	–
Closing balance	485,420	60,831	50,773

(1) The goodwill arising in the 2012 financial year is a result of the Lafrancol Group acquisition (refer to Note 5).

(2) As required by IFRS, the Company controls goodwill in the functional currency of the respective subsidiaries and records the respective translation adjustment in "other reserves" included in equity.

(12) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprises:

	Audited 31.12.2012 Net book value ThUS\$	Reviewed 31.12.2011 Net book value ThUS\$	Reviewed 31.12.2010 Net book value ThUS\$
Land	30,729	25,090	18,832
Constructions and buildings	91,411	72,234	59,197
Plant and equipment	62,532	50,599	42,682
Computer equipment	8,974	1,986	2,498
Fixed installations and accessories	4,988	5,100	4,391
Vehicles	2,025	1,542	1,888
Other fixed assets	98	110	241
Total	200,757	156,661	129,729

- Amounts included in acquisitions relating to business combinations were ThUS\$33,753 (2011: ThUS\$31,629; 2010: ThUS\$37,678).
- Total acquisitions (excluding business combinations) amounted to ThUS\$25,304 (2011: ThUS\$18,667 and 2010: ThUS\$12,685).
- The total depreciation charge amounted to ThUS\$13,202 (2011: ThUS\$11,675 and 2010: ThUS\$ 9,663).
- Total disposal of property, plant and equipment amounted to ThUS\$650 (2011: ThUS\$2,037 and 2010: ThUS\$2,092).

(13) DEFERRED TAX ASSETS AND LIABILITIES

	Audited 31.12.2012		Reviewed 31.12.2011		Reviewed 31.12.2010	
	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$
Deferred taxes						
Provisions	13,282	–	3,055	–	1,196	–
Inventories	10,700	–	7,929	–	4,729	–
Property, plant and equipment	–	12,814	–	13,512	–	9,864
Intangible assets	–	55,976	–	3,091	–	3,256
Tax losses	7,169	–	752	–	1,145	–
Financial leases	–	1,297	–	842	–	1,467
Others	–	1,119	1,117	–	506	–
Total	31,151	71,206	12,853	17,445	7,576	14,587

The Group has not recognised any deferred tax assets, where management do not believe that the asset is recoverable (i.e. sufficient taxable income in the foreseeable future).

For the purchase of the Lafrancol Group, a deferred tax asset was recognised for ThUS\$5,635 and a deferred tax liability of ThUS\$51,117.

(14) OTHER FINANCIAL LIABILITIES

	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Bank loans	57,660	43,062	106,837
Bonds issued	436,123	–	–
Finance leases	7,573	5,224	6,049
Other	–	–	193
Total	501,356	48,286	113,079

The financial liabilities above can be analysed as follows:

	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Current	34,941	31,683	96,473
Non-current	466,415	16,603	16,606
Total	501,356	48,286	113,079

- The bonds issued in 2012 financed the acquisition of the Lafrancol Group.
- The bank loans and financial leases are charged varying interest rates from the different bank institutions.
- The bonds mature in 2022 and 2033 and carry an effective interest rate of 4.02% – 5.39% per annum.

(15) FINANCE COSTS

Finance costs comprises finance costs from:

	Audited 01.01.2012 31.12.2012 ThUS\$	Reviewed 01.01.2011 31.12.2011 ThUS\$	Reviewed 01.01.2010 31.12.2010 ThUS\$
Bank loans	(9,143)	(8,431)	(6,898)
Financial lease interest	(675)	(533)	(558)
Accretion of defined benefit obligations	(402)	(720)	(243)
Other	(418)	–	–
Total	(10,638)	(9,684)	(7,699)

(16) TAXATION

	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Current taxation	(14,987)	(10,261)	(8,696)
Deferred taxation	5,434	2,192	(1,040)
Other	850	369	36
Total	(8,703)	(7,700)	(9,700)
The effective rate of taxation is	10.1%	7.8%	13.1%

The all-in weighted average statutory tax rate for all countries where the Company operates is 9.7%, 10.0%, and 8.9% for 2012, 2011 and 2010, respectively.

The effective rate of taxation differs from the abovementioned statutory rate by an insignificant percentage in 2012. In 2011, deductible share issuance costs for tax purposes were incurred which, for accounting purposes, were netted against equity. In 2010, the effective tax rate was higher due to the ineligibility of certain expenses recorded for accounting purposes to be deducted for tax purposes.

(17) CONTINGENCIES

The Company on occasion is subject to certain claims and legal processes which have arisen from the normal course of our business. These claims relate to sales of products, relations with its employees and other commercial or fiscal transactions. The Company considers that it has made the required provisions to cover the probable costs that it may incur in respect to these claims and legal processes. The details of all contingencies have been detailed in the Group consolidated financial statements. The total contingencies as defined by IAS 37: *Provisions, Contingent Liabilities and Contingent Assets*, as possible, amount to ThUS\$2,186 at 31 December 2012.

(18) **CAPITAL COMMITMENTS**

The Group has not made any material purchase commitments as at 31 December 2012.

(19) **EARNINGS PER SHARE**

(a) From continuing operations

US\$per share	Audited 31.12.2012	Reviewed 31.12.2011	Reviewed 31.12.2010
Profit from ordinary operations for the financial year to equity holders of the parent companies			
Basic earnings per share	0.009450	0.010823	0.009611
Diluted earnings per share	0.009367	0.011602	0.009611
Basic headline earnings per share	0.009365	0.009402	0.009560
Diluted headline earnings per share	0.009278	0.010080	0.009560

The calculation of basic and diluted earnings per share and basic headline earnings per share is based on the following data:

	Audited 31.12.2012 ThUS\$	Reviewed 31.12.2011 ThUS\$	Reviewed 31.12.2010 ThUS\$
Profit for the financial year attributable to equity holders of the parent companies	79,566	91,084	64,587
Profit and disposal of associate company	–	(11,800)	–
Loss/(profit) on disposal of property, plant and equipment	(270)	(2,031)	(516)
Loss/(profit) on sale of available for sale assets	(712)	712	–
Taxation impact	229	1,166	174
Total headline earnings	78,813	79,131	64,245

	Number of shares		
	Audited 31.12.2012	Reviewed 31.12.2011	Reviewed 31.12.2010
Basic number of ordinary shares outstanding ⁽¹⁾	8,416,000,000	8,416,000,000	6,720,000,000
Effect of dilutive potential shares ⁽²⁾	0.009263	0.010060	0.009540
Diluted number of ordinary shares outstanding	8,494,668,000	7,850,666,667	6,720,000,000

(1) The basic number of ordinary shares outstanding represents the weighted average number in issue for CFR Group for the year net of treasury shares.

(2) Diluted earnings per share is calculated by adjusting weighted average number of ordinary shares in issue, net of treasury shares, on the assumption of conversion of all potentially dilutive shares.

(20) **MOVEMENTS IN NUMBER OF SHARES:**

	Number of shares		
	Audited 31.12.2012	Reviewed 31.12.2011	Reviewed 31.12.2010
Opening balance	8,416,000,000	6,720,000,000	6,720,000,000
Shares issued	–	1,696,000,000	–
Total shares at respective year-end	8,416,000,000	8,416,000,000	6,720,000,000

(21) DIVIDENDS

	Audited 31.12.2012	Reviewed 31.12.2011	Reviewed 31.12.2010
Dividends paid (ThUS\$)	30,006	–	26,223
Dividends per share (US\$)	0.00357	–	0.00390

(22) EVENTS AFTER THE REPORTING DATE:

At the Company's extraordinary shareholders meeting held on 22 July 2013, the following significant resolution were decided upon:

- to increase the capital of the Company by US\$750,000,000 through the issue of 3 billion shares; and
- ratify the Company announcement on 3 July 2013 (the following):
 - that the board of the South African company Adcock Ingram Holdings Ltd, has accepted the terms of the non-binding offer to purchase from CFR;
 - should negotiation be successful and the acquisition consummated, the price for 100% of Adcock ordinary shares would amount to ZAR 12,560,653,700 or approximately US\$1,256 million.

Condensed Consolidated Interim Statements of Financial Position as at 30 June 2013 and 31 December 2012

(in thousands of United States Dollars, ThUS\$)

Shareholders which are referred to the CFR Pharmaceuticals S.A. Group interim financial statement for the period of six and three months ended 30 June, 2013 and 2012 in accordance with International Financial Reporting Standards (IFRS).

The Company earned a gain attributable to the owners of the parent of ThUS\$51,647 (ThUS\$33,369 for 2012) and ThUS\$32,030 (ThUS\$16,966 for 2012) for the six and three-month periods ended 30 June 2013.

Going concern

The condensed consolidated interim financial statements for the six and three months period ended 30 June 2013 were prepared on the going-concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Directors believe the necessary funds are available for operations.

Board of Directors (the Directors)

The Directors of the Company during the year and to the date of this report are as follows:

Name	Title	Independent	Board member since
Alejandro Kostia Nicolás Weinstein Crenovich	President	No (*)	2010
Juan Antonio Guzmán Molinari	Director	Yes	2011
Nicolás Francisco Weinstein Manieu	Director	No	2010
Juan Cruz Domingo Bilbao Hormaeche	Director	No	2011
Guillermo Arturo Tagle Quiroz	Director	No	2011
Alberto Eguiguren Correa	Director	No	2011
Eliahu Shohet	Director	No	2011

(*) Majority shareholder

Holding company

CFR operates under listed company structure. CFR Pharmaceuticals S.A. is the holding company of the CFR Group.

The Company was registered under N°1067 in the Securities Registry on 21 February 2011 of the Superintendency of Securities and Insurance (in Chile).

Directors' responsibility statement

The Directors are responsible for the preparation of the condensed consolidated interim financial statements for the six-month period ended 30 June 2013, in accordance with applicable laws and regulations.

Company law requires the Directors to prepare condensed consolidated financial statement in accordance with International Financial Reporting Standards (IFRS) for each financial period giving a true and fair view of CFR Pharmaceuticals S.A. state of affairs at the end of the period and profit and loss for the period.

In preparing the Company's condensed consolidated interim financial statements, International Accounting Standard 1, *Presentation of Financial Statement*, requires that the Directors:

- properly select and consistently apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosure when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

Report on the condensed consolidated interim financial statements

These condensed consolidated interim financial statements have been prepared under the supervision of the Group Chief Financial Officer, Patricio Vargas M.

The Board of Directors confirms that to the best of its knowledge the condensed consolidated interim financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit and loss of CFR Pharmaceuticals S.A., for the six month period ended 30 June 2013 and for the profit and loss for the three-month period ended 30 June 2013.

The Company's financial statements, and related notes were approved by the Board of Directors and authorised for issue on 9 August 2013 and were signed on its behalf by:

Alejandro Weinstein Crenovich

President of Board

Nicolas Weinstein Manieu

Director

Guillermo Tagle Quiroz

Director

Eliahu Shohet

Director

Juan Antonio Guzman Molinari

Director

Juan Cruz Domingo Bilbao Hormaeche

Director

Alberto Eguiguren Correa

Director

Condensed Consolidated Interim Statements of Financial Position As at 30 June, 2013 and 31 December 2012 (in thousands of United States Dollars, ThUS\$)

	Notes	Unaudited 30.06.2013 ThUS\$	Audited 31.12.2012 ThUS\$
Assets			
Current assets			
Cash and cash equivalents	6	118,199	150,501
Other financial assets		2,691	6,650
Other non-financial assets		5,713	3,124
Trade and other receivables		203,684	196,545
Trade receivables with related entities	7	1,421	706
Inventories	8	164,157	149,620
Tax assets		27,329	22,804
Total current assets		523,194	529,950
Non-current assets			
Other financial assets		8,130	5,921
Other non-financial assets		1,306	1,819
Collection rights		1,836	1,814
Accounts receivables with related entities	7	6,442	6,744
Investments in associates and joint venture companies		55,437	53,269
Intangible assets other than goodwill	9	160,422	167,716
Goodwill	10	444,974	485,420
Property, plant and equipment	11	183,673	200,757
Deferred tax assets	12	29,181	31,151
Total non-current assets		891,401	954,611
Total assets		1,414,595	1,484,561

Condensed Consolidated Interim Statements of Financial Position As at 30 June 2013 and 31 December, 2012 (in thousands of United States dollars, ThUS\$)

	Notes	Unaudited 30.06.2013 ThUS\$	Audited 31.12.2012 ThUS\$
Equity and liabilities			
Current liabilities			
Other financial liabilities	13	38,089	34,941
Trade and other accounts payable		106,831	115,884
Trade payables with related entities	7	12,790	19,873
Other provisions		8,315	8,874
Tax liabilities		14,256	8,014
Provisions for employee benefits		11,315	12,256
Other non-financial liabilities		2,448	489
Total current liabilities		194,044	200,331
Non-current liabilities			
Other financial liabilities	13	455,365	466,415
Other accounts payable		53	1
Other provisions		17,834	18,382
Deferred tax liabilities		69,785	71,206
Provisions for employee benefits		6,571	7,210
Other non-financial liabilities		1,992	1,605
Total non-current liabilities		551,600	564,819
Equity			
Issued share capital		525,294	525,294
Retained income		258,821	224,215
Other reserves		(122,625)	(41,526)
Total shareholders' funds		661,490	707,983
Non-controlling interest		7,461	11,428
Total equity		668,951	719,411
Total equity and liabilities		1,414,595	

Condensed Consolidated Interim Statement of Comprehensive Income For the six-month and three-month periods ended June 30, 2013 and 2012 (Unaudited) (in thousands of United States dollars, ThUS\$)

	Notes	Unaudited 01.01.2013 30.06.2013 ThUS\$	Unaudited 01.04.2013 30.06.2013 ThUS\$	Unaudited 01.01.2012 30.06.2012 ThUS\$	Unaudited 01.04.2012 30.06.2012 ThUS\$
Sales		374,034	206,791	272,807	150,869
Cost of sales		(109,102)	(61,857)	(83,202)	(46,765)
Gross profit		264,932	144,934	189,605	104,104
Selling and administrative expenses		(177,626)	(95,109)	(147,549)	(77,236)
Distribution expenses		(9,772)	(5,345)	(8,574)	(4,759)
Other income/(losses)		(3)	(140)	922	74
Foreign exchange gain/(loss)		(6,821)	(1,032)	(540)	168
Profit from operations		70,710	43,308	33,864	22,351
Income/(loss) from associates and joint venture companies		4,576	235	2,716	(3,033)
Profit before net finance costs		75,286	43,543	36,580	19,318
Finance income		888	323	1,368	632
Finance costs	14	(15,165)	(7,580)	(4,193)	(1,926)
Net profit before taxation		61,009	36,286	33,755	18,024
Taxation	15	(11,673)	(5,261)	(2,992)	(2,230)
Net profit after taxation		49,336	31,025	30,763	15,794
Earnings/(loss) attributable to:					
Owners of the Company		51,647	32,030	33,369	16,966
Non-controlling interest		(2,311)	(1,005)	(2,606)	(1,172)
Net profit		49,336	31,025	30,763	15,794
Earnings per share (see headline earning per share at Note 19)					
Common shares:					
Basic earnings per share US\$	17	0.006137	0.003806	0.00396	0.002
Diluted earnings per share US\$	17	0.006082	0.003773	0.00394	0.002
Statements of other comprehensive income					
Net profit for the period		49,336	31,025	30,763	15,794
Gain/(loss) from exchange differences on translation, before taxes		(84,473)	(54,758)	8,594	(6,795)
Share-based compensation		368	183	176	146
Actuarial gain on defined benefit plans, before taxes		146	202	–	–
Net fair value gain on financial assets available for sale, before taxes		1,542	1,542	–	–
Income taxes related to financial assets available for sale and actuarial gain on defined benefit plans		(338)	(349)	–	–
Total comprehensive income		(33,419)	(22,155)	39,533	9,145
Comprehensive income attributable to:					
Owners of the company		(29,452)	(19,716)	42,202	11,710
Non-controlling interests		(3,967)	(2,439)	(2,669)	(2,565)
Total comprehensive income		(33,419)	(22,155)	39,533	

Condensed Consolidated Interim Statements of Changes in Net Equity For the six-month periods ended 30 June, 2013 and 2012 (Unaudited) (in thousands of United States Dollars, ThUS\$)

	Issued Capital ThUS\$	Reserve for exchange differences on translation ThUS\$	Reserves for revaluation of financial assets available for sale ThUS\$	Other reserves ThUS\$	Total other reserves ThUS\$	Retained income ThUS\$	Equity attributable to owners of the Company ThUS\$	Non- controlling interests ThUS\$	Total equity ThUS\$
Opening balance at 01/01/2013	525,294	33,379	2,717	(77,622)	(41,526)	224,215	707,983	11,428	719,411
Net profit	-	-	-	-	-	51,647	51,647	(2,311)	49,336
Other comprehensive income	-	(82,817)	1,233	485	(81,099)	-	(81,099)	(1,656)	(82,755)
Dividends paid	-	-	-	-	-	(17,041)	(17,041)	-	(17,041)
Closing balance at 30/06/2013	525,294	(49,438)	3,950	(77,137)	(122,625)	258,821	661,490	7,461	668,951
Opening balance at 01/01/2012	525,294	34,666	-	(78,161)	(43,495)	170,906	652,705	12,772	665,477
Net profit	-	-	-	-	-	33,369	33,369	(2,606)	30,763
Other comprehensive income	-	8,657	-	176	8,833	-	8,833	(63)	8,770
Dividends paid	-	-	-	-	-	(11,012)	(11,012)	-	(11,012)
Closing balance at 30/06/2012	525,294	43,323	-	(77,985)	(34,662)	193,263	683,895	10,103	693,998

Condensed Consolidated Interim Statements of Cash Flows For the six-month periods ended 30 June, 2013 (Unaudited) and 30 June 2012 (in thousands of United States Dollars, ThUS\$)

	Unaudited 01-01-2013 30-06-2013 ThUS\$	Unaudited 01-01-2012 30-06-2012 ThUS\$
Statements of cash flows, direct		
Cash flows provided by/(used in) operating activities		
Classes of receipts from operating activities		
Receipts from sales of goods and services	390,064	296,951
Receipts from premiums and claims, annuities and other benefits from policies subscribed	47	–
Payments to suppliers for the supply of goods and services	(236,943)	(157,168)
Payments to and on behalf of employees	(101,850)	(76,678)
Payments for premiums and claims, annuities and other obligations under the policies subscribed	(60)	–
Other payments for operating activities	(2,317)	(23,180)
Interest paid	(14,086)	(4,193)
Interest received	1,025	958
Income tax paid/(refunded)	(11,519)	(6,735)
Other cash inflows/(outflows)	44	(3,483)
Net cash flow provided by operating activities	24,405	26,472
Cash flows/(used in) investment activities		
Cash flows used in purchasing non-controlling interests	(1,061)	(11,771)
Other proceeds of sales of equity or debt instruments of other entities	–	(874)
Loans to related entities	–	410
Proceeds from sale of property, plant and equipment	1,393	–
Purchases of property, plant and equipment	(5,476)	(15,878)
Proceeds from sale of intangible assets	(9)	–
Purchases of intangible assets	(4,794)	(677)
Payments from forward, term, option and financial swap contracts	(70)	–
Dividends received	–	357
Other cash inflows/(outflows)	(574)	–
Net cash flow/(used in) investment activities	(10,591)	(28,433)
Cash flows provided by/(used in) financing activities		
Proceeds from loans		
Proceeds from long-term loans	11,727	–
Proceeds from short-term loans	(942)	(1,043)
Repayments of loans	(10,762)	–
Payments of financial lease obligations	(2,166)	–
Dividends paid	(26,258)	(30,006)
Interest received	70	–
Other cash outflows	(145)	–
Net cash flow/(used in) financing activities	(28,476)	(31,049)
Net increase/(decrease) in cash and cash equivalents before the effect of changes in the exchange rate	(14,662)	(33,010)
Effects of changes in exchange rate on cash and cash equivalents		
Effects of changes in exchange rate on cash and cash equivalents	(17,640)	12,227
Net decrease in cash and cash equivalents	(32,302)	(20,783)
Cash and cash equivalents at beginning of period	150,501	258,655
Cash and cash equivalents at end of period	118,199	

Notes to the Condensed Consolidated Interim Financial Statements For the six-month and three-month period ended 30 June 2013 (unaudited)

(1) Entity reporting

(a) **General Information**

These condensed consolidated interim financial statements reflect the relevant information from the unaudited condensed consolidated interim financial statements at and for the six-month and three-month periods ended 30 June, 2013 and 30 June, 2012, which are filed with the Superintendency of Securities and Insurance (in Chile), and on our website www.cfr-corp.com.

In Management's opinion, these notes provide sufficient information for readers, but in less detail than that contained in the stand-alone and consolidated financial statements filed with the Superintendency of Securities.

(b) **Seasonality**

Seasonality of the Company's operations has no significant impact on the condensed consolidated interim financial statements.

(c) **Description of main operations and activities**

CFR Pharmaceuticals S.A. (CFR) is a leading pharmaceutical company in Latin America with operations in 15 countries in the region (principally Chile, Peru, Argentina and Colombia) and other emerging and niche markets.

It has eleven production facilities in Chile, Argentina, Colombia, Peru and Canada, with the capacity to produce solids, creams, ointments and liquids, which enables it to manufacture products that meet rigorous quality parameters.

The Company's segments are described below:

Specialty Pharma

Specialty Pharma focuses in chronic, semi-chronic and acute medications, sold mainly in pharmacies and by prescription.

Complex Therapeutics

Mainly due to the kind of diseases that this area treats, this segment is focused on customers such as government institutions, hospitals, private clinics and institutions dedicated to complex treatments. The drugs included in this line of business require more stringent control measures to ensure the quality of finished products.

Health and Wellness

This segment specializes in the sale of responsible self-medication and pharmaceutical recommended products, including nutrition, dermocar, nutritional supplements and homeopathic medicines. It has a wide range of products for personal care, well-being and beauty, including sweeteners, energisers, dermo-cosmetics, cosmetics, anti-allergy, weight reducers, dental products, vitamins and triglyceride level regulators.

Other

Includes those products that are not classifiable within the previous three segments; among others is our veterinary medicine division.

(2) Basis of presentation

(a) **Condensed consolidated interim financial statements**

The information contained in these condensed consolidated interim financial statements is the responsibility of the Company's Board of Directors, which expressly states that it has applied all the principles and criteria included in International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the Board at its meeting held on 9 August 2013.

These condensed consolidated interim financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International

Financial Reporting Standards (IFRS); the interpretations adopted by the International Accounting Standards Board (IASB) and include disclosures as required by IAS 34, Interim Financial Reporting.

The condensed consolidated interim financial statements have been prepared using accounting policies that comply with IFRS and are consistent with those applied in the financial statements for period ended 31 December 2012, with the exception of the adoption of amendment to IAS 19: *Employee benefits*.

These condensed consolidated interim financial statements have been prepared based on the accounting records kept by the Company and its subsidiaries. Each entity prepares its financial statements following the accounting principles and criteria in force in their respective countries, and subsequently the necessary adjustments and reclassifications are made in the consolidation process to standardize such principles and criteria and bring them into line with IFRS.

(b) **Functional and reporting currency**

The functional currency of CFR Pharmaceuticals S.A. and subsidiaries is the currency of the main economic environment in which they operate. Transactions other than those performed in the entity's functional currency are translated at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional one are translated at the period-end exchange rates. Gains or losses from transactions in currencies other than the functional currency are booked to results in the net gains and losses of the period within other financial items.

The functional currency of CFR Pharmaceuticals S.A. and some of its subsidiaries is the US Dollar. In the consolidation, the financial statements of the foreign and Chilean subsidiaries whose functional currency is other than the US Dollar, have been translated using the methodology stipulated in IAS 21: *The Effects a Change in Foreign Exchange Rates*. The financial statements of the subsidiary in Venezuela, which is considered to be a hyperinflationary economy, are converted by restating such financial statements in the unit of measure current at the date of presentation of the information and translating them at the respective period-end exchange rate, in accordance with IAS 29: *Financial Reporting in Hyperinflationary Economies*.

(c) **Basis of consolidation**

The consolidated financial statements include the assets, liabilities, results and cash flows of the Company and its subsidiaries. The balances and effects of significant transactions between the companies comprising the consolidated group have been eliminated, as well as unrealised income, and the participation of minority interests has been booked in the statements of financial position and of comprehensive results, as non-controlling interests.

(3) **New accounting pronouncements**

- (a) The following new standards and interpretations have been adopted in these condensed consolidated financial statements:

Amendments to IFRS	Date of obligatory application
IAS 12, <i>Deferred taxes – Recovery of Underlying Asset</i>	Annual periods beginning on or after 1 January 2012
IFRS 1 (Revised), <i>First-time Adoption of IFRS – (i) Elimination of Dates Fixed for First-time Adoption – (ii) Severe Hyperinflation</i>	Annual periods beginning on or after 1 July 2011
IFRS 7, <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>	Annual periods beginning on or after 1 July 2011

The application of these standards has had no significant impact on the amounts reported in these financial statements, but they could affect the booking of future transactions or agreements.

- (a) The following new standards and interpretations have been issued, but their application date is not yet in force:

Revised standards	Date of obligatory application
IFRS 10, <i>Consolidated Financial Statements</i>	Annual periods beginning on or after 1 January 2013
IFRS 11, <i>Joint Agreements</i>	Annual periods beginning on or after 1 January 2013
IFRS 12, <i>Disclosures of Participations of Other Entities</i>	Annual periods beginning on or after 1 January 2013
IFRS 13, <i>Measurement of Fair Value</i>	Annual periods beginning on or after 1 January 2013
IAS 19, <i>Employee Benefits</i>	Annual periods beginning on or after 1 January 2013
IAS 27 (2011) <i>Separate Financial Statements</i>	Annual periods beginning on or after 1 January 2013
IAS 28 (2011) <i>Investments in Associates and Joint Ventures</i>	Annual periods beginning on or after 1 January 2013

Amendments	Date of obligatory application
IAS 1, <i>Presentation of Financial Statements – Presentation of Components of Other Comprehensive Results</i>	Annual periods beginning on or after July 1 2012
IAS 16, <i>Property, Plant and Equipment</i>	Annual periods beginning on or after 1 January 2013
IAS 32, <i>Financial Instruments: Presentation – Clarification of Requirements for Netting Financial Assets and Liabilities</i>	Annual periods beginning on or after 1 January 2014
IAS 34, <i>Interim Financial Reporting</i>	Annual periods beginning on or after 1 January 2013
IAS 36, <i>Impairment of Assets</i>	Annual periods beginning on or after 1 January 2014
IFRS 1, IAS 1, IAS 16, IAS 32 and IAS34, <i>Annual Improvements 2009 – 2011 Cycle</i>	Annual periods beginning on or after 1 January 2013
IFRS 7, <i>Financial Instruments: Disclosures – Modifications of Disclosures Concerning the Netting of Financial Assets and Liabilities</i>	Annual periods starting on or after 1 January 2013
IFRS 10, IFRS 11 and IFRS 12 – <i>Consolidated Financial Statements, Joint Ventures and Disclosures of Participations in Other Entities – Guidelines for Transition</i>	Annual periods starting on or after 1 January 2013

New interpretations	Date of obligatory application
IFRIC 20, <i>Stripping Costs in the Production Phase of a Surface Mine</i>	Annual periods beginning on or after 1 January 2013

(5) Information by segment

(a) Segmentation criteria

In carrying out its activities, CFR Pharmaceuticals S.A. is structured based on the typical activities of the pharmaceutical sector; it has therefore determined the following relevant segments:

- Specialty Pharma
- Complex Therapeutics
- Health & Wellness
- Others

The products and services provided by each segment are strictly related to each line of the Company's business, whose activities are described in Note 1.

The segments indicated serve as a basis for the Board of Directors' decision-making. As the parent, CFR Pharmaceuticals S.A. defines ordinary revenue as that generated by sales of its products and related services.

The following are the results by segment as 30 June 2013 and 2012:

Unaudited Ended period	Specialty Pharma		Complex Therapeutics		Health & Wellness		Others		Total		Specialty Pharma		Complex Therapeutics		Health & Wellness		Others		Total		
	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2013 ThUS\$	30.06.2012 ThUS\$	30.06.2012 ThUS\$	30.06.2012 ThUS\$	30.06.2012 ThUS\$	30.06.2012 ThUS\$	30.06.2012 ThUS\$	30.06.2012 ThUS\$	30.06.2012 ThUS\$	30.06.2012 ThUS\$	
Net sales	231,990	78,715	42,830	20,499	374,034	155,285	23,413	23,973	272,807												
Cost of sales	(45,283)	(44,905)	(12,640)	(6,274)	(109,102)	(22,581)	(3,430)	(12,830)	(83,202)												
Gross profit	186,707	33,810	30,190	14,225	264,932	132,704	19,983	11,143	189,605												
Selling and administrative expenses	(177,626)	(147,549)																			
Distribution expenses	(9,772)	(8,574)																			
Other income/(losses)	(3)	922																			
Foreign exchange rate loss	(6,821)	(540)																			
Income/(loss) from associates and joint ventures companies	4,576	2,716																			
Financial income	888	1,368																			
Financial costs	(15,165)	(4,193)																			
Income before income taxes	61,009	33,755																			
Income taxes	(11,673)	(2,992)																			
Net income	49,336	30,763																			

The Company only reports revenues and cost by segment at the gross margin level to its Chief Operating Decision Maker.

The detail of the eliminations of transactions between related parties as of 30 June, 2013 and 2012 is as follows:

	Unaudited June 30, 2013			Unaudited June 30, 2012				
	Chile ThUS\$	International ThUS\$	Consolidated ThUS\$	Total ThUS\$	Chile ThUS\$	International ThUS\$	Consolidated ThUS\$	Total ThUS\$
Adjustments sales	252	168,442	–	168,694	513	222,371	–	222,884
Adjustments costs	28	133,727	4,472	138,227	86	173,045	1,046	174,177

(b) **Sales by geographic zones (countries)**

Country	Unaudited 30.06.2013 ThUS\$	Unaudited 30.06.2012 ThUS\$
Argentina	49,140	50,218
Bolivia	7,480	7,033
Chile	85,716	79,645
Colombia	107,778	26,454
Cenam	11,922	8,127
Ecuador	10,294	15,649
Paraguay	5,410	3,960
Perú	62,844	52,583
Venezuela	27,163	22,935
Canada	2,948	2,533
Other countries (*)	3,339	3,670
Total net sales from normal activities	374,034	272,807

(*) At 30 June, 2013 the other countries are Vietnam, Mexico, Thailand and Brazil.

(6) Acquisitions of subsidiaries, associates and non-controlling interests

(a) The Group has not made any acquisitions during 2013.

(b) Acquisitions during 2012:

- On 11 December, 2012, CFR International (subsidiary of CFR Pharmaceuticals S.A.) acquired 100% of the shares of Lafrancol Group, comprised the following:
 - Doral Investments
 - Lafrancol S.A.S.
 - Lafrancol International S.A.S.
 - Lafrancol Peru SRL
 - Lafrancol Guatemala S.A.
 - Lafrancol Ecuador S.A.
 - Lafrancol Dominican Republican S.A.
 - American Generics S.A.S.
 - Naturmedik S.A.S.
 - Uquifa S.A.S.
 - Focus S.A.S.
 - Pauly Pharmaceuticals S.A.S.

The purchase consideration, per the purchase agreement, amounted to ThUS\$562,000, less some adjustments for bank debt, related balances and minimum working capital, leaving a net amount consideration of ThUS\$541,133. This transaction has been recognised as a business combination, in accordance with IFRS 3: *Business Combinations*. Goodwill amounting to ThUS\$427,043 and intangibles amounting to ThUS\$139,513 were recognised as a result of this acquisition.

The fair value of the identifiable assets and liabilities of Lafrancol Group (acquired in December 2012) representing the finalised purchase price allocation as finalized approved in April 2013 were:

Statement of financial position	11-12-2012 ThUS\$
Fair value	
Assets	
Current assets	
Cash and cash equivalents	8,606
Other current financial assets	449
Other current non-financial assets	542
Trader and other accountant receivable	39,848
Accounts due from related entities	36
Inventories	14,951
Current tax assets	4,033
Total current assets	68,465
Non-current assets	
Other non-current non-financial assets	476
Trade and other accountant receivable	490
Intangibles assets	139,513
Property, plant and equipment	33,753
Deferred tax assets	11,889
Total non-current assets	186,105
Total assets	254,570

	11-12-2012
	ThUS\$
Statement of financial position	
Equity and liabilities	
Liabilities	
Current liabilities	
Other financial liabilities	14,247
Trade and other payables	31,648
Accounts due to related entities	4,677
Other provisions	13
Current tax liabilities	3,140
Provisions for employee benefits	2,712
Total current liabilities	56,437
Non-Current Liabilities	
Other financial liabilities	13,724
Other provisions	16,970
Deferred tax liabilities	52,189
Provisions for employee benefits	1,159
Total non-current liabilities	84,042
Total liabilities	140,479
Equity	
Total equity before excluding non-controlling interest	114,091
Non-controlling interest	–
Total equity	114,091
Total equity and liabilities	254,570
Total identifiable net assets at fair value	114,091
Goodwill arising from the acquisition	427,043
Consideration transferred for the purchase	541,134
Net cash received by the subsidiary (including cash flow investing activities)	8,606
Payment made in cash	(541,134)
Net cash disbursement	(532,528)

(7) **Cash and cash equivalents**

	Unaudited	Audited
	30.06.2013	31.12.2012
	ThUS\$	ThUS\$
Cash	1,328	1,853
Balances in banks	33,451	38,488
Deposits of less than 90 days	38,276	70,169
Short-term fixed-income mutual funds ⁽¹⁾	45,144	37,975
Other	–	2,016
Total	118,199	150,501

(8) Balances with related entities

(a) Accounts receivables with related entities

Tax number	Company	Relationship	Currency	Current ThUS\$	Unaudited 30.06.2013 Non-Current ThUS\$	Audited 31.12.2012 Non-Current ThUS\$
Foreign	Allergy Therapeutics plc ⁽¹⁾	Associate	U.S. Dollars	–	6,434	6,735
Foreign	Others	Related	Others	109	8	9
Foreign	Domesco	Associate	U.S. Dollars	1,312	–	–
Total				1,421	6,442	6,744

(b) Accounts payables with related entities

Tax number	Company	Relationship	Currency	Current ThUS\$	Unaudited 30.06.2013 Non-Current ThUS\$	Audited 31.12.2012 Non-Current ThUS\$
76.134.041-7	Inversiones Quark Ltda. ^(1,2)	Shareholder	Chilean Pesos	1,016	–	–
76.131.953-1	Inversiones Photon Ltda ⁽²⁾	Shareholder	Chilean Pesos	9,023	–	–
76.131.979-5	Inversiones Quantum Ltda ⁽²⁾	Shareholder	Chilean Pesos	2,371	–	–
Foreign	Allergy Therapeutics plit ⁽³⁾	Associate	Pounds	367	–	–
Foreign	Others	Related	Others	13	–	–
Total				12,790	–	19,873

(9) **Inventories**

Inventories comprises the following:

	Unaudited 30.06.2013	Audited 31.12.2012
	ThUS\$	ThUS\$
Raw materials	48,212	44,120
Consumables	20,224	20,927
Work in progress	11,005	9,445
Finished products	68,485	63,814
Goods in transit	16,231	11,314
Total	164,157	149,620

- The cost of inventories is adjusted against results when this exceeds their net realisable value. For this purpose, net realisable value is understood to be the estimated sale price in the normal course of business, less all estimated costs to be incurred in the trading, selling and distribution processes. As of 30 June 2013 and 31 December 2012 the inventories have been adjusted by ThUS\$18,545 and ThUS\$15,529 (of which ThUS\$4,147 relates to the Lafrancol (Group)), respectively.
- As of 31 December 2012, net inventories have been incorporated of ThUS\$14,951 as a result of the take-over of the Lafrancol Group.
- Inventory balances are not subject to guarantees, pledges or restrictions of any kind.

(10) **Intangible assets other than goodwill**

	Unaudited 30.06.2013	Audited 31.12.2012
	ThUS\$	ThUS\$
Trademarks and patents	60,516	11,723
Software	6,916	4,254
Others	92,990	151,739
Total	160,422	167,716

The intangible assets increased significantly in 2012 as a result of the acquisition of the Lafrancol Group in December 2012 (Refer to note 6). The intangible assets that arose from this business combination relate to the following:

	<i>31.12.2012</i>
	<i>ThUS\$</i>
Brand	48,873
Principal products	8,730
Customer portfolio	81,910
Total	139,513

(11) **Goodwill**

The movement in goodwill at 30 June 2013 and 31 December 2012 is as follows:

Movement	Unaudited 30.06.2013 ThUS\$	Audited 31.12.2012 ThUS\$
Opening balance	485,420	60,831
Additions ⁽¹⁾	–	427,043
Translation effect ⁽²⁾	(40,446)	(2,454)
Closing balance	444,974	485,420

(12) **Property, plant and equipment**

The breakdown of this item is as follows:

	Unaudited 30.06.2013 Net book value ThUS\$	Audited 31.12.2012 Net book value ThUS\$
Land	28,933	30,729
Constructions and buildings	85,141	91,411
Property, plant and equipment	53,935	62,532
Computer equipment	8,978	8,974
Fixed installations and accessories	4,488	4,988
Vehicles	2,164	2,025
Other fixed assets	34	98
Total	183,673	200,757

- At the close of the financial statements there is no indicator of impairment on the assets of property, plant and equipment.
- At the close of the financial statements, there are no significant restrictions on the assets of property, plant and equipment that are not disclosed in the financial statements.
- Incorporated into the condensed consolidated financial statements at 31 December 2012 are assets arising from the acquisitions Lafrancol Group as fixed assets acquired from the business combination were in the amount of ThUS\$33,753.
- The total depreciation charge amounted to ThUS\$8,672 at 30 June 2013 and ThUS\$13,202 at 31 December 2012.
- Total disposal of property, plant and equipment amounted to ThUS\$1,393 at 30 June 2013 and ThUS\$650 at 31 December 2012.

(13) **Deferred tax assets and liabilities**

	Unaudited 30.06.2013⁽¹⁾		Audited 31.12.2012⁽²⁾	
	Asset ThUS\$	Liability ThUS\$	Asset ThUS\$	Liability ThUS\$
Deferred taxes				
Provisions	9,310	–	13,282	–
Inventories	10,402	–	10,700	–
Property, plant and equipment	–	11,263	–	12,814
Intangible assets	–	56,352	–	55,976
Tax losses	9,469	–	7,169	–
Financial leases	–	1,401	–	1,297
Others	–	769	–	1,119
Total	29,181	69,785	31,151	71,206

(1) The Group has not recognised any deferred tax assets, where management as of 30 June 2013, does not believe that the asset is recoverable (i.e. sufficient taxable income in the foreseeable future).

(2) For the purchase of the Lafrancol Group, a deferred tax asset was recognised for ThUS\$5,635 and a deferred tax liability of ThUS\$51,117 at 31 December 2012.

(14) **Other financial liabilities**

	Unaudited 30.06.2013 ThUS\$	Audited 31.12.2012 ThUS\$
Bank loans	52,327	57,660
Financial leases	5,908	7,573
Bonds issued	427,880	436,123
Cross currency swap	7,339	–
Total	493,454	501,356

The bonds were issued to finance the acquisition of the Lafrancol Group.

The bank loans and financial leases are charged varying interest rates from the different bank institutions.

The bonds mature in 2022 and 2033 and carry an effective interest rate of 4.02% – 5.39% per annum.

(15) **Finance costs**

Finance costs comprises finance costs from:

	Unaudited 01.01.2013 30.06.2013 ThUS\$	Unaudited 01.04.2013 30.06.2013 ThUS\$	Unaudited 01.01.2012 30.06.2012 ThUS\$	Unaudited 01.04.2012 30.06.2012 ThUS\$
Bank loans	(14,384)	(7,181)	(3,388)	(1,410)
Financial lease interest	(427)	(201)	(363)	(177)
Accretion of defined benefit obligations	(210)	(89)	(240)	(137)
Other	(144)	(109)	(202)	(202)
Total	(15,165)	(7,580)	(4,193)	(1,926)

(16) **Taxation**

	Unaudited 01.01.2013 30.06.2013	Unaudited 01.04.2013 30.06.2013	Unaudited 01.01.2012 30.06.2012	Unaudited 01.04.2012 30.06.2012
Current taxation	(11,748)	(5,240)	(5,014)	(2,594)
Deferred taxation	583	955	1,537	115
Other	(508)	(976)	485	249
Total	(11,673)	(5,261)	(2,992)	(2,230)
The effective rate of taxation is	19.13%	14.49%	8.8%	12.37%

The weighted average statutory tax rate for all countries where the Company operates is 25.7% and 8.8% for June 2013 and 2012, respectively.

The effective rate of taxation differs from the abovementioned statutory rate by an insignificant percentage in 2013.

(17) **Contingencies**

The Company on occasion is subject to certain claims and legal processes which have arisen from the normal course of our business, these claims relate to sales of products, relations with our employees and other commercial or fiscal transactions. The Company considers that it has made the required provisions to cover the probable costs that it may incur in respect to these claims and legal processes.

The details of all contingencies have been detailed in the group interim consolidated financial statements. The total contingencies as defined by IAS 37: *Provisions, Contingent Liabilities and Contingent Assets*, as possible, amount to ThUS\$2,335 at 30 June 2013.

(18) **Capital commitments**

The Group has not made any material purchase commitments as at 30 June 2013.

(19) **Earnings per share**

US\$per share	Unaudited 30.06.2013	Audited 31.12.2012
Profit from ordinary operations for the financial year to equity holders of the parent companies		
Basic earnings per share	0.006137	0.009450
Diluted earnings per share	0.006082	0.009367
Basic headline earnings per share	0.006140	0.009410
Diluted basic headline earnings per share	0.006082	0.009320

The calculation of basic and diluted earnings per share and basic headline earnings per share is based on the following data:

	Unaudited 30.06.2013 ThUS\$	Audited 31.12.2012 ThUS\$
Profit for the financial year attributable to equity holders of the parent companies	51,647	79,566
Loss on disposal of property, plant and equipment	3	270
Profit on sale of available for sale assets	–	(712)
Taxation impact	–	99
Total headline earnings	51,650	78,669

	Unaudited 30.06.2013	Audited 31.12.2012
Basic number of ordinary shares outstanding ⁽¹⁾	8,416,000,000	8,416,000,000
Effect of dilutive potential shares ⁽²⁾	75.650.400	78.668.000
Diluted number of ordinary shares outstanding	8,491,650,400	8,494,668,000

(1) The basic number of ordinary shares outstanding represents the weighted average number in issue for CFR Group for the year net of treasury shares.

(2) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue, net of treasury shares, under the assumption of conversion of all potentially dilutive shares

(20) **Movements in number of shares**

Number of shares	Unaudited 30.06.2013	Audited 31.12.2012
Opening balance	8,416,000,000	8,416,000,000
Total shares at respective period-end	8,416,000,000	8,416,000,000

(21) **Dividends**

	Unaudited 30.06.2013	Audited 31.12.2012
Dividends paid	26,258	30,006
Dividends per share	0.00312	0.00357

REPORTING ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION OF CFR AND ITS SUBSIDIARIES

"THE DIRECTORS
CFR PHARMACEUTICALS S.A.
Av. Pedro de Valdivia
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Chile

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF CFR PHARMACEUTICALS S.A**Introduction**

We have audited the historical financial information of CFR Pharmaceuticals S.A. (the Company) in respect of the year ended 31 December 2012 set out in Annexure 8, we have reviewed the historical financial information of the Company in respect of the years ended 31 December 2011 and 31 December 2010 set out in Annexure 8 of the Circular to be dated on or about 18 November 2013.

The historical financial information in respect of each annual period comprises the condensed consolidated statement of financial position as at the year-end date, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the years then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Historical Financial Information

The company's directors are responsible for the preparation and fair presentation of the historical financial information in accordance with the requirements of the JSE Limited, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

The JSE Limited indicated that the historical financial information in respect of each annual period must be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and to also, as a minimum contain the information required by IAS 34 Interim Financial Reporting.

Auditor's Responsibility

Our responsibility is to express an opinion or conclusion on the historical financial information based on our audit or review.

We conducted our audit of the historical financial information for the year ended 31 December 2012 in accordance with International Standards on Auditing (ISAs) and the reviews of the historical financial information in respect of the years ended 31 December 2011 and 31 December 2010 were conducted in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Both standards require that we comply with ethical requirements.

We plan and perform the audit to obtain reasonable assurance about whether the historical financial information is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the historical financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the historical financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial information.

ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the historical financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. A review of historical financial statements in accordance with this standard consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the ISAs and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained in our audit or review is sufficient and appropriate to provide a basis for our opinion or conclusion respectively.

Opinion/Conclusion

In our opinion, the historical financial information in respect of the year ended 31 December 2012 is prepared, in all material respects, in accordance with the requirements of the JSE Limited, as set out in note 2 to the historical financial information.

Based on our review of the historical financial information of the Company in respect of the years ended 31 December 2011 and 31 December 2010, nothing has come to our attention that causes us to believe that the historical financial information of CFR Pharmaceuticals S.A. for the years then ended are not prepared, in all material respects, in accordance with the requirements of the JSE Limited, as set out in note 2 to the historical financial information.

Other information in the Circular

As required by paragraph 8.53 of the JSE Listings Requirements, we have read the Circular in which the historical financial information is contained, for the purpose of identifying whether there are material inconsistencies between the pre-listing statement and the historical financial information which has been subject to audit or review. The Circular is the responsibility of the directors. Based on reading the Circular we have not identified material inconsistencies between this report and the historical financial information which has been subject to audit or review. However, we have not audited the Circular and accordingly do not express an opinion on it.

We have not audited or reviewed the interim financial information in respect of the six months ended 30 June 2013 and accordingly do not express an opinion on it.

Consent

We consent to the inclusion of this report, which will form part of the Circular to the shareholders of Adcock Ingram Holdings Limited to be issued on or about 18 November 2013 in the form and context in which it appears.

Deloitte & Touche

Registered Auditor

Per: Bronwyn Kilpatrick
Partner

5 November 2013

Deloitte & Touche

Deloitte Place
The Woodlands
Woodlands Drive
Woodmead
2196

National Executive: LL Bam Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit
DL Kennedy Risk Advisory NB Kader Tax TP Pillay Consulting K Black Clients & Industries
JK Mazzocco Talent and Transformation CR Beukman Finance M Jordan Strategy S Gwala Special Projects
TJ Brown Chairman of the Board MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy profession Sector Code
Member of Deloitte Touche Tohmatsu Limited"

TAX IMPLICATIONS FOR SOUTH AFRICAN SCHEME PARTICIPANTS

The following paragraphs contain a general summary of the principal income tax and capital gains tax (“CGT”) implications of the Scheme on Scheme Participants who are residents of South Africa for tax purposes. The analysis is not comprehensive or determinative and should not be regarded as tax advice given by either Adcock Ingram or CFR (or their tax advisors) to any particular Scheme Participant. Scheme Participants should seek advice from appropriate professional advisers if they are in any doubt whatsoever about their tax position. They should also confirm how the general comments below apply in their specific personal circumstance and, in particular, ascertain whether there are any additional or exceptional tax consequences which could apply to them. Scheme Participants whose Scheme Shares are held in a trust should seek advice from appropriate professional advisers, as the investment via a trust holding may have an impact on the amount of tax that may become payable.

Scheme Participants are also referred to the ongoing tax and exchange control implications of the holding and trading in CFR Shares in section 4 of the Prospectus.

South African tax implications in respect of the transfer of the Scheme Shares

If the Scheme Participant holds the Scheme Shares as an investment:

- the transfer of the Scheme Shares to CFR Inversiones will trigger a disposal by the Scheme Participant in terms of the Eighth Schedule to the Income Tax Act, No. 58 of 1962 (“the CGT Legislation”);
- a Scheme Participant will therefore realise a capital gain or loss, being the difference between the base cost of the Scheme Shares and the proceeds received by or accrued to the Scheme Participant resulting from the Scheme;
- the base cost must be determined in accordance with the CGT Legislation. The Scheme Consideration will be a cash amount of R73.51 per Scheme Share held by Scheme Participants; or the Relevant Number of CFR Shares per Scheme Share held by Scheme Participants; or a combination of cash and CFR Shares; and
- in terms of the CGT Legislation, the annual exclusion of an individual (or special trust) for a tax year of assessment is currently R30 000. Accordingly, the taxpayer’s capital gains (or losses) are reduced by R30 000 per tax year. Broadly, this means that a Scheme Participant will not pay CGT on the first R30 000 of the aggregate capital gain per tax year in respect of all disposals (including any capital gain arising from the Scheme). The annual exclusion will similarly reduce any aggregate capital loss of the taxpayer.

If the Scheme Participant does not hold the Scheme Shares as an investment, but as a share dealer or as part of a profit-making arrangement, any taxable profit will be subject to income tax in South Africa (at the relevant income tax rate) and not CGT in the hands of the Scheme Participant.

To the extent that a South African tax resident shareholder receives a cash dividend from CFR once CFR is listed on the JSE, such dividend may be subject to South African dividends tax at a rate of 15% (subject to certain exemptions) with a rebate granted for any Chilean withholding tax imposed on the dividend. The South African tax implications would be dependent upon the legal nature of the shareholder concerned.

A Scheme Participant who is not a South African resident for tax purposes and who does not carry on business in South Africa will under certain circumstances not be liable for the taxes set out above. Scheme Participants who believe that they may qualify as non-residents should consult with appropriate professional advisers to ascertain whether they are non-residents for tax purposes and whether or, on what basis, they will be liable for tax.

Chilean Capital Gains Tax Implications for South African shareholders

Under South African law, it is the beneficial ownership interests (“Beneficial Interests”) that are traded on the JSE, rather than the CFR shares themselves. CFR has been advised by its Chilean tax advisors that sales or dispositions of Beneficial Interests in CFR shares that trade on the JSE by shareholders of CFR who are not domiciled in or resident in Chile (“Non-Resident Holders”) will not give rise to capital gains tax (“CGT”) in

Chile. Scheme Participants are, however, cautioned that the Chilean tax authority (“Chilean IRS”) has not specifically addressed the tax treatment of sales of Beneficial Interests in shares of Chilean companies by Non-Resident Holders outside of Chile, and the matter is not entirely free from doubt.

CFR will apply to the Chilean IRS for a ruling that the sales or dispositions of the Beneficial Interests in CFR shares by Non-Resident Holders do not give rise to CGT in Chile and that Non-Resident Holders do not become subject to various obligations under Chilean tax and foreign exchange regulations. It is a condition precedent to the implementation of the Scheme that CFR obtains a positive ruling from the Chilean IRS. If CFR does not receive a positive ruling from the Chilean IRS, the Scheme will not become unconditional and will fail. CFR is entitled to waive the fulfilment of this condition precedent.

If the Chilean IRS reaches a different conclusion on the subject, sales or dispositions of the Beneficial Interests will give rise to CGT in Chile. In addition, Non-Resident Holders may become subject to certain obligations under Chilean tax and foreign exchange regulations, including obtaining a TAX ID and periodic filing and reporting obligations. If this is the case however, it should be noted that in terms of section 6^{quat} of the South African Income Tax Act, if a South African resident taxpayer pays CGT in a foreign country, in calculating its South African tax liability, it may be able to claim a tax credit in respect of any foreign taxes imposed.

If the Chilean IRS conclude that the sale of Beneficial Interests gives rise to a taxable event for the purposes of Chilean CGT, CFR may consider the waiver of the condition precedent and the implementation of a depository receipt program in South Africa under which South African depository receipts (“SADRs”) representing underlying CFR shares deposited with a reputable depository will be issued to Non-Resident Holders electing to hold their CFR shares through an SADR. CFR has been advised that the transfer of securities issued under substantially similar structures will not give rise to a taxable event under Chilean CGT. CFR will keep Non-Resident Holders fully informed should it decide to follow this route.

CFR will under no circumstances be responsible for Chilean CGT or other tax related obligations of its Non-Resident Holders in any jurisdiction.

FOREIGN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations as they apply to Scheme Participants:

Scheme Participants who are not resident in, or who have a registered address outside, South Africa must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such territory. If in doubt, Scheme Participants should consult their professional advisers without delay.

1. RESIDENTS OF THE COMMON MONETARY AREA

In the case of:

- 1.1 Certificated Scheme Participants whose registered addresses in the Register are within the Common Monetary Area and whose documents of title are not restrictively endorsed in terms of the Exchange Control Regulations, the Share Consideration and/or cheques in respect of the Cash Consideration will be posted or transferred by way of EFT to such Scheme Participants, in accordance with paragraph 6.5.6 of the Circular.
- 1.2 Dematerialised Scheme Participants whose registered addresses in the Register are within the Common Monetary Area and have not been restrictively designated in terms of the Exchange Control Regulations, the Scheme Consideration will be credited directly to the accounts nominated for the relevant Scheme Participants by their duly appointed CSDP or Broker in terms of the Custody Agreement with their CSDP or Broker.

2. EMIGRANTS FROM THE COMMON MONETARY AREA

In the case of Scheme Participants who are emigrants from the Common Monetary Area and whose Scheme Shares form part of their blocked assets, the Scheme Consideration will:

- 2.1 in the case of Certificated Scheme Participants whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling such Scheme Participants' blocked assets in terms of the Exchange Control Regulations. The attached form of surrender and transfer (*blue*) makes provision for details of the authorised dealer concerned to be given; or
- 2.2 in the case of Dematerialised Scheme Participants, the Scheme Consideration will be transferred to their CSDP or Broker, which shall arrange for the same to be credited directly to the blocked Rand bank account of the Scheme Participants concerned with their authorised dealer in foreign exchange in South Africa.

3. ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA

The Scheme Consideration accruing to non-resident Scheme Participants whose registered addresses are outside the Common Monetary Area and who are not emigrants from the Common Monetary Area will:

- 3.1 in the case of Certificated Scheme Participants, whose documents of title have been restrictively endorsed in terms of the Exchange Control Regulations, be posted to their registered address, unless written instructions to the contrary are received and an alternative address is provided. The attached form of surrender and transfer (*blue*) makes provision for a substitute address or bank details; or
- 3.2 in the case of Dematerialised Scheme Participants, be paid to their duly appointed CSDP or Broker and credited to such Scheme Participants in terms of the provisions of the Custody Agreement with their CSDP or Broker.

4. **INFORMATION NOT PROVIDED**

If the information regarding authorised dealers is not given or written instructions to the contrary are provided but no address is given, as required in terms of paragraphs 1.1 and 2.1 above, the relevant Scheme Consideration will be held in trust by Adcock Ingram (or any third party nominated by it for this purpose) for the benefit of the Scheme Participants concerned, pending receipt of the necessary information or instructions, for a maximum period of three years, after which such consideration shall be made over to the Guardians Fund. For the avoidance of doubt, no additional interest will accrue pursuant to this paragraph for the benefit of the Scheme Participants on the consideration so held.

5. **INWARD LISTINGS BY FOREIGN ENTITIES ON SOUTH AFRICAN EXCHANGES**

INTRODUCTION

South African institutional investors may invest in approved inward listed instruments based on foreign reference assets or issued by foreign entities, listed on the JSE Limited and the Bond Exchange of South Africa, respectively, using the permissible foreign portfolio investment allowances. Institutional investors are allowed to invest in inward listed shares without affecting their permissible foreign portfolio investment allowance.

Institutional investors may invest an additional five per cent of their total retail assets in approved African inward listed instruments.

South African corporates, trusts, partnerships and private individuals may invest in approved inward listed instruments without restriction. Authorised Dealers may invest in approved inward listed instruments subject to the macro-prudential limit as defined in Section B.2(B)(iv) of the Rulings. Authorised Dealers are allowed to invest in inward listed shares without affecting their macro-prudential limit.

“Inward listed shares” mean the following products listed on the JSE Limited.

Product	Details
Ordinary Shares/equities including A,B and N Shares	Shares which are listed on the JSE and settled in Rand.
Preference shares/ Debentures	If the company is already listed on the JSE and the debenture is compulsory convertible.
Linked Units/Participatory Interest/ Real Estate Investment Trusts (REITS) and Loan Stock Companies	If the company is already listed on the JSE primary or secondary.
Exchange Traded Funds (ETFs)	An instrument which tracks a basket of shares, as long as they track an index or shares that is made up of companies already listed on the JSE. This must be valid for all the shares in the index.
Warrants	As long as they represent an underlying share or basket of shares already listed on the JSE.
Share Instalments	As long as they represent an underlying share or basket of shares already listed on the JSE.
Derivatives – Equities Indices	A Future or Option which is listed against an index that represents companies already listed on the JSE.
Derivatives – Single Stock Futures and Options	A Future or Option which is listed against a single security of a company which is already listed on the JSE.
Derivatives – Dividend Futures and Options	A Future or Option on a dividend of a company which is already listed on the JSE.
Krugerrand Coins	Listed and traded on JSE in Rand.
Current Commodity Derivatives (i.e. White Maize)	Listed and traded on JSE in Rand.

GENERAL

- (i) It is envisaged that inward listings will attract foreign direct investment to the domestic economy, increase market capitalisation and liquidity in the local capital market, support the New Partnership for Africa’s Development initiative and support the enhancement of foreign investment diversification through domestic channels.

(ii) Criteria for an “African” Company

A company will be regarded as “African” if it is:

- (a) Domiciled in Africa or its activities are geographically located in Africa; or
- (b) domiciled outside Africa, but the majority of its activities are geographically located in Africa.

“African-based” activities would generally be determined by employment of assets and/or capital in countries which are part of the African Union.

(iii) Financial Surveillance Department Approval

Any entity wishing to list inward listed instruments on the JSE Limited or the Bond Exchange of South Africa, respectively, requires prior approval of the Financial Surveillance Department. Any Authorised Dealer wishing to facilitate transactions of the nature outlined above, requires prior approval of the Financial Surveillance Department and will have to comply with the specific reporting requirements of the Financial Surveillance Department.

MEASURES APPLICABLE TO INWARD LISTED DEBT INSTRUMENTS, DERIVATIVE INSTRUMENTS AND EQUITY ISSUES ON THE JSE LIMITED

(i) Types of Instruments

- (a) Debt instruments, equity, as well as derivative instruments based on foreign reference assets, may be listed.
- (b) The listing of and trading in derivative instruments are subject to the following conditions:
 - (aa) For every buyer there should be a seller;
 - (bb) the loss for one party is paid as the profit of the counterparty;
 - (cc) participants may not hedge their exposures by physically trading in the underlying reference asset, unless that particular asset is also inward listed on the JSE Limited or the Bond Exchange of South Africa; and
 - (dd) all settlements should take place locally in Rand.

(ii) Acquisition Issue

Foreign companies are allowed, upon application, to use their shares as acquisition currency.

South African institutional investors, Authorised Dealers, corporates, trusts, partnerships and private individuals may accept the shares without restriction.

(iii) Denomination of Debt Instruments, Equity Issues and Derivative Instruments

All instruments and equity issues may only be denominated in Rand.

SPECIAL DISPENSATION TO LOCAL BROKERS TO FACILITATE THE TRADING OF INWARD LISTED SHARES

Local brokers are allowed to purchase inward listed shares offshore and to transfer such shares to the South African section of the register, as a book-building exercise and to enhance liquidity on the JSE Limited.

This dispensation is confined to inward listed shares and brokers may warehouse such shares for a maximum period of 30 days only.

COPY OF SECTION 115 OF THE COMPANIES ACT

“Section 115: Required approval for transactions contemplated in Part A

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
 - (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement, the TRP has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved:
 - (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
 - (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five Business Days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 Business Days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
 - (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

- (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
- (a) within 10 Business Days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
- (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
- (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

COPY OF SECTION 164 OF THE COMPANIES ACT

“Section 164: Dissenting Shareholders Appraisal Rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113 or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 Business Days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; nor
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
 - (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company’s Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
 - (a) 20 Business Days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 Business Days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the TRP, and must state:
 - (a) the shareholder’s name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:

- (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five Business Days after the later of:
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 Business Days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 Business Days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

- (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time until the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
 - (b) that the TRP rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

SHARE PRICE HISTORY OF ADCOCK INGRAM ORDINARY SHARES ON THE JSE

Set out in the table below are the aggregate volumes and the highest, lowest and closing prices traded for Adcock Ingram Ordinary Shares as reflected for the respective periods:

	High (R)	Low (R)	Close (R)	Volume (Shares)	Value (R)
Quarterly					
29 October 2010	65.77	59.01	65.42	33,129,300	2,071,321,044
31 January 2011	68.45	55.50	56.30	48,188,100	2,916,947,887
29 April 2011	61.00	51.00	61.00	59,132,500	3,317,026,954
29 July 2011	64.86	58.77	61.00	31,139,400	1,917,155,062
31 October 2011	64.04	58.29	61.00	26,215,700	1,591,896,002
31 January 2012	62.70	58.75	62.65	22,411,100	1,364,133,292
30 April 2012	63.88	57.16	60.97	30,315,100	1,866,744,899
31 July 2012	64.77	55.34	60.20	22,447,300	1,353,596,857
31 October 2012	66.30	51.51	57.90	17,731,600	1,054,476,942
Monthly					
31 October 2012	60.00	57.07	57.90	6,008,100	350,012,288
30 November 2012	58.46	52.90	53.50	10,914,600	604,326,610
31 December 2012	55.51	51.00	54.00	14,653,100	774,176,057
31 January 2013	58.99	53.17	57.40	5,765,700	325,751,831
28 February 2013	59.00	54.06	55.88	4,993,100	281,291,797
28 March 2013	63.11	52.70	60.59	29,437,700	1,730,964,604
30 April 2013	63.48	58.50	61.00	27,002,500	1,629,672,234
31 May 2013	72.00	61.00	68.50	19,777,300	1,325,676,608
28 June 2013	68.75	62.33	65.00	9,292,300	607,645,074
31 July 2013	70.00	60.00	67.73	10,821,600	721,299,356
30 August 2013	69.00	65.43	66.10	6,339,800	425,795,164
30 September 2013	69.55	63.55	68.55	7,206,700	488,030,377
Daily					
25 September 2013	69.03	68.40	68.90	362,400	24,969,360
26 September 2013	69.05	68.61	68.70	183,400	12,599,580
27 September 2013	69.39	68.70	68.80	229,700	15,803,360
30 September 2013	68.99	68.02	68.55	467,500	32,047,125
01 October 2013	69.00	68.50	68.60	70,100	4,808,860
02 October 2013	69.50	68.60	69.50	383,800	26,674,100
03 October 2013	71.11	69.52	70.69	196,800	13,911,792
04 October 2013	71.01	70.29	70.30	308,300	21,673,490
07 October 2013	70.30	69.80	69.99	902,400	63,158,976
08 October 2013	70.10	69.48	69.80	632,600	44,155,480
09 October 2013	70.00	69.05	70.00	139,700	9,779,000
10 October 2013	70.90	69.74	70.50	171,800	12,111,900
11 October 2013	71.00	70.52	70.85	71,400	5,058,690
14 October 2013	70.90	70.60	70.88	40,500	2,870,640
15 October 2013	71.22	70.79	71.00	241,100	17,118,100
16 October 2013	71.10	70.74	70.80	194,800	13,791,840
17 October 2013	70.85	70.50	70.50	141,100	9,947,550
18 October 2013	70.75	70.00	70.00	103,300	7,231,000
21 October 2013	70.35	69.61	70.10	427,600	29,974,760
22 October 2013	70.15	69.60	70.01	870,400	60,936,704
23 October 2013	70.15	69.80	69.80	445,300	31,081,940
24 October 2013	70.00	69.27	69.80	415,700	29,015,860
25 October 2013	69.80	69.04	69.45	349,335	24,257,893

Source: FactSet

SHARE PRICE HISTORY OF CFR SHARES ON THE SANTIAGO STOCK EXCHANGE

Set out in the table below are the aggregate volumes and the highest, lowest and closing prices traded for CFR Shares as reflected for the respective periods:

	High (CLP)	Low (CLP)	Close (CLP)	Volume (Shares)	Value (CLP)
Quarterly					
29 October 2010	0.00	0.00	0.00	–	–
31 January 2011	0.00	0.00	0.00	–	–
29 April 2011	0.00	0.00	0.00	–	–
29 July 2011	125.00	84.00	114.50	2,907,804,000	293,691,762,453
28 October 2011	119.01	100.00	116.00	267,737,600	30,282,568,686
31 January 2012	130.00	112.50	119.49	557,522,000	68,064,474,978
30 April 2012	125.00	112.00	121.10	297,865,100	34,858,876,088
31 July 2012	122.50	100.00	107.00	394,932,300	43,540,829,628
31 October 2012	120.10	110.00	116.10	414,999,500	47,436,995,223
Monthly					
31 October 2012	117.20	111.60	116.10	262,606,600	30,008,139,974
30 November 2012	118.00	114.50	117.00	92,270,200	10,757,306,987
28 December 2012	123.50	114.00	121.00	269,419,700	32,503,421,742
31 January 2013	130.00	120.00	124.00	76,681,000	9,747,090,094
28 February 2013	128.00	120.10	123.50	113,875,800	14,083,731,135
28 March 2013	129.00	118.00	121.50	52,579,500	6,477,663,954
30 April 2013	126.00	117.50	121.50	42,418,600	5,170,937,412
31 May 2013	124.00	115.90	121.58	48,761,300	5,883,433,974
28 June 2013	125.46	110.00	114.70	150,827,600	17,485,774,498
31 July 2013	116.02	105.00	111.97	112,341,000	12,558,726,349
30 August 2013	115.00	107.00	113.98	108,946,400	12,162,916,075
30 September 2013	136.00	113.00	135.31	191,817,100	24,435,317,348
Daily					
25 September 2013	133.00	130.50	132.99	14,131,800	1,879,388,082
26 September 2013	133.43	132.50	133.00	4,710,400	626,483,200
27 September 2013	134.00	132.50	133.90	18,664,800	2,499,216,720
30 September 2013	136.00	133.00	135.31	10,160,800	1,374,857,848
01 October 2013	138.60	136.00	138.50	1,335,300	184,939,050
02 October 2013	145.00	138.00	138.66	16,520,400	2,290,718,664
03 October 2013	138.50	137.00	138.00	4,449,000	613,962,000
04 October 2013	138.00	135.00	135.00	6,248,200	843,507,000
07 October 2013	135.00	131.90	131.99	6,442,400	850,332,376
08 October 2013	132.00	130.00	130.00	12,745,000	1,656,850,000
09 October 2013	130.00	128.99	128.99	2,547,200	328,563,328
10 October 2013	130.00	125.00	129.99	18,605,700	2,418,554,943
11 October 2013	130.00	127.00	129.50	1,456,400	188,603,800
14 October 2013	132.50	129.00	129.00	730,600	94,247,400
15 October 2013	129.50	125.99	129.06	2,815,800	363,407,148
16 October 2013	129.00	126.30	129.00	601,400	77,580,600
17 October 2013	129.00	126.00	126.00	253,600	31,953,600
18 October 2013	126.00	125.00	126.00	555,200	69,955,200
21 October 2013	126.00	125.00	125.00	381,400	47,675,000
22 October 2013	125.51	124.50	124.50	8,616,000	1,072,692,000
23 October 2013	126.00	124.00	124.00	38,266,100	4,744,996,400
24 October 2013	129.00	124.00	124.50	1,205,100	150,034,950
25 October 2013	127.00	124.90	126.90	4,889,700	620,241,600

Source: FactSet

INFORMATION ON THE CHILEAN REGULATORY ENVIRONMENT

CHILEAN LEGAL SYSTEM

Chile is a democratic republic. The Republic of Chile is ruled by the Constitution of 1980. Accordingly, the Chilean Constitution declares and guarantees principles such as the recognition and protection of human dignity, equality before the law, protection of private property and free entrepreneurship, freedom of speech and association, popular sovereignty, representative government, separation of powers and the rule of law.

The Constitution was approved in a national referendum in 1980 and provides for a system of government composed of three separate and independent powers: an executive branch headed by a President (with a non-renewable four-year term), a legislative branch consisting of a two-chambered Congress, and a judicial branch in which the Supreme Court is the highest authority. The Constitution also provides for a Constitutional Court, which is the highest authority for all matters of constitutional law.

The 1980 Constitution was significantly amended in 1989 and in 2005 to introduce important changes to the structure of the political system, including the increase of lower house's oversight powers and a decrease in the powers and status of the National Security Council, which is now an advisory body, strengthening the role of the Constitutional Court by allowing it to rule on the constitutionality of laws and the introduction of a six-year Presidential term limit, which has subsequently been reduced to four years.

Some Constitutional Principles

Democratic State

This Constitution guarantees the full exercise of political rights, in accordance with the principle of popular sovereignty and with the laws derived the Constitution. Suffrage shall be universal, equal, secret and voluntary.

Rule of Law

The citizens and public powers are subject to the Constitution and the legal order. The Constitutional intent is to guarantee the principle of legality, the normative order, the non-retroactivity of punitive provisions which are not favorable to, or which restrict, individual rights, legal security, and the interdiction of arbitrariness of public powers.

The declarations, rights and guarantees which the Constitution enumerates shall not be construed as a denial of other rights and guarantees not enumerated.

No Tax Without Law

Only by law can the government establish new taxes. The exclusive initiative in the matter belongs to President. The originating House for that shall be the Chamber of Deputies.

Non Discrimination

Any form of discrimination is forbidden.

Free Enterprise

Free enterprise within the framework of a market economy is recognised. The public authorities guarantee and protect its exercise.

Property Protection

There are wide and strong protections for any form of property at the constitutional level.

Types of Legislation

Chile is ruled by a hierarchy of norms. An overall norm is the Constitution. Under this text, Parliament should pass the laws or statutes (Ley), with an internal hierarchy: institutional act (Ley orgánica constitucional), special act (Ley de quorum calificado), ordinary act (Ley ordinaria) due of quorum of approval and depending of matter. Within the ordinary act or ordinary law you have to consider "Decreto con Fuerza de Ley" or "D.F.L." (delegated law) and Ordinary Law, all of which are of equal hierarchy. The above-mentioned legislative initiatives, in the order they have been described, establish the hierarchical principle.

The executive power has the right to enact regulations (reglamentos), which are called “Decretos Supremos” and are issued by the President of the Republic, and plain “decretos” or “resoluciones”, which are issued by the rest of the executive branches.

The Court System

The judiciary constitutes an autonomous and independent branch of government not subject to any other.

The principle of jurisdictional unity is the basis of the organization and operation of the Tribunals. The exercise of jurisdictional power in any type of process passing judgments and having judgments executed belongs exclusively to the Courts and Tribunals as determined by the laws, according to the norms on the competence and procedure which they establish.

The Chilean judicial system is historically divided into three levels: Supreme Court, Courts of Appeals and tribunal of first instance (or lower level).

At the top of the judiciary courts there is a Supreme Court, or “Corte Suprema”, with 21 judges who are appointed by the President of the Republic pending approval of the Senate, and who are selected from a list of five judges made by incumbent member of Supreme Court. The Supreme Court has the administrative and regulatory control of all judges.

There are 13 courts of appeals and a number of district judges (the lower level), divided into civil and criminal matters, family and labor.

There are also judges in taxation, customs and environmental matters at the lower level and there is a special court for antitrust issues, among others.

Constitutional Court

The Constitutional Court (“Tribunal Constitucional”) is in charge of the constitutional review of the laws. It must review statutes before they are enacted (in abstracto control). This authority must declare a law or an act with the force of law inapplicable or unconstitutional. In the first case, the norm ceases to have effect but only in the specific case where is declared. In the second case, the norm ceases to have effect in general terms.

The Constitutional Court consists of ten members: three members appointed by the Supreme Court, three members appointed by the President, and the last four chosen by the Senate – two appointed by Senate solely and two chosen by the Senate from a Chamber of Deputies proposal.

Contraloría General de la República

This is a part of the executive branch. It shall be in charge of the control of the legal aspects, management and auditing of all the activities of the centralised and decentralised civil services, whatever its forms of organisation may be, as well as of other powers granted by law. It must take part in the approval or rejection of the revenue and investment accounts of public funds.

Central Bank

The Central Bank of Chile is an autonomous entity of technical nature created in accordance with constitutional provisions, has full legal capacity, possesses its own assets and has an indefinite duration. The Bank shall, with regard to its duties and authority, be governed exclusively by the provisions of this Act and it shall not be bound for any legal purposes, by provisions present or future, general or special, enacted for the public sector. The Bank shall have as its purpose to look after the stability of the currency and the normal functioning of the internal and external payment systems. The authority of the Bank, for these purposes, shall include that of regulating the amount of currency and credit in circulation, the performance of credit transactions and foreign exchange, as well as the issuance of regulatory provisions regarding monetary, credit, financing and foreign exchange matters.

MODERNISATION OF THE STATE

Public sector modernisation is one of Chile’s top policy priorities. Recent governments have undertaken to modernise the state by building a more efficient and transparent public administration, and by improving coordination between public institutions at different levels of government. This programme involved multiple reforms such as:

- the creation of new public institutions in the areas of culture, infrastructure, social development, economic development, anti-trust regulation, environmental protection and public enterprise administration;
- the decentralisation of public sector institutions;
- promoting competition among public institutions and improved performance in part through greater flexibility in budget allocations to those institutions;
- increased use of information technology;
- increased citizen participation and broad protection of citizens' rights; and
- establishment of simpler mechanisms for disseminating information, greater accountability of public authorities and internal auditing.

In 2005, the principles of probity and transparency of acts of the government were formally incorporated into the Constitution. These changes are intended to guarantee that public officials' decisions are taken free from corruption or undue influence and that actions and decisions taken by public officials are generally open to public scrutiny.

In 2006, the government began an initiative to improve probity, transparency, efficiency and the modernization of the Chilean public sector. Among other measures, the initiative focused on enhancing access to public information. As a result of these initiatives in April 2009, an Access to Public Information Law was introduced, establishing a new legal framework that obliges all state administrative agencies to provide citizens with the information they request and to generally make information more available. A four member Transparency Council (*Consejo para la Transparencia*) was created to oversee the enforcement of the law, which has already started forcing government agencies to make public previously privileged information.

In January 2007, Chile acceded to the United Nations Convention against Corruption, with the purpose of participating in the first global legislative instrument against corruption.

During the OECD admission process in 2009, Congress passed legislation reforming the corporate governance rules applicable to private enterprises. In addition, the government introduced legislation to impose criminal liability on legal persons for money laundering, financing of terrorism and bribery (Law No. 20,393 on Criminal Responsibility of Legal Entities for the Crimes of Money Laundering, Financing of Terrorism and Offences of Bribery, passed on December 2009) and to enhance access to banking information.

FOREIGN TRADE

Foreign Trade

Chile has generally followed an outward-oriented economic development strategy. Chile's main trade policy objective is to improve and ensure access for its goods and services to all markets, as well as to encourage domestic and foreign investment. With a view to liberalising the economy, all available channels have been used to give Chile's trade policy an outward orientation, including unilaterally opening its markets and entering into bilateral and multi-lateral trade agreements.

Chile is a founding member of the World Trade Organisation.

Foreign Direct Investment (FDI)

Chile's constitutional and legal framework guarantees non-discrimination and equal treatment to foreign and local investors and gives foreign investors access to all economic sectors.

TRADING ON THE CHILEAN SECURITIES MARKETS

The Santiago Stock Exchange is a corporation incorporated on November 27, 1893, as authorised by Decree N° 3015, of December 29, 1893 of the Ministry of Public Finance, is Chile's principal exchange and accounts for more than 80% of securities traded in Chile. Approximately 13% of equity trading is conducted on the Electronic Stock Exchange, an electronic trading market created by banks and non-member brokerage houses. The remaining equity trading is conducted on the Valparaíso Stock Exchange. Trading on the Chilean Stock Exchanges is limited to member brokers and listed exchanges. In Chile, only stock exchange brokers, security agents and other authorised entities may act as securities brokers.

Regulation of the Chilean Securities Markets

The Chilean securities markets are principally regulated by the Chilean Securities Market Act (Law 18,045), the Chilean Corporations Law (Law 18,046) and the *Superintendencia de Valores y Seguros* (Superintendence of Securities and Insurance “SVS”) Law and the SVS regulations. The SVS was created and is regulated by Decree Law N° 3,538, or the SVS Law. The SVS Law determines the functions, authority and organisation of the SVS.

The Chilean Securities Market Law sets forth requirements relating to public offerings, stock exchanges and brokers, outlines disclosure requirements for companies that issue publicly offered securities, regulates insider trading, prohibits price manipulation activities, and grants protection to minority investors. Such law also governs the activities of the stock exchanges, stock brokers and securities agents in order to regulate their performances and set forth several requirements, such as the constitution of a guarantee, the obligation to inform the public through the SVS and the Chilean Stock Exchanges on a regular basis and the obligation to comply with all laws and regulations. Stock exchanges are regulated by the Chilean Securities Market Law, the SVS Law and SVS regulations and each respective stock exchange’s regulations.

The Chilean Corporations Law sets forth the rules and requirements to create stock corporations, classifying them as listed or publicly traded stock corporations (subject to governmental supervision through the SVS) and non-listed, non-publicly traded stock corporations, not subject to such supervision. However, the Chilean securities markets are not as highly regulated and supervised as the U.S. securities markets or securities markets in other jurisdictions.

Open stock corporations, as defined in Article 2 of the Chilean Corporations Law, are those that voluntarily or mandatorily, as requested by law, register their shares in the Securities Registry of the SVS.

All open stock corporations are subject to the supervision of the SVS, which obliges them to maintain the registration of the company and its shares in the Securities Registry of the SVS and comply with all of the provisions applicable to listed corporations.

Chilean securities market regulations have several mechanisms that permit investors and the market to know, on a periodic basis, any changes or material events related to entities supervised by the SVS. All listed corporations must provide historical, legal, financial, accounting and administrative information, submitted in accordance with the instructions given by the SVS, which attempt to create uniform presentation of the type and the form of the information provided, thus facilitating compliance with such regulations as well as the analysis and comparison of all SVS-regulated entities.

SVS periodic reporting obligations are established in Articles 9 and 10 of the Chilean Securities Market Law and General Rule N° 30 and its amendments of the SVS. Article 9 of the Chilean Securities Market Law establishes that registration in the securities registry of the SVS creates the obligation to truthfully, sufficiently and promptly disclose all material information about the relevant company, the securities offered and the offering (also known as Material Facts notice or *Hecho Esencial*). Moreover, Chilean regulations provide that the information that should be provided is “any such information that a person of good judgment would consider important in his/her investment decisions.”

Article 10 of the Chilean Securities Market Law establishes that all registered entities must comply with the information obligations established for listed corporations, in the frequency determined in the SVS regulation.

General Rule N° 30 and its amendments regulate the frequency and the type of information that registered entities must provide to the public, the SVS and the Chilean Stock Exchanges.

Public offerings of shares are regulated by the Chilean Securities Market Law. Article 4 of this law defines a public offering to be an offer made to the general public or to certain sectors or specific groups. The SVS has the power to determine if certain securities offers constitute public offerings and also has the power to exempt some public offerings from the need to comply with applicable requirements, if stipulated in a general regulation.

The Chilean Securities Market Law also sets forth certain regulations on takeovers of corporations.

Under Article 54 of the Chilean Securities Market Law, persons or entities aiming to acquire direct or indirect control of an open stock corporation are also required to:

- send a written communication to the target corporation, the entities controlled by such corporation and the entities that control such corporation, as well as to the SVS and the Chilean Stock Exchanges; and
- inform the general public, in advance, through notice published in two Chilean newspapers of national distribution.

This written communication and notice must be published at least ten business days in advance of the date of the execution of the documents that will entitle the person to acquire control of the open stock corporation and, in all cases, concurrently with the commencement of negotiations that include delivery of information and documentation about the corporation. The content of the notice and written communication are determined by SVS regulations and include, among other information, the identification of persons or entities purchasing or selling and the price, as well as other essential conditions of negotiation.

In addition to the foregoing, Article 54(A) of the Chilean Securities Market Law requires that, within two business days of the completion of the transactions pursuant to which a person has acquired control of a publicly traded company, a notice informing such control acquisition must be published in the same newspapers in which the notice referred to above was published, and notices shall be sent to the same persons mentioned above.

Article 200 of the Chilean Securities Market Law prohibits any shareholder that has taken control of a publicly traded company to acquire, within 12 months from the date of the transaction that permitted such shareholder to take control of the company, a number of shares equal to or higher than 3.0% of the outstanding issued shares without making a tender offer at a price per Share not lower than the price paid at the time of the change of control operation. Should the acquisition from the other shareholders of the company be made on the floor of a stock exchange and on a pro rata basis, the controlling shareholder may purchase a higher percentage of shares, if so permitted by the regulations of the stock exchange.

Title XV of the Chilean Securities Market Law sets forth the basis for determining what constitutes control, a direct holding and a related party, while Title XXV establishes a special procedure for acquiring control of an open stock corporation.

The Chilean Securities Market Law defines control as the power of a person, or group of persons acting pursuant to a joint action agreement, to direct the majority of the votes in the shareholders' meetings of a corporation and to elect the majority of the members of its Board of Directors or to influence the management of the corporation significantly. Significant influence is deemed to exist for a person or group holding, directly or indirectly, at least 25.0% of the shareholders' votes, unless:

- another person or group of persons acting pursuant to joint action agreement, directly or indirectly, control a stake equal to or higher than the percentage controlled by such person;
- the person or group does not control, directly or indirectly, more than 40.0% of the voting share capital and the percentage controlled is lower than the sum of the shares held by other shareholders holding more than 5.0% of the share capital; and
- in cases where the SVS has ruled otherwise, based on the distribution or atomisation of the overall shareholding.

According to the Chilean Securities Market Law, a joint action agreement is an agreement among two or more parties which, directly or indirectly, own shares in a corporation at the same time and whereby they agree to participate with the same interest in the management of the corporation or to take control of the same. The Law presumes that such an agreement exist between:

- a principal and its agents;
- spouses and relatives up to certain level of kindred;
- entities within the same business group; and
- an entity and its controller or any of its members.

Likewise, the SVS may determine that a joint-action agreement exists between two or more entities considering, among others, the number of companies in which they participate and the frequency with which they vote identically in the election of directors, appointment of managers and other resolutions passed at shareholders' meetings.

According to Article 96 of the Chilean Securities Market Law, a business group is a group of entities that passes such ties in their ownership, management or credit liabilities that it may be assumed that the economic and financial action of such members is directed by, or subordinated to, the joint interests of the group, or that there are common credit risks in the credits granted to, or securities issued by them. According to the Chilean Securities Market Law, the following entities are part of the same business group:

- a company and its controller;
- all the companies with a common controller and the common controller;
- all the entities that the SVS declares to be part of the business group due to one or more of the following reasons:
 - a substantial part of the assets of the company are involved in the business group, whether as investments in securities, equity rights, loans or guarantees;
 - the company has a significant level of indebtedness and the business group has a material participation as a lender or guarantor; and
 - when the controller is a group of entities and the company is a member of a controller of the entities mentioned above, and there are grounds to include it in the business group.

Settlement and Clearance

The Chilean Stock Exchanges regulate stock purchases and sales, and every person that intends to buy or sell securities on the Chilean Stock Exchanges must provide a broker (who will carry out the sale or purchase) a security purchase/sale order which contains the following information:

- name of the client (person that is placing the order);
- date and hour of the order;
- type of order (to buy or to sell);
- name of the security;
- amount of the security;
- conditions for settlement, which may be: (i) (a) payable on day one (T); (b) payable on one business day after acquisition (T+1) or (c) payable two business days after acquisition (T+2), which is the standard settlement or (ii) be payable at a term between three business days after settlement (T+3) and 180 calendar days; and
- time at which the order expires.

Once the order is received, the broker must settle the operation. The document issued by the broker in which the settlement is made has a right to expedited judicial enforcement.

Settlement of stock transactions is a regulated process. The selling party must provide the selling broker one or more duly signed transfer forms and the selling broker must provide those transfer forms to the buying broker, which has to ensure that his/her client will comply with the terms of the sale. Once signed, the transfers are sent to the relevant corporation so that the new owner of the stock can be registered in the corporation's shareholders' registry.

Settlement of the relevant transaction occurs as agreed by the parties according to the rules, timing and procedures established by the Board of Directors of each Chilean Stock Exchange. In the event the purchaser fails to pay, the selling brokers are personally obligated to pay the purchase price and to deliver the securities sold, and no defence of lack of provision of funds will be admissible.

The SVS may suspend trading of a certain security for up to 30 days, if so justified by the public interest or the protection of the investors' interests. Such suspension may be extended for up to 120 days if such circumstances persist. If such circumstances continue subsequent to the expiration of the 120-day period, the SVS may cancel the registration of such securities.

FOREIGN EXCHANGE MARKET

Chile has two currency markets, the Formal Exchange Market (*Mercado Cambiario Formal*) and the Informal Exchange Market (*Mercado Cambiario Informal*). The Formal Exchange Market is comprised of banks and other exchange entities authorised by the Central Bank. The Informal Exchange Market is comprised of entities that are not expressly authorised to operate in the Formal Exchange Market, such as certain foreign exchange houses and travel agencies, among others.

Both the Formal and Informal Exchange Markets are driven by free market forces. Current regulations require that the Central Bank be informed of certain transactions and that such transactions are effected through the Formal Exchange Market (i.e. foreign exchange transaction in excess of USD50,000.00).

The Observed Exchange Rate (*dólar observado*), which is reported by the Central Bank and published daily in the Chilean official gazette (*diario oficial*), is computed by taking the weighted average of the previous business day's transactions on the Formal Exchange Market. The Central Bank has the power to intervene in the exchange market by buying or selling foreign currency on the Formal Exchange Market to attempt to maintain the Observed Exchange Rate within a desired range. Although the Central Bank is not required to follow any exchange rate, it generally uses spot rates for its transactions. Other banks generally carry out authorized transactions at spot rates also.

The Informal Exchange Market reflects transactions carried out at an informal exchange rate (the "Informal Exchange Rate"). There are no limits imposed on the extent to which the rate of exchange in the Informal Exchange Market can fluctuate above or below the Observed Exchange Rate. In recent years, the variation between the Observed Exchange Rate and the Informal Exchange Rate has not been significant.

FOREIGN EXCHANGE CONTROLS

The Central Bank is responsible for, among other things, monetary policy and exchange controls in Chile. Foreign investments in Chile can be executed through either: (i) an investment contract with Chile through the Foreign Investment Committee under Decree Law 600 of 1974 or (ii) a direct investment reported to the Central Bank under Chapter XIV of the Central Bank's Compendium of Foreign Exchange Regulations, or the "Compendium."

Foreign investors who opted to make an investment under Decree Law 600 of 1974 must obtain a certification by the Foreign Investment Committee for the remittance of dividends and capital abroad.

According to the Compendium as amended in April 2001, investors are allowed to freely enter into any kind of foreign exchange transaction, provided that certain transactions, established in the regulations, are conducted through the Formal Exchange Market and reported to the Central Bank (*vid.supra*).

Pursuant to the provisions of Chapter XIV of the Compendium, it is not necessary to obtain the Central Bank's prior approval to acquire shares in the Chilean market. The only requirements are:

- any foreign investor acquiring shares must bring those funds through an entity participating in the Formal Exchange Market;
- the entity of the Formal Exchange Market through which the funds are brought into Chile must inform such investment to the Central Bank;
- all remittances of funds from Chile to the foreign investor upon the sale of shares or from dividends or other distributions made in connection therewith must be made through the Formal Exchange Market; and
- all remittances of funds made to the foreign investor must be reported to the Central Bank.

All payments in foreign currency in connection with the shares made from Chile must be made through the Formal Exchange Market. The entity participating in the transaction must provide certain information to the Central Bank, by the next business day on which banks are open in Chile. In the event there are payments made outside of Chile, the foreign investor must provide the relevant information to the Central Bank directly or through the Formal Exchange Market within ten calendar days following the date on which the payment was made.

We cannot assure you that additional Chilean restrictions applicable to the foreign holders of shares or the repatriation of the proceeds from such disposition will not be imposed in the future, nor can we assess the duration or impact of such restriction if imposed.

MINORITY SHAREHOLDER RIGHTS UNDER CHILEAN LAW

The Chilean company law regime is different to the South African company law regime, including in respect of the protection of minority shareholders. Shareholders' rights and protections are governed by the company's by-laws, the provisions of Law No. 18.046 (the Corporations Act) and other regulations applicable to corporations. Some of the important features in this regard include:

1. a shareholder ordinary resolution under Chilean law requires the approval of an absolute majority of all the shares entitled to vote on the resolution and a special resolution requires the approval of a two-thirds majority of all outstanding shares entitled to vote on the resolution;

2. certain amendments to a company's by-laws only require an ordinary resolution, others require a special resolution;
3. the following matters, among others, require a special resolution:
 - 3.1 change in corporate form, division or merger into another entity;
 - 3.2 amendment to the term of existence of the company;
 - 3.3 change in corporate domicile;
 - 3.4 approval of in-kind capital contributions;
 - 3.5 amendment of the authority reserved for shareholders' meetings or limitations on the powers of the board of directors;
 - 3.6 any disposal: (i) by the company of 50% or more of its assets; (ii) by a subsidiary of 50% or more of its assets if such subsidiary represents 20% or more of the company's assets or (iii) the sale of such subsidiary's shares that results in a loss of control from the company over the subsidiary if such subsidiary represents 20% or more of the company's assets;
 - 3.7 share repurchases in certain instances;
 - 3.8 approval or ratification of certain related party transactions;
 - 3.9 the creation of any new class of shares. Any amendment of existing share rights requires the approval of two-thirds of the shares of that specific class;
 - 3.10 winding-up of a company;
 - 3.11 delisting of a company; and
4. the following matters, among others, do not require a special resolution and may be approved by ordinary resolution:
 - 4.1 directors' remuneration;
 - 4.2 change of company's name;
 - 4.3 removal of the board of directors and appointment of an entire new board (which may include members of the removed board);
 - 4.4 share repurchases in certain other instances;
 - 4.5 approval of a company's annual financial statements;
 - 4.6 removal and appointment of the company's external auditors;
 - 4.7 capital increases payable in cash, including the value of the new shares; and
 - 4.8 in general, any change to the by-laws that are not prohibited by the law nor mentioned in 2.1.3 above;
5. there are no prohibitions on granting special privileges to the holders of debt instruments;
6. except as otherwise agreed in the by-laws or required by applicable laws, a quorum for shareholders' meetings is shareholders holding the absolute majority of the issued shares with a right to vote. If there is no quorum at the first shareholders' meeting, that meeting may take place at a date set forth in a second summon, to be held within the next 45 days and at that second meeting the quorum is such shareholders attending the meeting, whatever their number. Resolutions at a shareholders meeting must be passed by an absolute majority of the shares unless the law or the by-laws require a different majority;
7. shareholders have a statutory pre-emptive right to acquire, *pro rata* to their shareholding at the time, new shares to be issued by a company as result of a capital increase or of the capitalisation of reserves or of other company funds. The new share issue must be approved by way of an ordinary resolution and shareholders have thirty days from the date of the publication of the pre-emptive rights exercise notice to exercise their pre-emptive rights. In respect of listed companies, if the shareholders do not follow their

pre-emptive rights, the new shares may then be offered to any other persons for a further thirty day period, but on terms not more favourable than initially offered to the shareholders, and thereafter to other persons on any terms provided that such offer is made through a stock exchange. A valuation opinion by an independent expert is required for consideration payable for the issue of shares by a company in a form other than cash;

8. dissenting shareholders have the right to require a company to purchase their shares, at the market value thereof (in accordance with a specific formula prescribed by law), in certain instances including without limitation, in the event of any change in corporate form, a merger, a disposal of 50% or more of the company's assets or the creation or amendment of any share preferences;
9. an offer to acquire control of a listed company must be made *pro rata* to all shareholders;
10. a mandatory offer must be made to shareholders in certain circumstances, including if a person acquires two-thirds or more of a listed company's shares or if a person intends to acquire control of a company which in turn controls a listed company and the value of such listed company represents 75% or more of the holding company's net consolidated assets;
11. minority shareholders are entitled to require a company to acquire their shares if persons(s) acquire at least 95% of the company's shares;
12. Chilean law does not expressly regulate the provision of financial assistance by a company for the acquisition of securities in the company;
13. a company is required to distribute, annually, at least 30% of its distributable profits to shareholders (assuming no accrued losses are in place which need to be absorbed first);
14. a company may only enter into a related party transaction if it is in the general interest of the company and is on arm's length commercial terms. Directors who have an interest in a transaction are obliged to advise the board of their interest, and the transaction must be approved by a majority of disinterested directors (Chilean law and CFR's Corporate Governance Code also requires that related party transactions be approved by the CFR directors' committee). All approved related party transactions have to be notified to shareholders at the next shareholders' meeting. If a majority of directors are interested, the transaction has to be approved unanimously by the disinterested directors, failing which, by shareholders by way of a special resolution. If shareholders are required to approve a related party transaction, the board is obliged to appoint an independent expert to opine on the fairness of the transaction, and each director is obliged to furnish the shareholders with his opinion regarding the fairness of the transaction. Related party transactions below a prescribed value threshold, transactions that are in the ordinary course of business as determined by the board following the procedures contemplated under Chilean law and transactions between a company and its 95% or more controlled subsidiaries do not need to comply with the procedures contemplated above (including approval by the director's committee and, in some cases, by shareholders by way of a special resolution, being authorized to be executed only) and only require the approval of the CFR board;
15. the board is obliged to provide shareholders, in a timely manner, with sufficient information regarding the affairs of the company. This includes the publication of an annual report (including audited annual financial statements), and the obligation to provide the SVS with quarterly financial statements. All listed companies have to approve a Guideline on the Handling of Relevant Information to the Market;
16. shareholders representing at least 10% of a company's shares are entitled to require the board of directors to call a shareholders' meeting;
17. listed companies are required by the SVS to have a Code of Corporate Governance, approved by the board, which regulates the actions of directors, employees, suppliers and contractors and a Code of Ethics for directors and employees;

18. directors owe fiduciary duties under Chilean law to the company as a whole and not to the shareholders who may have elected them. The fiduciary duties of a director include the duty of diligence and care and the duty of loyalty to the company, which requires a director to act in defence of the company's interests and to refrain from doing anything that might harm such interests;
19. CFR's by-laws provide that any dispute, of any nature, between shareholders, or between any shareholder and CFR or the CFR board, shall be resolved by an *ex-aequo et bono* arbitrator appointed by mutual agreement and in the absence of such an agreement, by the courts of Santiago; and
20. the termination of CFR's secondary listing on the Main Board of the JSE would not require any shareholder approval and would only require the approval of the CFR Board.

PRODUCT TRANSFER/MANUFACTURING

Manufacture of the following products is planned to be transferred by CFR to South Africa:

From Peru to South Africa	From Colombia to South Africa	From Chile to South Africa
ACETILCISTEINA Acido Undecilenico + Zinc Undecilenato ALBENDAZOL ALPRAZOLAM AMLODIPINO AZITROMICINA BROMAZEPAM Calcio citrato/Colecalciferol Vit D3 Calcio citrato/Colecalciferol/ Isoflavonas de Soya CETIRIZINA CINARIZINA CIPROFLOXACINO Citrato de Calcio Citrato de Calcio/ Colecalciferol VIT D3 CITRATO DE CALCIO 1500mg+VIT D3 400UI Tab CLARITROMICINA CLONAZEPAM Compuesto Citroflavonoide/ Acido ascórbico/ Menadiona (Vit. K3) DEXAMETASONA DIAZEPAM ENALAPRIL ERITROMICINA GEMFIBROZILO GLIBENCLAMIDA GLUCOSAMINA + CONDROITINA Glucosamina sulfato cloruro sódico/Condroitina sulfato sódica/ Metilsulfonilmetano KETOROLACO LOSARTAN NAPROXENO SODICO Nicotinamida, Inositol, Tioctamida, Acido orótico, Acido dehidrocólico, Tiamina monohidrato, Riboflavina, Piridoxina clorhidrato, Acido L-ascórbico, D-L alfa tocoferol acetato, Cianocobalamina ORFENADRINA CITRATO Picosulfato sódico RANITIDINA RANITIDINA	LOSARTAN POTASICO ENALAPRIL NIMODIPINO NAPROXENO ISOFLAVONA/VIT D/CALCIO NAPROXENO SODICO/CAFEINA	Ac.Gama amino butírico/beta hidroxib Ac.Valproíco como Divalproato ácido de sodio Acido Valproíco Claritromicina Clordiazepoxido/Bromuro Clidinio Escitalopram Oxalato Esomeprazol magnésico trihidrato Levetiracetam Losartán potásico Metilfenidato Clorhidrato Oxcarbazepina Paracetamol/Pseudoef./Nosc./ Ac.Ascórbico Rosuvastatina cálcica anhidra Telmisartan/Hidroclorotiazida Valaciclovir Zopiclona

From Peru to South Africa	From Colombia to South Africa	From Chile to South Africa
Silimarina/Nicotinamida/ Rivoflavina/ Inositol/Acido dehidrocólico/ Tiamina monohidrato/Tioctamida/ acido ascorbico/ acido orotico/ Cianocobalamina/ Piridoxina/ Vitamina E D-L alfa tocoferol SIMETICONA Tiamina clorhidrato (Vit B1)/ Piridoxina clorhidrato (Vit B6)/ Cianocobalamina (Vit B 12) Tramadol clorhidrato/Paracetamol		

TERMINATION OF THE SCHEME IN CERTAIN CIRCUMSTANCES

This Annexure is incorporated by reference by paragraph 6.7 of the Circular.

1. Unless otherwise agreed in writing between Adcock Ingram and CFR, the Scheme will terminate with immediate effect, subject to the provisions of paragraphs 6.7.2 to 6.7.5 (both inclusive) of the Scheme (being the provisions *mutatis mutandis* of clauses 23.6, 29.1, 29.2 and 30 of the TIA:
 - 1.1 if any Condition Precedent which may be waived by CFR in terms of paragraph 6.2.2 or 6.2.3 becomes incapable of fulfilment, and CFR notifies the Company in writing that CFR will not waive that Condition Precedent; or
 - 1.2 if all the Conditions Precedent have not been fulfilled or waived on or before the Long Stop Date;
 - 1.3 if the Scheme Finalisation Date does not occur on or before the Long Stop Date;
 - 1.4 if prior to or on Scheme Finalisation Date, the Transaction Implementation Agreement should terminate or be terminated including without limitation in circumstances of a CFR Material Adverse Change or an Adcock Material Adverse Change, or if CFR's 10-Day VWAP is less than R1.90, as contemplated in that Transaction Implementation Agreement;
 - 1.5 subject to paragraph 2 of this Annexure below, after the Scheme Finalisation Date but prior to noon on the Scheme LDT ("the Interim Period"):
 - 1.5.1 upon written notice by Adcock Ingram to CFR given during the Interim Period if:
 - 1.5.1.1 (i) any counterparty to a material component of the Closing Settlement Arrangements commits a material breach of that component which results in that component of the Closing Settlement Arrangements being terminated or cancelled and such arrangement cannot timeously be replaced with substantially similar arrangements or (ii) it becomes impossible for the terms of any material component of the Closing Settlement Arrangements to be given effect to, and the circumstances in (i) or (ii) either occur during the Interim Period, or come to Adcock Ingram's attention for the first time during the Interim Period;
 - 1.5.1.2 (i) CFR commits a material breach of any provision of the Transaction Implementation Agreement or of the Closing Settlement Arrangements or of the Scheme during the Interim Period or (ii) a material breach by CFR of any provision of the Transaction Implementation Agreement or of the Closing Settlement Arrangements or of the Scheme comes to Adcock Ingram's attention for the first time during the Interim Period and, in each case, if such breach is capable of remedy, fails to remedy such breach within two Business Days of a written notice from Adcock Ingram to CFR requesting the same;
 - 1.5.1.3 CFR commits a breach of its undertaking in paragraph 6.6.4, and such circumstances either occur during the Interim Period, or come to Adcock Ingram's attention for the first time during the Interim Period;
 - 1.5.1.4 CFR at any time is unable to satisfy the solvency and liquidity test referred to in section 4 of the Companies Act if it were to apply such test at that time, and such circumstances either occur during the Interim Period, or come to Adcock Ingram's attention for the first time during the Interim Period;
 - 1.5.1.5 the Chilean or any other competition authorities have made an order or decision: (a) prohibiting the implementation of the Transaction or (b) in relation to the Transaction which is likely to have a CFR Material Adverse Clearance Effect, and such circumstances either occur during the Interim Period, or come to Adcock Ingram's attention for the first time during the Interim Period; or
 - 1.5.1.6 any Controlling Shareholder commits a material breach of the undertaking referred to in paragraph 10 of the Circular and clause 21 of the Transaction

Implementation Agreement during the Interim Period, or any material breach by CFR of that undertaking comes to Adcock Ingram's attention for the first time during the Interim Period and, in each case, if such breach is capable of remedy, fails to remedy such breach within 2 Business Days of a written notice from Adcock Ingram to that Controlling Shareholder requesting the same (it being acknowledged and agreed that Adcock Ingram shall have no claim against CFR arising from a breach of the aforesaid undertaking by any Controlling Shareholder other than the right of termination as contemplated by this paragraph 1.5.1.6); or

1.5.2 upon written notice by CFR to Adcock Ingram given during the Interim Period if:

1.5.2.1 (i) Adcock Ingram commits a material breach of any provision of the Transaction Implementation Agreement or of the Scheme during the Interim Period, or (ii) a material breach by Adcock Ingram of any provision of the Transaction Implementation Agreement or of the Scheme comes to CFR's attention for the first time during the Interim Period, and, in each case, if such breach is capable of remedy, fails to remedy such breach within 2 Business Days of a written notice from CFR to Adcock Ingram requesting the same;

1.5.2.2 (i) any counterparty to a material component of the Closing Settlement Arrangements commits a material breach of that component which results in that component of the Closing Settlement Arrangements being terminated or cancelled and such arrangement cannot timeously be replaced with substantially similar arrangements or (ii) it becomes impossible for the terms of any material component of the Closing Settlement Arrangements to be given effect to, and the circumstances in (i) or (ii) either occur during the Interim Period, or come to CFR's attention for the first time during the Interim Period;

1.5.2.3 Adcock Ingram commits a breach of its undertaking in paragraph 6.6.3, and such circumstances either occur during the Interim Period, or come to CFR's attention for the first time during the Interim Period;

1.5.2.4 Adcock Ingram at any time is unable to satisfy the solvency and liquidity test referred to in section 4 of the Companies Act if it were to apply such test at that time, and such circumstances either occur during the Interim Period, or come to CFR's attention for the first time during the Interim Period; or

1.5.2.5 the Chilean or any other competition authorities have made an order or decision: (a) prohibiting the implementation of the Transaction or (b) in relation to the Transaction which is likely to have a CFR Material Adverse Clearance Effect, and such circumstances either occur during the Interim Period, or come to CFR's attention for the first time during the Interim Period;

1.6 at any time:

1.6.1 upon written notice by Adcock Ingram to CFR if:

1.6.1.1 it becomes impossible for the Scheme Implementation Date to occur on or before a date falling 45 days after the Scheme Finalisation Date in consequence of a material breach of the Transaction Implementation Agreement or the Scheme committed by CFR or a material breach of the undertaking referred to in paragraph 10 of the Circular and clause 21 of the Transaction Implementation Agreement by the Controlling Shareholders or due to circumstances outside of the reasonable control of Adcock Ingram, CFR and the Controlling Shareholders; or

1.6.1.2 the bank guarantees referred to in paragraph 21 of the Circular terminate or otherwise lapse or expire; or

1.6.2 upon written notice by CFR to Adcock Ingram if:

1.6.2.1 it becomes impossible for the Scheme Implementation Date to occur on or before a date falling 45 days after the Scheme Finalisation Date in consequence of material breach of the Transaction Implementation Agreement or the Scheme committed by Adcock Ingram or due to circumstances outside of the reasonable control of CFR, Adcock Ingram and the Controlling Shareholders; or

1.6.2.2 the bank guarantees referred to in paragraph 21 of the Circular terminate or otherwise lapse or expire.

2. Subject to paragraph 1.6 of this Annexure but otherwise notwithstanding anything to the contrary in this Circular, neither Party shall be entitled to terminate or otherwise cancel the Scheme after noon on the Scheme LDT. Accordingly, if any provision set out in paragraph 1.5 of this Annexure provides for a remedy period, and noon on the Scheme LDT occurs before the expiry of such remedy period, the remedy period shall expire at noon on the second Business Day before Scheme LDT, even if that results in there being no remedy period.

FORECAST FINANCIAL INFORMATION

Adcock Ingram 3-year forecasts – 2013 to 2015 (for years ending 30 September)

	2013	2014	2015
	ZAR million	ZAR million	ZAR million
Revenue	5,446	6,385	7,506
OPEX	(1,346)	(1,664)	(1,789)
EBIT	891	1,026	1,392
CAPEX	344	214	80

Forecast information has been provided for three years 2013 – 2015 based on the stand alone Adcock business. No impact is assumed from the CFR business.

The forecast information is prepared using the following bases:

- 2013 – latest estimates for the year ended 30 September 2013 based on unaudited actual results;
- 2014 – Board approved budget for 2014; and
- 2015 – Based on detailed financial model.

Growth in underlying divisions and business units were calculated based on historic data as well as utilising market related growth rate assumptions and anticipated single exit price (“SEP”) increases.

Datlabs, a 100% owned subsidiary, is to be consolidated from 1 April 2013.

Tender based business has been assumed to remain at current tender levels in 2014 with growth in 2015 assuming a proportion of the ARV triple-combination tender is won by Adcock.

CAPEX in 2014 relates to both expansionary and replacement capex, whereas 2015 is largely replacement capex.

An improvement in the operational performance of Adcock’s manufacturing facilities has been assumed and is a mainly resulting from significant CAPEX spend in 2013 and in 2012.

Inflation has been forecast at 5.4% in 2014 and 2015.

The forecasts were prepared in line with historic accounting practises which proportionately consolidates joint ventures.

The following assumptions above are outside of the control of the Directors: the inflation forecast; the SEP increases; and the quantum of the triple-combination ARV tender.

REPORTING ACCOUNTANT'S REVIEW ON FORECAST FINANCIAL INFORMATION

The Directors
Adcock Ingram Holdings Limited
1 New Road
Midrand

Johannesburg

5 November 2013

Independent Limited Assurance Report on the Profit Forecasts of Adcock Ingram Holdings Limited ("Adcock") for the three financial years ending 30 September 2013, 2014 and 2015

We have examined the accompanying Profit Forecasts, including the related assumptions, of Adcock as set out in Annexure 19 to the Circular to be dated on or about 18 November 2013 to the shareholders.

Directors' responsibility

The directors are responsible for the forecasts, including the assumptions set out in Annexure 19 to the Circular, on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the Listings Requirements of the JSE Limited, includes: determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecasts; whether the forecasts have been properly compiled on the basis stated; and whether the forecasts are presented on a basis consistent with the accounting policies of the company or group in question.

Independent assurance provider's responsibility

Our responsibility is to provide a limited assurance report on the Profit Forecasts, prepared for the purpose of inclusion in the prospectus to Adcock's shareholders. We have conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the Examination of Prospective Financial Information (ISAE 3400). This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the Profit Forecasts are based are not unreasonable and are consistent with the purpose of the information;
- the Profit Forecasts are properly prepared on the basis of the assumptions;
- the Profit Forecasts are properly presented and all material assumptions are adequately disclosed; and
- the Profit Forecasts are prepared and presented on a basis consistent with the accounting policies of Adcock for the period concerned.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the Profit Forecasts for the periods ending 30 September 2013, 2014 and 2015, nothing has come to our attention which causes us to believe that:

- the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the Profit Forecasts;
- the Profit Forecasts have not been properly compiled on the basis stated;
- the Profit Forecasts have not been properly presented and all material assumptions are not adequately disclosed;
- the Profit Forecasts are not presented on a basis consistent with the accounting policies of Adcock.

Actual results are likely to be different from the forecasts, since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the forecasts.

Director: Warren Kenneth Kinnear
Reporting Accountant Specialist and Auditor
Registered Auditor (RA)
Chartered Accountant (SA)
5 November 2013

DETAILS OF TRADING BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS

1. DETAILS OF TRADING IN ADCOCK INGRAM'S ORDINARY SHARES

To the best of Adcock Ingram's knowledge and belief, set out below are the details of trading in Adcock Ingram's Ordinary Shares by Adcock Ingram Shareholders who have provided irrevocable undertakings:

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
Visio Capital Management (Pty) Ltd and Mazi Visio Manco (Pty) Ltd				
24 October 2013	Buy	69.58	59,660	4,151,275
18 October 2013	Buy	70.50	41,002	2,890,641
17 October 2013	Buy	70.50	12,733	897,677
17 October 2013	Sell	70.80	(16,000)	1,132,800
4 October 2013	Buy	71.01	4,000	284,040
3 October 2013	Buy	69.98	5,000	349,917
2 October 2013	Buy	68.60	88,000	6,036,800
1 October 2013	Buy	68.60	24,748	1,697,658
30 September 2013	Buy	68.55	248,929	17,064,307
27 September 2013	Buy	68.84	43,809	3,015,685
25 September 2013	Buy	68.73	90,512	6,221,089
23 September 2013	Buy	68.53	75,000	5,140,013
20 September 2013	Buy	68.80	48,123	3,310,842
18 September 2013	Buy	68.81	5,000	344,068
17 September 2013	Buy	68.88	30,000	2,066,331
16 September 2013	Buy	68.82	63,000	4,335,349
13 September 2013	Buy	68.51	84,743	5,805,362
12 September 2013	Buy	68.46	30,000	2,053,932
11 September 2013	Buy	68.65	301,280	20,682,178
10 September 2013	Buy	65.15	62,574	4,076,929
9 September 2013	Buy	65.66	29,900	1,963,148
6 September 2013	Buy	66.00	10,000	660,000
4 September 2013	Buy	65.36	120,087	7,848,646
2 September 2013	Buy	65.99	18,118	1,195,670
30 August 2013	Buy	66.01	75,000	4,950,375
29 August 2013	Buy	66.02	115,417	7,619,461
28 August 2013	Buy	66.04	52,200	3,447,220
27 August 2013	Buy	66.50	25,000	1,662,500
26 August 2013	Buy	67.00	50,000	3,349,950
23 August 2013	Buy	65.86	85,265	5,615,217
1 August 2013	Buy	67.73	339,725	23,009,574
8 July 2013	Buy	66.17	150,000	9,924,778
5 July 2013	Buy	65.93	405,485	26,733,829
4 July 2013	Buy	65.58	125,000	8,197,495
2 July 2013	Buy	64.37	25,000	1,609,225
28 June 2013	Buy	65.00	5,000	324,975
27 June 2013	Buy	64.48	116,157	7,489,728
26 June 2013	Buy	64.15	186,343	11,954,662
24 June 2013	Buy	63.75	139,258	8,878,019
21 June 2013	Buy	64.78	331,126	21,450,502
18 June 2013	Buy	65.65	10,000	656,500
13 June 2013	Buy	64.94	170,000	11,040,514
12 June 2013	Buy	65.10	432,818	28,177,952

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
11 June 2013	Buy	64.98	953,565	61,958,172
7 June 2013	Buy	65.80	159,600	10,501,680
6 June 2013	Buy	66.31	23,000	1,525,089
5 June 2013	Buy	66.50	100,000	6,649,860
3 June 2013	Buy	68.63	92,000	6,313,997
16 May 2013	Buy	68.28	56,000	3,823,954
7 May 2013	Buy	62.01	290,500	18,013,409
25 April 2013	Buy	61.50	45,281	2,784,733
24 April 2013	Buy	61.00	236,000	14,396,780
23 April 2013	Buy	60.81	472,335	28,724,966
18 April 2013	Buy	59.50	2,500	148,750
17 April 2013	Buy	59.50	1,215,000	72,292,060
16 April 2013	Buy	60.28	532,968	32,128,899
15 April 2013	Buy	60.92	325,000	19,798,740
10 April 2013	Buy	62.25	1,300,000	80,925,000
9 April 2013	Buy	61.17	1,340,000	81,962,005
8 April 2013	Buy	60.31	4,092,000	246,781,875
5 April 2013	Buy	60.60	3,713,000	225,020,042
22 March 2013	Buy	61.64	1,000,000	61,643,800
11 March 2013	Buy	55.80	1,001,779	55,895,862
20 February 2013	Sell	56.00	(130,000)	7,280,000
19 February 2013	Sell	55.96	(580,000)	32,456,085
18 February 2013	Sell	56.22	(142,955)	8,037,516
15 February 2013	Sell	56.83	(148,824)	8,458,293

Sanlam Investment Management (Pty) Ltd

25 October 2013	Sell	69.46	(141,705)	9,843,339
24 October 2013	Sell	69.64	(20,218)	1,408,075
24 October 2013	Sell	69.63	(191,378)	13,326,511
24 October 2013	Buy	69.60	40	2,784
24 October 2013	Sell	69.91	(420)	29,362
23 October 2013	Sell	69.93	(10,900)	762,245
23 October 2013	Buy	70.00	(40)	2,800
22 October 2013	Sell	70.00	(8,870)	620,905
22 October 2013	Buy	70.00	30	2,100
21 October 2013	Sell	70.09	(1,800)	126,162
21 October 2013	Buy	70.20	1,077	75,605
17 October 2013	Sell	70.75	(491)	34,738
15 October 2013	Sell	70.88	(60)	4,253
11 October 2013	Buy	70.94	20	1,419
10 October 2013	Buy	70.42	5,300	373,240
10 October 2013	Buy	70.63	540	38,140
10 October 2013	Sell	70.00	(59)	4,130
9 October 2013	Buy	69.68	40	2,787
8 October 2013	Sell	69.93	(123,467)	8,634,257
8 October 2013	Buy	70.00	70	4,900
7 October 2013	Sell	70.01	(444,528)	31,119,494
7 October 2013	Sell	70.00	(45,041)	3,152,933
7 October 2013	Buy	70.00	500	35,000
7 October 2013	Sell	69.95	(400)	27,980
4 October 2013	Sell	70.55	(61,861)	4,364,256
4 October 2013	Sell	70.45	(390)	27,476
3 October 2013	Sell	70.11	(3,189)	223,575
2 October 2013	Sell	68.92	(2,733)	188,353

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
2 October 2013	Buy	69.20	270	18,684
2 October 2013	Buy	69.20	80	5,536
2 October 2013	Sell	68.71	(160)	10,994
1 October 2013	Sell	68.66	(16,791)	1,152,853
1 October 2013	Buy	68.99	3,920	270,448
30 September 2013	Buy	68.61	140	9,605
26 September 2013	Sell	69.00	(1,690)	116,610
20 September 2013	Buy	68.85	78	5,370
20 September 2013	Buy	68.98	1,131	78,019
20 September 2013	Buy	69.00	775	53,475
20 September 2013	Sell	68.75	(770)	52,938
19 September 2013	Sell	68.90	(100)	6,890
19 September 2013	Buy	69.00	3,800	262,200
16 September 2013	Sell	68.83	(996)	68,557
12 September 2013	Buy	68.66	7,040	483,398
11 September 2013	Sell	67.26	(12,970)	872,308
10 September 2013	Sell	65.50	(13,080)	856,757
10 September 2013	Sell	65.00	(600)	39,000
9 September 2013	Buy	65.20	830	54,116
9 September 2013	Sell	65.45	(150)	9,818
9 September 2013	Sell	65.23	(410)	26,742
6 September 2013	Sell	66.00	(930)	61,380
6 September 2013	Buy	65.31	30	1,959
5 September 2013	Sell	65.00	(1,130)	73,446
4 September 2013	Sell	65.50	(10)	655
4 September 2013	Sell	65.80	(150)	9,870
4 September 2013	Buy	65.53	300	19,659
3 September 2013	Sell	65.79	(21,129)	1,390,039
2 September 2013	Sell	65.88	(31,211)	2,056,227
2 September 2013	Buy	66.10	30	1,983
2 September 2013	Sell	65.91	(390)	25,705
30 August 2013	Sell	66.30	(269)	17,835
28 August 2013	Sell	66.05	(140)	9,247
28 August 2013	Buy	66.10	50	3,305
26 August 2013	Buy	66.50	20	1,330
23 August 2013	Buy	66.05	420	27,741
22 August 2013	Sell	65.96	(11,700)	771,706
21 August 2013	Buy	66.80	300	20,040
20 August 2013	Sell	66.89	(300)	20,067
20 August 2013	Buy	67.47	300	20,241
20 August 2013	Sell	67.30	(100)	6,730
19 August 2013	Sell	67.34	(60)	4,040
16 August 2013	Sell	67.55	(22,390)	1,512,445
15 August 2013	Buy	67.70	550	37,235
15 August 2013	Sell	67.72	(5,390)	365,003
15 August 2013	Sell	67.70	(540)	36,558
15 August 2013	Buy	67.99	30	2,040
15 August 2013	Sell	67.78	(330)	22,367
13 August 2013	Sell	66.20	(1,840)	121,808
13 August 2013	Sell	66.06	(80)	5,285
8 August 2013	Buy	66.74	160	10,678
7 August 2013	Sell	66.40	0	0
7 August 2013	Buy	67.00	50	3,350

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
7 August 2013	Sell	66.50	(30)	1,995
6 August 2013	Sell	67.00	(130)	8,710
6 August 2013	Buy	67.65	1,027	69,477
5 August 2013	Buy	67.91	390	26,485
5 August 2013	Sell	67.79	(339)	22,981
5 August 2013	Sell	68.10	(100)	6,810
5 August 2013	Buy	68.35	3,354	229,246
2 August 2013	Sell	68.31	(33,480)	2,286,858
2 August 2013	Sell	68.30	(77)	5,259
2 August 2013	Sell	68.27	(10,549)	720,182
2 August 2013	Sell	68.30	(500)	34,150
2 August 2013	Sell	68.10	(1,500)	102,150
2 August 2013	Sell	68.00	(740)	50,322
1 August 2013	Sell	68.08	(5,100)	347,208
1 August 2013	Sell	68.18	(41,251)	2,812,489
1 August 2013	Sell	67.36	(40)	2,694
1 August 2013	Sell	67.21	(1,710)	114,929
31 July 2013	Sell	67.61	(66)	4,462
31 July 2013	Sell	67.96	(3,780)	256,882
31 July 2013	Buy	68.15	8,607	586,567
30 July 2013	Buy	68.00	4,420	300,558
29 July 2013	Buy	67.90	5,822	395,314
26 July 2013	Sell	67.80	(14,770)	1,001,406
25 July 2013	Buy	67.75	30	2,033
24 July 2013	Sell	68.50	(70)	4,795
19 July 2013	Sell	68.95	(100)	6,895
18 July 2013	Buy	69.50	20	1,390
17 July 2013	Buy	68.90	100	6,890
17 July 2013	Buy	69.00	10,300	710,700
16 July 2013	Buy	68.80	30	2,064
16 July 2013	Buy	68.78	200	13,756
15 July 2013	Sell	68.90	(40)	2,756
15 July 2013	Sell	68.91	(150)	10,337
10 July 2013	Buy	67.00	430	28,810
8 July 2013	Sell	66.25	(8,700)	576,408
8 July 2013	Buy	66.00	50	3,300
4 July 2013	Buy	65.85	110	7,244
4 July 2013	Buy	65.79	4,790	315,136
4 July 2013	Buy	65.60	380	24,928
1 July 2013	Buy	65.50	400	26,200
1 July 2013	Sell	64.80	(80)	5,184
27 June 2013	Buy	64.56	6,229	402,145
26 June 2013	Buy	64.35	16,271	1,047,068
26 June 2013	Buy	64.49	8,700	561,048
26 June 2013	Buy	64.22	150	9,633
25 June 2013	Buy	63.83	5,420	345,942
25 June 2013	Buy	64.19	10	642
25 June 2013	Buy	64.14	170	10,904
24 June 2013	Sell	63.95	(2,680)	171,386
24 June 2013	Buy	63.85	120	7,662
21 June 2013	Buy	64.78	30	1,943
19 June 2013	Sell	65.45	(130)	8,509
18 June 2013	Buy	65.30	(530)	34,609

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
14 June 2013	Buy	64.70	10	647
14 June 2013	Buy	64.49	150	9,674
14 June 2013	Buy	64.89	80	5,191
13 June 2013	Buy	63.89	173	11,053
13 June 2013	Buy	64.49	120	7,739
13 June 2013	Sell	64.00	(62)	3,968
12 June 2013	Buy	64.81	21,600	1,399,896
12 June 2013	Buy	64.82	620	40,188
12 June 2013	Sell	65.55	(90)	5,900
12 June 2013	Buy	65.58	7,210	472,842
11 June 2013	Sell	64.56	(45,000)	2,905,250
11 June 2013	Sell	63.86	(1,990)	127,081
11 June 2013	Buy	64.40	310	19,964
10 June 2013	Sell	65.40	(40)	2,616
10 June 2013	Buy	65.47	(1,050)	68,744
7 June 2013	Sell	65.84	(200)	13,168
7 June 2013	Sell	65.86	(32)	2,108
7 June 2013	Buy	66.00	360	23,760
6 June 2013	Sell	66.03	(840)	55,465
5 June 2013	Sell	66.50	(54)	3,591
5 June 2013	Sell	66.12	(9,800)	648,011
5 June 2013	Buy	66.99	600	40,194
4 June 2013	Buy	68.00	15,790	1,073,720
4 June 2013	Buy	68.50	495	33,908
3 June 2013	Buy	68.59	22,110	1,516,558
31 May 2013	Sell	68.23	(1,300)	88,699
31 May 2013	Sell	68.01	(79)	5,373
30 May 2013	Sell	68.40	(180)	12,312
30 May 2013	Buy	68.55	30	2,057
28 May 2013	Sell	68.18	(700)	47,726
28 May 2013	Sell	68.65	(1,300)	89,245
28 May 2013	Sell	68.55	(600)	41,130
28 May 2013	Buy	68.65	86	5,904
28 May 2013	Sell	68.70	(120)	8,244
27 May 2013	Buy	68.25	4,400	300,300
24 May 2013	Sell	68.00	(1,647)	111,996
24 May 2013	Buy	68.05	90	6,125
22 May 2013	Sell	68.47	(700)	47,929
22 May 2013	Sell	68.42	(1,390)	95,104
22 May 2013	Buy	70.00	223	15,610
20 May 2013	Sell	68.50	(90)	6,165
17 May 2013	Buy	68.65	160	10,984
17 May 2013	Buy	68.60	95	6,517
17 May 2013	Buy	68.50	40	2,740
16 May 2013	Sell	68.06	(1,470)	100,048
16 May 2013	Sell	67.60	(330)	22,308
14 May 2013	Sell	67.40	(3,700)	249,381
13 May 2013	Sell	68.10	(1,700)	115,770
13 May 2013	Sell	68.37	(1,600)	109,392
13 May 2013	Buy	68.05	110	7,486
10 May 2013	Sell	67.00	(1,200)	80,400
10 May 2013	Buy	67.40	54	3,640
10 May 2013	Buy	67.62	200	13,524

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
10 May 2013	Buy	67.50	3,800	256,492
9 May 2013	Buy	61.75	100	6,175
8 May 2013	Sell	61.94	(40,009)	2,478,342
7 May 2013	Sell	61.87	(44,021)	2,723,535
7 May 2013	Buy	62.03	10	620
7 May 2013	Sell	62.00	(60)	3,720
7 May 2013	Buy	62.05	60	3,723
7 May 2013	Buy	62.10	50	3,105
6 May 2013	Sell	61.90	(660)	40,854
3 May 2013	Sell	61.60	(1,500)	92,400
2 May 2013	Buy	61.30	2,590	158,767
30 April 2013	Buy	61.05	10,140	619,044
29 April 2013	Sell	61.70	(6,700)	413,390
29 April 2013	Sell	61.65	(800)	49,320
29 April 2013	Sell	61.61	(60)	3,697
23 April 2013	Sell	60.85	(173,998)	10,588,265
23 April 2013	Sell	60.80	(1,400)	85,120
22 April 2013	Sell	60.75	(15,002)	911,372
22 April 2013	Sell	61.26	(100)	6,126
22 April 2013	Buy	61.50	400	24,600
19 April 2013	Buy	60.00	144	8,640
19 April 2013	Buy	59.94	120	7,193
18 April 2013	Buy	59.51	20	1,190
18 April 2013	Buy	59.90	10	599
18 April 2013	Buy	59.43	12,770	758,931
18 April 2013	Sell	59.24	(100)	5,924
16 April 2013	Buy	59.50	280	16,660
16 April 2013	Buy	60.50	300	18,150
16 April 2013	Buy	60.73	150	9,110
15 April 2013	Buy	61.24	340	20,822
15 April 2013	Buy	61.89	300	18,567
12 April 2013	Buy	62.10	500	31,050
11 April 2013	Buy	62.41	4,500	280,850
11 April 2013	Buy	62.27	3,450	214,838
10 April 2013	Buy	62.30	200	12,460
9 April 2013	Buy	61.62	510	31,426
9 April 2013	Buy	61.66	100	6,166
8 April 2013	Buy	60.53	200	12,106
8 April 2013	Buy	60.20	11,680	703,136
8 April 2013	Buy	60.25	300	18,075
5 April 2013	Buy	60.75	390	23,693
5 April 2013	Buy	60.80	4,300	261,432
5 April 2013	Buy	60.50	70	4,235
5 April 2013	Sell	60.16	(160)	9,626
4 April 2013	Buy	59.90	30	1,797
4 April 2013	Buy	59.97	230	13,793
3 April 2013	Buy	59.98	110	6,598
3 April 2013	Buy	60.00	1,325	79,500
2 April 2013	Buy	60.00	41,350	2,481,000
2 April 2013	Buy	60.35	7,410	447,194
2 April 2013	Sell	60.31	(20)	1,206
2 April 2013	Sell	60.50	(182)	11,011
28 March 2013	Buy	60.90	160	9,744

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
28 March 2013	Sell	60.83	(20)	1,217
27 March 2013	Sell	60.80	(593,490)	36,084,192
27 March 2013	Buy	61.00	130	7,930
26 March 2013	Buy	61.08	6,400	390,940
25 March 2013	Sell	61.86	(58,100)	3,593,898
25 March 2013	Buy	61.95	59	3,655
25 March 2013	Buy	62.00	830	51,460
22 March 2013	Sell	61.94	(4,556)	282,192
22 March 2013	Sell	61.15	(5,000)	305,740
20 March 2013	Sell	56.20	(18,944)	1,064,626
20 March 2013	Sell	56.23	(31,300)	1,759,965
19 March 2013	Buy	56.80	790	44,868
18 March 2013	Buy	56.11	2,500	140,281
18 March 2013	Sell	56.00	(920)	51,520
15 March 2013	Sell	57.00	(5,000)	285,000
15 March 2013	Buy	56.41	50	2,821
15 March 2013	Sell	56.39	(131,825)	7,433,506
15 March 2013	Buy	56.41	1,100	62,051
15 March 2013	Buy	56.51	120	6,781
14 March 2013	Sell	55.58	(242,400)	13,472,907
14 March 2013	Buy	55.76	3,313	184,733
13 March 2013	Sell	55.92	(121,815)	6,812,236
13 March 2013	Buy	56.20	20	1,124
12 March 2013	Sell	56.12	(149)	8,362
11 March 2013	Buy	55.69	3,994	222,411
11 March 2013	Buy	55.83	520	29,032
8 March 2013	Buy	54.97	2,570	141,275
8 March 2013	Sell	55.00	(300)	16,500
8 March 2013	Buy	55.20	6,790	374,808
7 March 2013	Buy	56.02	262,075	14,680,157
7 March 2013	Sell	56.75	(730)	41,428
6 March 2013	Buy	56.22	86,870	4,884,196
6 March 2013	Buy	56.18	3,070	172,462
6 March 2013	Buy	56.20	330	18,546
5 March 2013	Buy	55.79	223,125	12,448,233
5 March 2013	Sell	55.77	(246)	13,719
5 March 2013	Buy	55.70	80	4,456
5 March 2013	Sell	55.65	(710)	39,512
5 March 2013	Buy	55.70	270	15,039
1 March 2013	Buy	55.49	620	34,404
1 March 2013	Buy	55.30	1,100	60,835
28 February 2013	Buy	55.88	1,340	74,879
27 February 2013	Buy	54.61	1,390	75,901
26 February 2013	Buy	54.59	1,540	84,069
26 February 2013	Buy	54.99	90	4,949
26 February 2013	Sell	54.71	(40)	2,188
26 February 2013	Sell	54.20	(200)	10,840
22 February 2013	Sell	55.75	(1,140)	63,555
22 February 2013	Buy	55.99	10,290	576,092
21 February 2013	Buy	55.55	100	5,555
21 February 2013	Sell	55.85	(2,127)	118,791
14 February 2013	Sell	56.35	(11,900)	670,594
14 February 2013	Buy	57.00	260	14,820

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
12 February 2013	Sell	57.51	(1,250)	71,888
11 February 2013	Sell	58.02	(15,064)	873,971
8 February 2013	Sell	57.90	(1,336)	77,354
8 February 2013	Buy	57.73	20	1,155
7 February 2013	Buy	57.80	140	8,092
5 February 2013	Sell	56.86	(270)	15,352
5 February 2013	Sell	56.65	(20)	1,133
4 February 2013	Sell	57.01	(2,800)	159,638
1 February 2013	Sell	57.51	(320)	18,403
1 February 2013	Sell	57.93	(1,350)	78,206
1 February 2013	Buy	57.90	14,500	839,507
31 January 2013	Sell	57.51	(59)	3,393
29 January 2013	Sell	57.90	(30)	1,737
28 January 2013	Buy	58.08	34,500	2,003,784
25 January 2013	Buy	57.42	190	10,910
25 January 2013	Sell	57.53	(120)	6,904
23 January 2013	Buy	58.30	4,910	286,253
22 January 2013	Buy	57.99	180	10,438
17 January 2013	Sell	55.65	(7,200)	400,680
14 January 2013	Sell	56.25	(70)	3,938
9 January 2013	Buy	55.42	1,350	74,817
8 January 2013	Sell	55.61	(16,100)	895,284
8 January 2013	Buy	55.46	5,640	312,772
8 January 2013	Sell	55.30	(90)	4,977
4 January 2013	Sell	54.96	(1,200)	65,952

Afena Capital

22 October 2013	Buy	70.00	704,659	49,326,130
22 October 2013	Buy	70.12	1,003	70,325
21 October 2013	Buy	70.00	93,250	6,527,090
18 October 2013	Buy	70.00	22,713	1,589,910
9 October 2013	Buy	69.70	15,028	1,047,446
8 October 2013	Buy	69.97	264,159	18,484,473
7 October 2013	Buy	70.00	251,612	17,612,614
27 September 2013	Sell	68.95	(19,277)	1,329,193
26 September 2013	Sell	68.79	(762)	(52,416)
23 September 2013	Buy	68.55	848	58,130
10 September 2013	Buy	65.00	3,500	227,500
9 September 2013	Buy	65.00	8,800	571,976
4 September 2013	Sell	65.50	(3,221)	(210,978)
3 September 2013	Sell	65.69	(21,995)	(1,444,893)
30 August 2013	Sell	65.85	(17,647)	(1,162,118)
30 August 2013	Buy	66.02	911	60,142
29 August 2013	Sell	66.00	(2,765)	(182,504)
26 August 2013	Sell	66.51	(6,510)	(432,978)
23 August 2013	Sell	65.67	(8,346)	(548,104)
21 August 2013	Sell	66.71	(10,232)	(682,528)
15 August 2013	Buy	67.78	206	13,963
13 August 2013	Sell	66.20	(2,262)	(149,744)
7 August 2013	Buy	66.50	12,684	843,450
7 August 2013	Sell	66.40	(9,357)	(621,327)
6 August 2013	Sell	66.93	(4,790)	(320,612)
5 August 2013	Sell	68.10	(491)	(33,437)
2 August 2013	Buy	68.29	55,562	3,794,051

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
1 August 2013	Sell	67.55	(12,430)	(839,653)
1 August 2013	Buy	67.41	20,880	1,407,600
31 July 2013	Sell	67.49	(16,070)	(1,084,641)
31 July 2013	Buy	67.88	5,435	368,910
31 July 2013	Buy	68.10	545	37,115
30 July 2013	Buy	67.95	177,067	12,032,535
29 July 2013	Buy	67.72	47,741	3,233,030
26 July 2013	Buy	67.80	68,381	4,636,423
25 July 2013	Buy	67.51	99,526	6,719,259
25 July 2013	Sell	67.30	(320)	(21,536)
24 July 2013	Sell	67.99	(18,022)	(1,225,348)
12 July 2013	Buy	68.20	1,748	119,214
11 July 2013	Buy	67.30	1,114	74,972
9 July 2013	Sell	66.90	(5,464)	(365,542)
8 July 2013	Sell	65.80	(2,687)	(176,805)
5 July 2013	Buy	65.81	1,631	107,332
4 July 2013	Buy	65.64	11,079	727,257
4 July 2013	Sell	65.64	(11,079)	(727,257)
27 June 2013	Sell	64.69	(806)	(52,140)
20 June 2013	Buy	63.90	(919)	(58,724)
18 June 2013	Sell	65.22	(9,549)	(622,801)
14 June 2013	Buy	64.83	27,739	1,798,211
10 June 2013	Sell	65.47	(1,833)	(120,011)
6 June 2013	Sell	65.51	(14,864)	(973,721)
5 June 2013	Buy	66.50	3,789	251,969
30 May 2013	Sell	68.50	(1,243)	(85,146)
24 May 2013	Sell	68.00	(3,327)	(226,236)
17 May 2013	Sell	68.57	(14,177)	(972,093)
22 April 2013	Buy	61.08	294	17,958
10 April 2013	Sell	62.20	(717)	(44,597)
10 April 2013	Buy	62.25	1,777	110,616
2 April 2013	Buy	60.50	317	19,179
28 March 2013	Buy	60.92	7,958	484,777
22 March 2013	Buy	62.10	35,905	2,229,625
20 March 2013	Buy	56.19	6,901	387,767
15 March 2013	Buy	56.55	793,699	44,887,409
14 March 2013	Buy	55.59	41,400	2,301,612
13 March 2013	Sell	55.90	(105)	(5,870)
7 March 2013	Sell	55.77	(3,715)	(207,190)
8 March 2013	Buy	55.00	465	25,575
7 March 2013	Sell	55.77	(9,853)	(549,515)
26 February 2013	Sell	54.71	(200)	(10,942)
15 February 2013	Sell	56.97	(619)	(35,264)
7 February 2013	Sell	57.75	(449)	(25,930)
6 February 2013	Sell	57.22	(34)	(1,945)
25 January 2013	Buy	57.50	436	25,070
24 January 2013	Sell	58.53	(380)	(22,241)
16 January 2013	Sell	55.04	(5,369)	(295,531)
15 January 2013	Sell	55.71	(37,130)	(2,068,687)
14 January 2013	Sell	56.35	(7,305)	(411,637)
9 January 2013	Sell	55.58	(1,161)	(64,528)

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
36One Asset Management (Pty) Ltd				
7 October 2013	Buy	70.00	200,000	14,000,000
2 October 2013	Buy	68.80	114,688	7,890,534
27 September 2013	Buy	69.01	16,500	1,138,665
11 September 2013	Buy	68.95	125,000	8,618,750
14 August 2013	Sell	67.87	(400,000)	27,148,000
2 August 2013	Sell	68.32	(378,371)	25,850,307
1 August 2013	Buy	67.50	12,200	823,500
18 July 2013	Sell	69.24	(40,394)	2,796,881
16 July 2013	Sell	68.54	(172,522)	11,824,658
12 July 2013	Sell	68.17	(320,000)	21,814,400
9 July 2013	Sell	67.40	(24,773)	1,669,700
8 July 2013	Sell	66.34	(63,000)	4,179,420
5 July 2013	Sell	66.00	(124,931)	8,245,446)
4 July 2013	Sell	65.58	(83,000)	5,443,140
3 July 2013	Sell	65.71	(166,278)	10,926,127
1 July 2013	Buy	64.77	27,300	1,768,221
20 June 2013	Buy	63.99	34,000	2,175,660
12 June 2013	Buy	64.91	60,000	3,894,600
22 May 2013	Buy	68.50	11,200	767,200
21 May 2013	Buy	68.00	6,720	456,960
17 May 2013	Buy	68.62	632,330	43,390,485
15 May 2013	Buy	67.15	158,715	10,657,712
15 May 2013	Buy	67.50	2,000,000	135,000,000
10 May 2013	Buy	66.89	131,648	8,805,935
10 May 2013	Buy	67.41	16,800	1,132,488
10 May 2013	Buy	67.50	161,832	10,923,660
10 May 2013	Buy	67.41	233,200	15,720,012
10 May 2013	Buy	67.40	150,000	10,110,000
9 May 2013	Buy	66.45	726,408	48,269,812
20 March 2013	Buy	56.20	169,346	9,517,245
19 March 2013	Buy	56.59	223,998	12,676,047
18 March 2013	Buy	55.81	31,012	1,730,780
18 March 2013	Buy	56.05	200,000	11,210,000
15 March 2013	Buy	56.50	300,000	16,950,000
14 March 2013	Buy	55.75	225,000	12,543,750
13 March 2013	Sell	56.00	(1,520)	(85,120)
12 March 2013	Sell	56.04	(80,531)	4,512,957
11 March 2013	Sell	56.00	(300,000)	16,800,000
8 March 2013	Sell	55.00	(380,000)	20,900,000
8 March 2013	Sell	55.02	(35,781)	1,968,671
1 March 2013	Sell	55.25	(2,000)	110,500
24 January 2013	Sell	58.50	(359,524)	21,032,154
Stanlib				
16 October 2013	Sell	71.00	(62,500)	4,437,500
16 October 2013	Buy	70.80	80	5,664
15 October 2013	Sell	71.07	(125,924)	8,949,696
15 October 2013	Sell	71.10	(8,000)	568,800
15 October 2013	Sell	71.04	(39,076)	2,775,857
10 October 2013	Sell	70.29	(35,000)	2,460,052
7 October 2013	Buy	70.00	517	36,190
4 October 2013	Sell	70.57	(47,500)	3,352,303

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
4 October 2013	Buy	70.30	339	23,832
2 October 2013	Sell	68.73	(85,000)	5,842,297
1 October 2013	Sell	68.68	(25,000)	1,716,955
30 September 2013	Sell	68.55	(77,500)	5,312,803
27 September 2013	Buy	69.39	62	4,302
27 September 2013	Sell	68.83	(50,000)	3,441,465
27 September 2013	Sell	69.00	(10,000)	690,000
26 September 2013	Sell	68.82	(45,000)	3,096,923
25 September 2013	Sell	68.75	(58,118)	3,995,520
23 September 2013	Sell	68.50	(705)	48,293
23 September 2013	Sell	68.60	(60,000)	4,116,000
20 September 2013	Sell	68.89	(30,465)	2,098,825
19 September 2013	Sell	68.75	(134)	9,213
19 September 2013	Sell	68.79	(64,823)	4,459,258
17 September 2013	Sell	68.75	(7,500)	515,588
16 September 2013	Sell	68.84	(46,000)	3,166,709
16 September 2013	Sell	68.90	(50,000)	3,445,000
16 September 2013	Buy	68.60	86	5,900
13 September 2013	Sell	68.54	(75,000)	5,140,500
5 September 2013	Buy	65.02	893	58,060
28 August 2013	Buy	66.01	239	15,776
22 August 2013	Buy	66.00	244	16,104
31 July 2013	Buy	67.61	37	2,502
25 July 2013	Buy	68.18	75	5,114
8 July 2013	Sell	66.07	(25,000)	1,651,650
8 July 2013	Sell	66.47	(12,500)	830,903
8 July 2013	Sell	66.38	(2,500)	165,949
5 July 2013	Sell	65.80	(10,000)	658,029
3 July 2013	Sell	66.24	(5,000)	331,193
3 July 2013	Sell	65.89	(15,000)	988,280
3 July 2013	Buy	65.39	29,433	1,924,624
3 July 2013	Buy	66.20	(68)	4,502
2 July 2013	Sell	64.20	(20,000)	1,284,040
2 July 2013	Sell	64.49	(30,000)	1,934,721
1 July 2013	Buy	64.70	71,721	4,640,277
1 July 2013	Sell	64.50	(25,000)	1,612,500
27 June 2013	Sell	64.53	(5,000)	322,639
24 June 2013	Buy	63.70	25	1,593
21 June 2013	Sell	65.00	(4,439)	288,535
18 June 2013	Sell	65.70	(42,462)	2,789,953
13 June 2013	Buy	65.47	101	6,612
10 June 2013	Sell	65.40	(20,000)	1,307,904
6 June 2013	Sell	65.98	(51,010)	3,365,864
6 June 2013	Buy	66.39	601	39,900
5 June 2013	Sell	66.51	(45,000)	2,993,166
5 June 2013	Sell	66.50	(2,500)	166,250
28 May 2013	Sell	68.50	(15,000)	1,027,508
28 May 2013	Sell	68.55	(2,500)	171,375
28 May 2013	Sell	68.40	(5,000)	342,000
27 May 2013	Sell	67.88	(15,000)	1,018,200
27 May 2013	Sell	67.62	(2,500)	169,050
24 May 2013	Sell	68.01	(43,989)	2,991,560
22 May 2013	Sell	68.50	(5,001)	342,569

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
22 May 2013	Sell	68.48	(15,000)	1,027,250
22 May 2013	Sell	68.44	(25,000)	1,711,033
22 May 2013	Buy	68.50	145	9,933
21 May 2013	Sell	68.56	(5,000)	342,776
21 May 2013	Sell	68.50	(5,000)	342,500
20 May 2013	Buy	68.62	47	3,225
17 May 2013	Sell	68.54	(10,000)	685,393
17 May 2013	Sell	68.62	(8,500)	583,244
16 May 2013	Sell	68.19	(20,000)	1,363,750
15 May 2013	Sell	67.00	(2,500)	167,500
15 May 2013	Sell	66.89	(250)	16,723
15 May 2013	Sell	67.00	(5,000)	335,000
15 May 2013	Sell	67.54	(10,000)	675,445
15 May 2013	Sell	67.40	(250)	16,850
15 May 2013	Buy	67.50	162	10,935
14 May 2013	Sell	66.75	(5,000)	333,750
13 May 2013	Sell	67.99	(10,000)	679,909
13 May 2013	Sell	68.00	(25,000)	1,700,000
13 May 2013	Buy	68.10	117	7,968
9 May 2013	Sell	62.00	(7,500)	465,000
9 May 2013	Sell	66.12	(10,000)	661,226
8 May 2013	Sell	61.82	(2,500)	154,550
8 May 2013	Buy	61.98	257	15,929
8 May 2013	Sell	62.00	(7,500)	465,000
8 May 2013	Sell	61.97	(2,500)	154,915
7 May 2013	Sell	62.10	(15,000)	931,500
2 May 2013	Sell	61.25	(2,500)	153,125
2 May 2013	Sell	61.30	(10,000)	613,041
2 May 2013	Sell	61.40	(10,000)	614,000
2 May 2013	Sell	61.25	(2,500)	153,125
30 April 2013	Sell	61.02	(15,628)	953,586
29 April 2013	Sell	61.75	(5,000)	308,750
29 April 2013	Sell	61.70	(35,001)	2,159,583
29 April 2013	Sell	61.67	(5,000)	308,350
29 April 2013	Sell	61.50	(5,000)	307,500
25 April 2013	Buy	61.25	65	3,981
24 April 2013	Sell	61.00	(10,000)	610,000
23 April 2013	Sell	60.88	(42,500)	2,587,557
18 April 2013	Buy	59.50	34	2,023
17 April 2013	Buy	59.72	265	15,825
15 April 2013	Buy	61.85	128	7,917
10 April 2013	Buy	62.30	80	4,984
8 April 2013	Sell	60.20	(2,228)	134,126
4 April 2013	Sell	60.00	(7,692)	461,522
4 April 2013	Buy	59.95	89	5,336
28 March 2013	Buy	60.80	60	3,648
15 March 2013	Sell	56.40	(18,380)	1,036,632
14 March 2013	Buy	55.85	32	1,787
13 March 2013	Buy	55.90	83	4,640
11 March 2013	Buy	55.76	32,977	1,838,936
8 March 2013	Buy	55.00	31	1,705
7 March 2013	Sell	55.25	(3,000)	165,754
6 March 2013	Buy	56.05	38,885	2,179,481

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
4 March 2013	Buy	55.49	8	444
27 February 2013	Sell	54.26	(3,448)	187,075
27 February 2013	Sell	54.25	(34,473)	1,870,064
25 February 2013	Buy	56.15	49	2,751
22 February 2013	Buy	55.70	335	18,660
12 February 2013	Sell	57.59	(50,496)	2,908,272
11 February 2013	Buy	58.14	111	6,454
8 February 2013	Sell	57.30	(2,500)	143,260
31 January 2013	Sell	57.90	(4,500)	260,550
31 January 2013	Sell	57.95	(25,000)	1,448,650
30 January 2013	Sell	57.67	(25,625)	1,477,871
29 January 2013	Sell	57.98	(44,375)	2,572,814
25 January 2013	Sell	57.16	(39,051)	2,232,171
18 January 2013	Sell	55.33	(12,500)	691,650
17 January 2013	Buy	56.23	368	20,693
15 January 2013	Sell	56.15	(10,000)	561,500
14 January 2013	Buy	56.26	951	53,503
11 January 2013	Buy	55.24	7,423	410,020
11 January 2013	Buy	55.60	70	3,892
11 January 2013	Sell	55.50	(7,500)	416,255
10 January 2013	Buy	54.87	217	11,907
8 January 2013	Buy	55.53	15,000	832,935

Tiger Brands Black Management Trust 1 and Thusani Empowerment Investment Holding (Pty) Ltd

4 March 2013	Sell	55.43	9,036	500,889
19 February 2013	Sell	55.60	4,698	261,208
19 February	Sell	55.90	1,000	55,900

Bophelo Trust

4 September 2013		65.51	1,741	114,481
22 August 2013		66.05	5,000	331,473
21 August 2013		66.75	10,000	669,973
19 August 2013		67.40	2,335	157,965
16 August 2013		67.55	15,000	1,017,003
15 August 2013		67.70	5,000	339,764
14 August 2013		67.78	10,000	680,311
13 August 2013		66.93	15,000	1,007,619
8 August 2013		66.00	14,000	927,374
25 January 2013		57.90	1,500	87,179
24 January 2013		58.05	76,000	4,427,931
22 January 2013		57.85	12,424	721,383
21 January 2013		55.90	28,000	1,570,903

Blue Falcon

6 February 2013	Buy	5,749	19,951	1,146,982.99
7 February 2013	Buy	5,750	400	23,000.00
8 February 2013	Buy	5,771	107,161	6,184,261.31
11 February 2013	Buy	5,800	107,137	6,213,946.00
12 February 2013	Buy	5,796	13,000	753,480.00
13 February 2013	Buy	5,780	52,351	3,025,887.80
21 February 2013	Buy	5,551	53,000	2,942,030.00
22 February 2013	Buy	5,576	2,500	139,400.00
8 August 2013	Buy	6,600	14,000	923,960.70
13 August 2013	Buy	6,690	15,000	1,003,564.60

Date	Buy/Sell	Price (ZAR)	Volume (shares)	Value (ZAR)
14 August 2013	Buy	6,778	4,564	309,347.92
15 August 2013	Buy	6,764	7,000	473,486.70
16 August 2013	Buy	6,755	53,436	3,609,444.25
19 August 2013	Buy	6,740	2,000	134,800.00
20 August 2013	Buy	6,705	28,000	1,877,280.78
21 August 2013	Buy	6,675	50,000	3,337,490.39
22 August 2013	Buy	6,605	50,000	3,302,485.24
3 September 2013	Buy	6,551	7,104	465,383.04
4 September 2013	Buy	6,551	5,896	386,246.96
11 September 2013	Buy	6,870	500	34,350.00

2. DETAILS OF TRADING IN CFR SHARES

To the best of CFR's knowledge and belief, set out below are the details of trading in CFR Shares by providers of irrevocable undertakings:

INVERSIONES PHOTON LIMITADA

Date	Buy/Sell	Price (CLP)	Volume (shares)	Value (ZAR)
17 January 2013	Sell	129	(31,855,425)	4,109,349,825

ALEJANDRO WEINSTEIN MANIEU

Date	Buy/Sell	Price (CLP)	Volume (shares)	Value (ZAR)
26 March 2013	Buy	119	181,408	21,587,552
28 March 2013	Buy	121	208,760	25,364,340
1 April 2013	Buy	123	192,305	23,693,899
1 April 2013	Buy	123	90,740	11,179,168
1 April 2013	Buy	122	89,000	10,858,000
1 April 2013	Buy	123	11,291	1,388,906

MIX-AND-MATCH FORMULAE

References contained in this Annexure are to paragraphs of the Scheme

1. Subject to paragraph 6.3.7 of the Scheme, if the Maximum Share Amount is insufficient to discharge the total number of CFR Shares which would otherwise have to be issued to persons which have elected, or are deemed to have elected, to receive CFR Shares in terms of the Scheme (after applying the Rounding Principle), then each Scheme Participant:

1.1 who elects, or is deemed to have elected, to receive the Scheme Consideration in accordance with the provisions (i) of paragraph 6.3.1.3 (**Default Shareholder**) shall receive the Scheme Consideration in accordance with that provision (the **Relevant Ratio**);

1.2 who elects to receive less CFR Shares than the number of CFR Shares he would have received if he was a Default Shareholder (**Cash Favouring Shareholder**) shall be entitled to receive that number of CFR Shares which he elected to receive; and

1.3 who elects to receive more CFR Shares than the number of CFR Shares he would have received if he was a Default Shareholder (**Share Favouring Shareholder**) shall receive a combination of cash and CFR Shares as follows:

1.3.1 The number of CFR Shares shall be calculated as follows:

$$A = [B \times (C \times D) \div E] + [F \times (G - (B \times (C \times D) \div E))], \text{ subject to the Rounding Principle}$$

Where:

A = the total number of CFR Shares which will be issued and subscribed for by PLC Nominees for the benefit of the Scheme Participant;

B = the number of Scheme Shares held by the Scheme Participant;

C = 73.51

D = $1 - (\text{the Maximum Cash Amount} \div 12\,604\,677\,736)$;

E = 2.334; and

F = $(J - K) \div (L - M)$

Where:

J = the aggregate number of CFR Shares which would have been issued and subscribed for by PLC Nominees for the benefit of all of the Cash Favouring Shareholders if the Cash Favouring Shareholders had elected to receive CFR Shares in the Relevant Ratio;

K = the aggregate number of CFR Shares which the Cash Favouring Shareholders elected to receive;

L = the aggregate number of CFR Shares elected by the Share Favouring Shareholders;

M = the aggregate number of CFR Shares that would have been issued to all the Share Favouring Shareholders if the Share Favouring Shareholders had elected to receive CFR Shares in the Relevant Ratio;

G = the total number of CFR Shares actually elected to be received by the Scheme Participant.

1.3.2 The amount of cash shall be calculated as follows:

$$V = (W \times X) - (Y \times Z)$$

Where:

V = the total cash amount payable to the Scheme Participant;

W = 73.51

- X the number of Scheme Shares held by a Scheme Participant;
- Y the number of CFR Shares to be issued and subscribed for by PLC Nominees for the benefit of a Scheme Participant in terms of 1.3.1 above; and
- Z = 2.334.

2. Subject to paragraph 6.3.7, if the Maximum Cash Amount is insufficient to discharge the total cash amount which would otherwise have to be paid to all persons which have elected, or are deemed to have elected, to receive cash in terms of the Scheme, then each Scheme Participant:

- 2.1 who is a Default Shareholder shall receive the Scheme Consideration in the Relevant Ratio;
- 2.2 who elects to receive less cash than the amount of cash he would have received if he was a Default Shareholder (**Share Favouring Shareholder**) shall be entitled to receive the amount of cash he elected to receive; and
- 2.3 who elects to receive more cash than the amount of cash he would have received if he was a Default Shareholder (**Cash Favouring Shareholder**) shall receive a combination of cash and CFR Shares as follows:

2.3.1 The amount of cash shall be calculated as follows:

$$A = [B \times (C \div D) \times E] + [F \times (G - (B \times (C \div D) \times E))]$$

Where:

- A = the total cash amount payable to the Scheme Participant;
- B = the number of Scheme Shares held by the Scheme Participant;
- C = the Maximum Cash Amount;
- D = 12 604 677 736;
- E = 73.51;
- F = $(H - I) \div (J - K)$;

Where:

- H = the aggregate amount of cash which would have been paid to all of the Share Favouring Shareholders if the Share Favouring Shareholders had elected to receive cash in the Relevant Ratio;
- I = the aggregate amount of cash which the Share Favouring Shareholders elected to receive;
- J = the aggregate amount of cash elected by the Cash Favouring Shareholders;
- K = the aggregate amount of cash that would have been paid to all of the Cash Favouring Shareholders if the Cash Favouring Shareholders had elected to receive cash in the Relevant Ratio; and
- G = the total cash amount actually elected to be received by the Scheme Participant.

2.3.2 The number of CFR Shares shall be calculated as follows:

$$V = [(W \times X) - Y] \div Z, \text{ subject to the Rounding Principle}$$

Where:

- V = the total number of CFR Shares which will be issued and subscribed for by PLC Nominees for the benefit of the Scheme Participant;
- W = R73.51;
- X = the number of Scheme Shares held by the Scheme Participant;
- Y = the amount of cash payable to the Scheme Participant in terms of paragraph 2.3.1 above; and
- Z = 2.334.



adcock ingram

Adcock Ingram Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 2007/016236/06
Share code: AIP ISIN: ZAE000123436
("Adcock Ingram" or "the Company")

NOTICE CONVENING THE COMBINED GENERAL MEETING

All terms defined in the Circular to Adcock Ingram Shareholders dated 18 November 2013 to which this notice of Combined General Meeting is attached shall bear the same meanings herein unless the term is defined herein.

Notice is hereby given that the Combined General Meeting of the Company will, subject to any cancellation or postponement of the meeting by Adcock Ingram, be held in the Auditorium at Adcock Ingram's offices, 1 New Road, Midrand, Gauteng, South Africa commencing at 10h00 on Wednesday, 18 December 2013 to consider and, if deemed fit, to approve the Scheme.

Ordinary Scheme Members, the Adcock Ingram "A" Ordinary Shareholders and the Adcock Ingram "B" Ordinary Shareholders are reminded that:

- Ordinary Scheme Members, the Adcock Ingram "A" Ordinary Shareholders and the Adcock Ingram "B" Ordinary Shareholders entitled to attend and vote (and/or abstain from voting) at the Combined General Meeting, are entitled to appoint a proxy (or concurrent proxies) to attend, participate in and vote at the Combined General Meeting in the place of an Ordinary Scheme Member, Adcock Ingram "A" Ordinary Shareholder and Adcock Ingram "B" Ordinary Shareholder (as the case may be) and are referred to the attached forms of proxy;
- a proxy need not also be an Ordinary Scheme Member, Adcock Ingram "A" Ordinary Shareholder or an Adcock Ingram "B" Ordinary Shareholder; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a company meeting must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified.

Special Resolution number 1 – approval of the Scheme in terms of sections 114 and 115 of the Companies Act

"**Resolved** that the scheme of arrangement in terms of section 114 of the Companies Act (as more fully set out in the Circular and as same may be amended as contemplated in the Circular) proposed by the Adcock Ingram Board between Adcock Ingram and the holders of Adcock Ingram Ordinary Shares (other than the holder of the Treasury Shares) in terms of which, *inter alia*, if such scheme of arrangement is implemented, CFR Inversiones SpA (a wholly-owned subsidiary of CFR Pharmaceuticals S.A.) will acquire, on the terms and subject to the conditions set out in the Circular (as same may be amended as contemplated in the Circular), all the Scheme Shares and each Scheme Participant will receive the Scheme Consideration, pursuant to which scheme of arrangement the Adcock Ingram Ordinary Shares will be de-listed from the securities exchange operated by JSE Limited, be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act, 2008, as amended".

The percentage of voting rights that will be required for this special resolution to be adopted is at least 75% of the voting rights exercised on the special resolution.

The reason for and the effect of Special Resolution number 1 is to obtain shareholder approval, in terms of section 114 read with section 115 of the Companies Act, for the Scheme proposed by the Adcock Ingram Board between Adcock Ingram and the holders of Adcock Ingram Ordinary Shares (other than the holder of the Treasury Shares).

Special Resolution number 2 – revocation of Special Resolution number 1 if Scheme is terminated

“Resolved that, subject to and in the event of (i) the Scheme Resolutions being approved at the General Meetings in terms of the Companies Act; and (ii) Adcock Ingram announcing that the Scheme has been terminated as contemplated in terms of the Scheme, Special Resolution number 1 is revoked with effect from the date of the announcement contemplated in (ii) above, as contemplated in section 164(9)(c) of the Companies Act, and accordingly any Dissenting Shareholder that has sent a demand to Adcock Ingram in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Shares, shall have no rights to be so paid under section 164 of the Companies Act.”

The percentage of voting rights that will be required for this special resolution to be adopted is at least 75% of the voting rights exercised on the special resolution.

Reason for and effect of Special Resolution number 2 – this special resolution is intended to remove the rights to payment of Dissenting Shareholders if the Scheme is terminated and shall become effective only if: (i) the Scheme Resolutions as defined in the Scheme are approved at the General Meetings in terms of the Companies Act; and (ii) Adcock Ingram announces that the Scheme has been terminated. The effect of Special Resolution number 2 is to remove any right to payment that a Dissenting Shareholder may have under section 164 of the Companies Act if the Scheme is terminated.

Ordinary Resolution

“Resolved that any director of the Company be and is hereby authorised to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the special resolutions.”

The percentage of voting rights that will be required for this ordinary resolution to be adopted is more than 50% of the voting rights exercised on the resolution.

Quorum requirements. The Combined General Meeting may not begin until sufficient persons are present at such meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Combined General Meeting. A matter to be decided at the Combined General Meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three persons entitled to exercise voting rights at the Combined General Meeting, personally present or represented by proxy (and if the Shareholder is a body corporate, it must be represented).

The Adcock Ingram Board have determined that the Voting Record Date for the purposes of the Combined General Meeting (being the date on which an Ordinary Scheme Member, Adcock Ingram “A” Ordinary Shareholder and/or an Adcock Ingram “B” Ordinary Shareholder must be registered in the Company’s Register in order to participate in and vote at the Combined General Meeting) shall be 17h00 on Friday, 6 December 2013. The last day to trade Adcock Ingram Ordinary Shares in order to vote at the Combined General Meeting will be Friday, 29 November 2013.

Adcock Ingram Shareholders who vote against the Scheme Resolution(s) and wish to exercise their rights in terms of section 115(3) of the Companies Act, to require the approval of a court for the Scheme, should refer to Annexure 12 of the Circular to which this Notice is attached which includes an extract of section 115 of the Companies Act.

Adcock Ingram Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. Their attention is drawn to the provisions of that section which are set out in Annexure 13 to the Circular, and to paragraph 6.8 of the Circular commencing on page 47 of the Circular.

An Ordinary Scheme Member, Adcock Ingram “A” Ordinary Shareholder and an Adcock Ingram “B” Shareholder holding Certificated Shares and an Ordinary Scheme Member, Adcock Ingram “A” Ordinary Shareholder, and an Adcock Ingram “B” Ordinary Shareholder who holds Dematerialised Shares in own name and who is registered as such on the Voting Record Date is entitled to attend, participate in and vote at the Combined General Meeting and may appoint a proxy or proxies to attend, participate in and speak and vote at the Combined General Meeting in his/her stead. A proxy need not be a member of the Company. The completion and lodging of a form of proxy will not preclude an Ordinary Scheme Member, Adcock Ingram “A” Ordinary Shareholder and Adcock Ingram “B” Ordinary Shareholder from attending, participating in, speaking and voting at the Combined General Meeting to the exclusion of the proxy/ies so appointed.

The form of proxy in respect of the Combined General Meeting (*green*) should be completed and returned to the Transfer Secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 10h00 on Friday, 13 December 2013, or 48 hours immediately preceding any adjourned meeting, or handed to the chairperson

of the Combined General Meeting by no later than ten minutes before the scheduled time for the commencement of the Combined General Meeting or adjourned Combined General Meeting in accordance with the instructions contained therein.

On a poll every Ordinary Scheme Member, Adcock Ingram "A" Ordinary Shareholder and Adcock Ingram "B" Shareholder present in person or represented by proxy shall have one vote for every Adcock Ingram Share held by such Ordinary Scheme Member, Adcock Ingram "A" Ordinary Shareholder or Adcock Ingram "B" Ordinary Shareholder. On a show of hands, every Ordinary Scheme Member, Adcock Ingram "A" Ordinary Shareholder and Adcock Ingram "B" Ordinary Shareholder present in person or represented by proxy at the Combined General Meeting shall have only one vote, irrespective of how many Adcock Ingram Shares or Adcock Ingram Ordinary Shareholders, Adcock Ingram "A" Ordinary Shareholders or an Adcock Ingram "B" Ordinary Shareholders he/she represents.

Ordinary Scheme Members, Adcock Ingram "A" Ordinary Shareholders and Adcock Ingram "B" Ordinary Shareholders who hold Dematerialised Shares, other than holders of Dematerialised Shares in their own name, must inform their CSDP or Broker of their intention to attend the Combined General Meeting and request their CSDP or Broker to issue them with the necessary letters of representation to attend the Combined General Meeting or to provide their CSDP or Broker with their voting instructions should they not wish to attend the Combined General Meeting in person, failing which the CSDP or Broker will be obliged to act in terms of the mandate between such Ordinary Scheme Members, Adcock Ingram "A" Ordinary Shareholder and/or Adcock Ingram "B" Ordinary Shareholders and their CSDP or Broker.

Electronic participation

Ordinary Scheme Members, Adcock Ingram "A" Ordinary Shareholders and Adcock Ingram "B" Ordinary Shareholders are advised in terms of section 63(3) of the Companies Act, that while the Combined General Meeting will be held in person, Ordinary Scheme Members, Adcock Ingram "A" Ordinary Shareholders and Adcock Ingram "B" Ordinary Shareholders (and/or their proxies) may participate in (but not vote at) the Combined General Meeting by electronic communication, as contemplated in sub-section 63(2) of the Companies Act, and Ordinary Scheme Members, Adcock Ingram "A" Ordinary Shareholders and Adcock Ingram "B" Ordinary Shareholders and/or their proxies will be able, at their own expense, to participate in (but not vote at) the Combined General Meeting by means of a teleconference facility.

Arrangements so to participate in the Combined General Meeting should be made through the office of the Company Secretary.

By order of the Adcock Ingram Board

18 November 2013



adcock ingram

Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)

Registration number: 2007/016236/06

Share code: AIP ISIN: ZAE000123436

("Adcock Ingram" or "the Company")

FORM OF PROXY IN RESPECT OF THE COMBINED GENERAL MEETING FOR ORDINARY SCHEME MEMBERS, ADCOCK INGRAM "A" ORDINARY SHAREHOLDERS AND ADCOCK INGRAM "B" ORDINARY SHAREHOLDERS

(for use by Certificated Ordinary Scheme Members, Own-Name Dematerialised Ordinary Scheme Members, Adcock Ingram "A" Ordinary Shareholders and Adcock Ingram "B" Ordinary Shareholders only)

All terms defined in the Circular to Adcock Ingram Shareholders dated 18 November 2013 to which this Form of Proxy is attached and not defined herein shall bear the same meanings herein.

For use only by Certificated Ordinary Scheme Members, Own-Name Dematerialised Ordinary Scheme Members, Adcock Ingram "A" Ordinary Shareholders, and Adcock Ingram "B" Ordinary Shareholders at the Combined General Meeting of Ordinary Scheme Members, "A" Ordinary Shareholders and "B" Shareholders to be held in the Auditorium at Adcock Ingram's offices, 1 New Road, Midrand, Gauteng, South Africa at 10h00 on Wednesday, 18 December 2013.

Dematerialised Shareholders holding Shares other than with "own name" registration, must inform their CSDP or Broker of their intention to attend the Combined General Meeting and request their CSDP or Broker to issue them with the necessary letter of representation and/or form of proxy to attend the Combined General Meeting in person and vote (or abstain from voting) or provide their CSDP or Broker with their instructions should they not wish to attend the Combined General Meeting in person. Letters of representation must be lodged with the Transfer Secretaries by the commencement of the Combined General Meeting (including any adjourned or postponed meeting). These Shareholders must **not** use this form of proxy.

I/We (full name/s in BLOCK LETTERS)

Of (Address in BLOCK LETTERS)

Telephone number (Work) (Area code)

Mobile number

being the holder/s of

Adcock Ingram Ordinary Shares
Adcock Ingram "A" Ordinary Shares
Adcock Ingram "B" Ordinary Shares

and entitled to vote, do hereby appoint (see note):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the Combined General Meeting,

as my/our proxy to represent and act for me/us at the Combined General Meeting (including any adjourned or postponed meeting) for purposes of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at each adjournment or postponement thereof; and to vote for and/or against such resolutions and/or abstain from voting in respect of the Adcock Ingram Shares registered in my/our name in accordance with the following instructions, and otherwise in accordance with the Companies Act, the MOI and the terms of the attached notes:

	Number of shares								
	For			Against			Abstain		
	Adcock Ingram Ordinary Shares	Adcock Ingram "A" Ordinary Shares	Adcock Ingram "B" Ordinary Shares	Adcock Ingram Ordinary Shares	Adcock Ingram "A" Ordinary Shares	Adcock Ingram "B" Ordinary Shares	Adcock Ingram Ordinary Shares	Adcock Ingram "A" Ordinary Shares	Adcock Ingram "B" Ordinary Shares
Special Resolution number 1 Approval of the Scheme in terms of sections 114 and 115 of the Companies Act									
Special Resolution number 2 Revocation of Special Resolution number 1 if Scheme is terminated									
Ordinary Resolution Authority granted to directors									

Please indicate in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain from voting as he/she deems fit.

Signed at _____ on _____ 2013

Signature _____

Assisted by (where applicable) _____

Each Adcock Ingram Shareholder is entitled to appoint one or more proxies (who need not be a Adcock Ingram Shareholder but must be natural persons) to attend, speak at and vote (or abstain from voting) in place of that shareholder at the meeting.

Please see the notes on the reverse side hereof.

Notes to the form of proxy:

1. This form of proxy must only be used by Certificated Shareholders or Shareholders who hold Dematerialised Shares in their "own name".
2. Shareholders who hold Dematerialised Shares, other than in their "own name" and who wish to attend the Combined General Meeting in person, may do so by requesting the registered holder, being their CSDP, Broker or nominee, to issue them with a letter of representation and/or form of proxy.
3. Shareholders who hold Dematerialised Shares, other than in their "own name" and who do not wish to attend the Combined General Meeting in person but wish to vote (or abstain from voting) thereat, must provide the registered holder, being the CSDP, Broker or nominee, with their instructions. The instructions must reach the registered holder in sufficient time to allow the registered holder to act accordingly on your behalf.
4. Shareholders are reminded that the onus is on them to communicate with their CSDP or Broker.
5. A Shareholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairperson of the Combined General Meeting", but any such deletion or insertion must be initialled by the Shareholder. Any insertion or deletion not complying with the foregoing will, subject to 10 below, be declared not to have been validly effected. A proxy need not be an Adcock Ingram Shareholder. The person whose name stands first on this form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairperson of the Combined General Meeting.
6. Please note that the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder, or as a proxy for a Shareholder, has been reasonably verified. Accordingly, meeting participants (including Shareholders and proxies) must provide satisfactory identification.
7. A Shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A Shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the Shareholder in the appropriate box(es). An "X" in the appropriate box indicates the maximum number of votes exercisable by that Shareholder. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he/she deems fit in respect of all the Shareholder's votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her/its proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of votes exercisable by the Shareholder or by his/her proxy.
8. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote, as he/she deems fit, on any other resolution which may validly be proposed at the meeting, including in respect of any proposed amendment to the above resolutions. If the foregoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form of proxy is attached.
9. A vote given in terms of an instrument of proxy shall be valid in relation to the meeting, notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the Shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the Company Secretary before the commencement of the Combined General Meeting.
10. The chairperson of the Combined General Meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
11. The completion and lodging of this form of proxy will not preclude the relevant voting rights holder from attending the meeting and speaking and voting (or abstaining from voting) in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
12. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy, unless previously recorded by Adcock Ingram or unless this requirement is waived by the chairperson of the Combined General Meeting.
13. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by Adcock Ingram.
14. Where there are joint holders of Shares:
 - Any one holder may sign this form of proxy.
 - The vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of Shareholders appear in the Register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s).
15. To be effective, completed forms of proxy should be:
 - (i) lodged with or mailed to Computershare Investor Services Proprietary Limited
 - Hand deliveries to:**
Ground Floor, 70 Marshall Street
Johannesburg, 2001
 - Postal deliveries to:**
PO Box 61051
Marshalltown, 2107
 - to be received by 10h00 on Friday, 13 December 2013 (or not less than 48 hours before any adjourned or postponed meeting);
or
 - (ii) lodged with or mailed to Adcock Ingram, 1 New Road, Midrand, Gauteng (marked for the attention of the Company Secretary), to be received after the time last specified in (i) above but up to at least 10 minutes before the commencement of the Combined General Meeting (including any adjourned or postponed meeting); or
 - (iii) handed to the chairperson of the Combined General Meeting up to 10 minutes before that Combined General Meeting (including any adjourned or postponed meeting), provided that, should the relevant Shareholder return such form of proxy in terms of (ii) above, the relevant Shareholder will also be required to furnish a copy of such form of proxy to the chairperson of the Combined General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the Combined General Meeting (including any adjourned or postponed meeting).
16. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
17. A proxy may not delegate his/her authority to act on behalf of the Shareholder, to another person.

SUMMARY OF APPLICABLE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT

For purposes of this summary, the term “shareholder” shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at, a shareholders’ meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate the proxy’s authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.2 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy:
 - 4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and
 - 4.2 should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date:
 - 5.1 stated in the revocation instrument, if any; or
 - 5.2 upon which the revocation instrument is delivered to the proxy and the relevant company.
6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company’s memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to:
 - 6.1 the shareholder; or
 - 6.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the relevant company or the instrument appointing the proxy provides otherwise.
8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised and must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act;
 - 8.2 the company must not require that the proxy appointment be made irrevocable; and
 - 8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act (see paragraph 5 above).



Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)

Registration number: 2007/016236/06

Share code: AIP ISIN: ZAE000123436

("Adcock Ingram" or "the Company")

NOTICE CONVENING THE ORDINARY GENERAL MEETING

All terms defined in the Circular to Adcock Ingram Shareholders dated 18 November 2013 to which this notice of Ordinary General Meeting is attached shall bear the same meanings herein unless the term is defined herein.

Notice is hereby given that the Ordinary General Meeting of the Company will, subject to any cancellation or postponement of the meeting by Adcock Ingram, be held in the Auditorium at Adcock Ingram's offices, 1 New Road, Midrand, Gauteng, South Africa commencing at 10h30 or ten minutes after the conclusion or adjournment of the Combined General Meeting, whichever is the later, on Wednesday, 18 December 2013 to consider and, if deemed fit, to approve the Scheme.

Ordinary Scheme Members are reminded that:

- Ordinary Scheme Members entitled to attend and vote at the Ordinary General Meeting, are entitled to appoint a proxy (or concurrent proxies) to attend, participate in and vote (or abstain from voting) at the Ordinary General Meeting in the place of an Ordinary Scheme Member (as the case may be) and are referred to the attached proxy forms;
- a proxy need not also be an Ordinary Scheme Member; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a company meeting must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified.

Special Resolution number 1: approval of the Scheme in terms of sections 114 and 115 of the Companies Act

"**Resolved** that the scheme of arrangement in terms of section 114 of the Companies Act (as more fully set out in the Circular and as same may be amended as contemplated in the Circular) proposed by the Adcock Ingram Board between Adcock Ingram and the holders of Adcock Ingram Ordinary Shares (other than the holder of the Treasury Shares) in terms of which, *inter alia*, if such scheme of arrangement is implemented, CFR Inversiones SpA (a wholly-owned subsidiary of CFR Pharmaceuticals S.A.) will acquire, on the terms and subject to the conditions set out in the Circular (as same may be amended as contemplated in the Circular), all the Scheme Shares and each Scheme Participant will receive the Scheme Consideration, pursuant to which scheme of arrangement the Adcock Ingram Ordinary Shares will be de-listed from the securities exchange operated by JSE Limited, be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act, 2008, as amended."

The percentage of voting rights that will be required for this special resolution to be adopted is at least 75% of the voting rights exercised on the special resolution.

The reason for and the effect of Special Resolution number 1 is to obtain shareholder approval, in terms of section 114 read with section 115 of the Companies Act, for the Scheme proposed by the Adcock Ingram Board between Adcock Ingram and the holders of Adcock Ingram Ordinary Shares (other than the holder of the Treasury Shares).

Special Resolution number 2 – revocation of Special Resolution number 1 if Scheme is terminated

“Resolved that, subject to and in the event of (i) the Scheme Resolutions being approved at the General Meetings in terms of the Companies Act; and: (ii) Adcock Ingram announcing that the Scheme has been terminated as contemplated in terms of the Scheme, Special Resolution number 1 is revoked with effect from the date of the announcement contemplated in (ii) above, as contemplated in section 164(9)(c) of the Companies Act, and accordingly any Dissenting Shareholder that has sent a demand to Adcock Ingram in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Shares, shall have no rights to be so paid under section 164 of the Companies Act”.

The percentage of voting rights that will be required for this special resolution to be adopted is at least 75% of the voting rights exercised on the special resolution.

Reason for and effect of Special Resolution number 2 – this special resolution is intended to remove the rights to payment of Dissenting Shareholders if the Scheme is terminated and shall become effective only if: (i) the Scheme Resolutions as defined in the Scheme are approved at the General Meetings in terms of the Companies Act; and (ii) Adcock Ingram announces that the Scheme has been terminated. The effect of Special Resolution number 2 is to remove any right to payment that a Dissenting Shareholder may have under section 164 of the Companies Act if the Scheme is terminated.

Ordinary Resolution

“Resolved that any director of the Company be and is hereby authorised to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the special resolutions.”

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the voting rights exercised on the resolution.

Quorum requirements. The Ordinary General Meeting may not begin until sufficient persons are present at such meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Ordinary General Meeting. A matter to be decided at the Ordinary General Meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three persons entitled to exercise voting rights at the Ordinary General Meeting, personally present or represented by proxy (and if the Shareholder is a body corporate, it must be represented).

The Adcock Ingram Board have determined that the Voting Record Date for the purposes of the Ordinary General Meeting (being the date on which an Ordinary Scheme Member must be registered in the Company's Register in order to participate in and vote at the Ordinary General Meeting) shall be 17h00 on Friday, 6 December 2013. The last day to trade Adcock Ingram Ordinary Shares in order to vote at the Ordinary General Meeting will be Friday, 29 November 2013.

Adcock Ingram Ordinary Shareholders who vote against the Scheme Resolution(s) and wish to exercise their rights in terms of section 115(3) of the Companies Act, to require the approval of a court for the Scheme, should refer to Annexure 12 of the Circular to which this Notice is attached which includes an extract of section 115 of the Companies Act.

Adcock Ingram Ordinary Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. Their attention is drawn to the provisions of that section which are set out in Annexure 13 to the Circular, and to paragraph 6.8 of the Circular commencing on page 47 of the Circular.

An Ordinary Scheme Member who holds Certificated Shares, or who holds Dematerialised Shares in own name, and who is registered as such on the Voting Record Date is entitled to attend, participate in and vote at the Ordinary General Meeting and may appoint a proxy or proxies to attend, participate in and speak and vote at the Ordinary General Meeting in his/her stead. A proxy need not be a member of the Company. The completion and lodging of a form of proxy will not preclude an Ordinary Scheme Member from attending, participating in, speaking and voting at the Ordinary General Meeting to the exclusion of the proxy/ies so appointed.

The form of proxy in respect of the Ordinary General Meeting (*yellow*) should be completed and returned to the Transfer Secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 10h30 on Friday,

13 December 2013, or 48 hours immediately preceding any adjourned meeting, or handed to the chairperson of the Ordinary General Meeting by no later than ten minutes before the scheduled time for the commencement of the Ordinary General Meeting or adjourned Ordinary General Meeting in accordance with the instructions contained therein.

On a poll every Ordinary Scheme Member present in person or represented by proxy shall have one vote for every Adcock Ingram Ordinary Share held by such Ordinary Scheme Member. On a show of hands, every Ordinary Scheme Member present in person or represented by proxy at the Ordinary General Meeting shall have only one vote, irrespective of how many Adcock Ingram Ordinary Shares or Adcock Ingram Ordinary Shareholders he/she represents.

Ordinary Scheme Members who hold Dematerialised Shares, other than holders of Dematerialised Shares in their own name, must inform their CSDP or Broker of their intention to attend the Ordinary General Meeting and request their CSDP or Broker to issue them with the necessary letters of representation to attend the Ordinary General Meeting or to provide their CSDP or Broker with their voting instructions should they not wish to attend the Ordinary General Meeting in person, failing which the CSDP or Broker will be obliged to act in terms of the mandate between such Ordinary Scheme Members and their CSDP or Broker.

Electronic participation

Ordinary Scheme Members are advised in terms of section 63(3) of the Companies Act, that while the Ordinary General Meeting will be held in person, Ordinary Scheme Members (and/or their proxies) may participate in (but not vote at) the Ordinary General Meeting by electronic communication, as contemplated in subsection 63(2) of the Companies Act, and Ordinary Scheme Members and/or their proxies will be able, at their own expense, to participate in (but not vote at) the Ordinary General Meeting by means of a teleconference facility.

Arrangements so to participate in the Ordinary General Meeting should be made through the office of the Company Secretary.

By order of the Adcock Ingram Board

18 November 2013



Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)
 Registration number: 2007/016236/06
 Share code: AIP ISIN: ZAE000123436
 ("Adcock Ingram" or "the Company")

FORM OF PROXY IN RESPECT OF THE ORDINARY GENERAL MEETING FOR ORDINARY SCHEME MEMBERS

(for use by Ordinary Scheme Members and Own Name Dematerialised Ordinary Scheme Members only)

All terms defined in the Circular to Adcock Ingram Shareholders dated 18 November 2013 to which this form of proxy is attached that are not defined herein shall bear the same meanings herein.

For use only by Ordinary Scheme Members that hold Ordinary Shares in certificated form (Certificated Shareholders) or Shareholders who have dematerialised their Adcock Ingram Shares (Dematerialised Shareholders) and are registered with "own name" registration, at the Ordinary General Meeting of Ordinary Scheme Members to be held in the Auditorium at Adcock Ingram's offices, 1 New Road, Midrand, Gauteng, South Africa at 10h30 or ten minutes after the conclusion or adjournment of the Combined General Meeting, whichever is the later, on Wednesday, 18 December 2013 to consider and, if deemed fit, to approve the Scheme.

Dematerialised Shareholders holding Shares, other than with "own name" registration, must inform their CSDP or Broker of their intention to attend the Ordinary General Meeting and request their CSDP or Broker to issue them with the necessary letter of representation and/or form of proxy to attend the Ordinary General Meeting in person and vote (or abstain from voting) or provide their CSDP or Broker with their instructions should they not wish to attend the Ordinary General Meeting in person. Letters of representation must be lodged with the Transfer Secretaries by the commencement of the Ordinary General Meeting (including any adjournment or postponed meeting). These Shareholders must **not** use this form of proxy.

I/We (full name/s in BLOCK LETTERS)

Of (Address in BLOCK LETTERS)

Telephone number (Work) (Area code)

Mobile number

being the holders of Ordinary Shares in the capital of Adcock Ingram, and entitled to vote, do hereby appoint (see note):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the Ordinary General Meeting,

as my/our proxy to represent and act for me/us at the Ordinary General Meeting (including any adjourned or postponed meeting) for purposes of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at each adjournment or postponement thereof; and to vote for and/or against such resolutions and/or abstain from voting in respect of the Adcock Ingram Shares registered in my/our name in accordance with the following instructions, and otherwise in accordance with the Companies Act, the MOI and the terms of the attached notes:

	Number of Adcock Ingram Ordinary Shares		
	For	Against	Abstain
Special Resolution number 1 Approval of the Scheme in terms of sections 114 and 115 of the Companies Act			
Special Resolution number 2 Revocation of Special Resolution Number 1 if Scheme is terminated			
Ordinary Resolution Authority granted to directors			

Please indicate in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain from voting as he/she deems fit.

Signed at _____ on _____ 2013

Signature _____

Assisted by (where applicable) _____

Each Adcock Ingram Shareholder is entitled to appoint one or more proxies (who need not be an Adcock Ingram Shareholder but must be natural persons) to attend, speak at and vote (or abstain from voting) in place of that shareholder at the meeting.

Please see the notes on the reverse side hereof.

Notes to the form of proxy:

1. This form of proxy must only be used by Certificated Shareholders or Shareholders who hold dematerialised Shares in their "own name".
2. Shareholders who hold Dematerialised Shares other than in their "own name" and who wish to attend the Ordinary General Meeting in person, may do so by requesting the registered holder, being their CSDP, Broker or nominee, to issue them with a letter of representation and/or form of proxy.
3. Shareholders who hold Dematerialised Shares, other than in their "own name" and who do not wish to attend the Ordinary General Meeting in person but wish to vote (or abstain from voting) thereat, must provide the registered holder, being the CSDP, Broker or nominee, with their instructions. The instructions must reach the registered holder in sufficient time to allow the registered holder to exercise such vote on your behalf.
4. Shareholders are reminded that the onus is on them to communicate with their CSDP or Broker.
5. A Shareholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairperson of the Ordinary General Meeting", but any such deletion or insertion must be initialled by the shareholder. Any insertion or deletion not complying with the foregoing will, subject to 10 below, be declared not to have been validly effected. A proxy need not be an Adcock Ingram Shareholder. The person whose name stands first on this form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairperson of the Ordinary General Meeting.
6. Please note that the person presiding at the Ordinary General Meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder, or as a proxy for a Shareholder, has been reasonably verified. Accordingly, meeting participants (including Shareholders and proxies) must provide satisfactory identification.
7. A Shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A Shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the Shareholder in the appropriate box(es). An "X" in the appropriate box indicates the maximum number of votes exercisable by that Shareholder. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he/she deems fit in respect of all the Shareholder's votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her/its proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of votes exercisable by the Shareholder or by his/her proxy.
8. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote, as he/she deems fit, on any other resolution which may validly be proposed at the meeting, including in respect of any proposed amendment to the above resolutions. If the foregoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form of proxy is attached.
9. A vote given in terms of an instrument of proxy shall be valid in relation to the meeting, notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the Shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the Company Secretary before the commencement of the Ordinary General Meeting.
10. The chairperson of the Ordinary General Meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
11. The completion and lodging of this form of proxy will not preclude the relevant voting rights holder from attending the meeting and speaking and voting (or abstain from voting) in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
12. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy, unless previously recorded by Adcock Ingram or unless this requirement is waived by the chairperson of the Ordinary General Meeting.
13. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by Adcock Ingram.
14. Where there are joint holders of shares:
 - Any one holder may sign this form of proxy.
 - The vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of Shareholders appear in the Register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s).
15. To be effective, completed forms of proxy should be:
 - (i) lodged with or mailed to Computershare Investor Services Proprietary Limited
 - Hand deliveries to:**
Ground Floor, 70 Marshall Street
Johannesburg, 2001
 - Postal deliveries to:**
PO Box 61051
Marshalltown, 2107
 - to be received by 10h30 on Friday, 13 December 2013 (or not less than 48 hours before any adjourned or postponed meeting); or
 - (ii) lodged with or mailed to Adcock Ingram, 1 New Road, Midrand, Gauteng (marked for the attention of the Company Secretary), to be received after the time last specified in (i) above but up to at least 10 minutes before the commencement of the Ordinary General Meeting (including any adjourned or postponed meeting); or
 - (iii) handed to the chairperson of the Ordinary General Meeting up to 10 minutes before that Ordinary General Meeting (including any adjourned or postponed meeting), provided that, should the relevant Shareholder return such form of proxy in terms of (ii) above, the relevant shareholder will also be required to furnish a copy of such form of proxy to the chairperson of the Ordinary General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the Ordinary General Meeting (including any adjourned or postponed meeting).
16. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
17. A proxy may not delegate his/her authority to act on behalf of the Shareholder, to another person.

SUMMARY OF APPLICABLE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT

For purposes of this summary, the term “shareholder” shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at, a shareholders’ meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate the proxy’s authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.2 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy:
 - 4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and
 - 4.2 should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date:
 - 5.1 stated in the revocation instrument, if any; or
 - 5.2 upon which the revocation instrument is delivered to the proxy and the relevant company.
6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company’s memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to:
 - 6.1 the shareholder; or
 - 6.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the relevant company or the instrument appointing the proxy provides otherwise.
8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised and must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act;
 - 8.2 the company must not require that the proxy appointment be made irrevocable; and
 - 8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act (see paragraph 5 above).



Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)

Registration number: 2007/016236/06

Share code: AIP ISIN: ZAE000123436

("Adcock Ingram" or "the Company")

FORM OF ELECTION, SURRENDER AND TRANSFER IN RESPECT OF THE SCHEME

TO BE COMPLETED BY HOLDERS OF CERTIFICATED ADCOCK INGRAM ORDINARY SHARES ONLY

Important notes concerning this form:

- This form is only for use in respect of the scheme of arrangement in terms of section 114 of the Companies Act, 2008, proposed by Adcock Ingram Board between Adcock Ingram and Adcock Ingram Ordinary Shareholders (other than the holder of Treasury Shares) in terms of which, if implemented CFR Inversions will acquire all of the Scheme Shares from the Scheme Participants and each Scheme Participant will receive the Scheme Consideration.
- Full details of the Scheme are contained in the Circular to Shareholders of Adcock Ingram dated 18 November 2013 (**Circular**), to which this form is attached. Accordingly, all definitions and terms used in this form shall, unless the context otherwise requires or they are otherwise defined herein, have the meaning attributed to them in the Circular.
- **A shareholder is not entitled during the period from commencement of trade on the first Business Day following the Scheme LDT until the Scheme Implementation Date to sell CFR Shares on the JSE unless a valid election has been submitted by him or on his behalf, in terms of paragraphs 1.3, 2.2 or 3.2 (as relevant) of the section entitled "Action Required by Adcock Ingram Shareholders" commencing on page 10 of the Circular, in which event he shall be entitled to sell no more than that number of CFR Shares equal to the lower of: (a) the number of CFR Shares that he would have received if he had elected to receive the Scheme Consideration in the Relevant Ratio for all his Scheme Shares and (b) the Relevant Number of CFR Shares multiplied by the number of Scheme Shares for which he has elected the Share Consideration.**
- **HOLDERS OF DEMATERIALISED ADCOCK INGRAM ORDINARY SHARES MUST NOT COMPLETE THIS FORM.**

INSTRUCTIONS:

2. You must complete this form in full and return it to the Transfer Secretaries, being Computershare Investor Services Proprietary Limited, either by hand to 70 Marshall Street, Johannesburg, 2001, or by post to PO Box 61763, Marshalltown, 2107, by no later than 12h00 on the Business Day before Scheme Record Date.
2. A separate form is required for each Scheme Participant.

PART A: To be completed by ALL Scheme Participants who return this form.

Dear Sirs

I/We, the undersigned Scheme Participant, confirm that I/we

- (a) hold Adcock Ingram Ordinary Shares; **[to be completed by the Scheme Participant]**
- (b) have full legal capacity to contract and, being in possession of a copy of the Circular and the Prospectus or being aware of the contents thereof, hereby irrevocably elect to receive the Share Consideration (in respect of which I/we warrant that I am/we are not a Cash-Only Shareholder as contemplated in the definition of a Cash-Only Shareholder and in paragraphs 6.3.1 to 6.3.6 of the Circular), and/or the Cash Consideration as follows (subject to the provisions set out below):

	Number of Adcock Ingram Ordinary Shares
Share Consideration (of the Relevant Number of CFR Shares (approximately 31.5 CFR Shares) for every one Adcock Ingram Share) in respect of:	
Cash Consideration (of ZAR73.51 for every one Adcock Ingram Share) in respect of:	

PROVIDED THAT:

- You can elect to receive the Cash Consideration, the Share Consideration, or a combination of the two.
- In the absence of an election by you or should you fail to complete and deliver the Form to the Transfer Secretaries by 12h00 on the Business Day before Scheme Record Date, you will be deemed to have elected to receive the entire Scheme Consideration in the Relevant Ratio as defined in the Circular.
- A Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 6.8 of the Circular after 12h00 on the Scheme Record Date is deemed to have elected to receive the entire Scheme Consideration in a combination of cash and CFR Shares in the Relevant Ratio.
- Your election is subject to the provisions governing the Maximum Cash Consideration and Maximum Share Consideration in paragraph 6.3 of the Circular read with Annexure 22.

Scheme Participants should be aware that their elections may not be given effect to in full, and are dependent on the aggregation of the elections and deemed elections made by all Scheme Participants.

Signature of Adcock Ingram Ordinary Shareholder/ Scheme Participant	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date 2013	
Telephone number (Home) ()	
Telephone number (Work) ()	
Cellphone number	

NOTES TO PART A:

1. Applications under this form are irrevocable and may not be withdrawn once submitted.
2. Scheme Participants should consult their professional advisers in case of doubt as to the correct completion of this form.
In terms of section 95(1)(h) of the Companies Act, the offer to Adcock Ingram Ordinary Shareholders, in terms of the Scheme, to receive the Share Consideration as a part or the whole of their Scheme Consideration constitutes an offer to the public, and a prospectus is required to be registered in terms of section 99(3)(a)(ii) of the Companies Act. The Prospectus was registered by the Companies and Intellectual Properties Commission on 15 November 2013. Pursuant to section 108(1) of the Companies Act, a company that has offered securities to the public must not allot such securities or accept any subscription for any of those securities unless: (a) the subscription has been made on an application form that has been attached to or accompanied by a prospectus or (b) it is shown that the applicant, at the time of the application, was in fact in possession of a copy of the Prospectus or was aware of its contents. This form constitutes the application form contemplated in section 108(1)(a) of the Companies Act.
4. If this form is returned to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, it will be treated by CFR as a conditional offer of subscription which is made subject to the Scheme becoming operative. In the event of the Scheme not becoming operative for any reason whatsoever, the offer for subscription for the Share Consideration shall lapse.
5. Persons who have acquired Adcock Ingram Ordinary Shares after the date of the issue of the Prospectus can obtain copies of the form, the Circular and the Prospectus from the Transfer Secretaries of Adcock Ingram, being Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).
6. If the instructions set out in this form, the Prospectus and Circular are not fully complied with, CFR reserves the right to accept such applications in whole or in part at its discretion.
7. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this form.
8. Any alteration to this form must be signed in full and not initialled.
9. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form for noting (unless it has already been noted by Adcock Ingram or the Transfer Secretaries). This does not apply in the event of this form bearing a JSE broker's stamp.
10. Where the Scheme Participant is a company or a close corporation, unless it has already been registered with Adcock Ingram or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form must be submitted if so requested by Adcock Ingram and/or CFR.
11. If this form is not signed by the Scheme Participant, such Scheme Participant will be deemed to have irrevocably appointed by Adcock Ingram, as principal, with the power of substitution to implement the Scheme Participant's obligations under the Scheme on his/her behalf.
12. Where there are any joint holders of any Scheme Shares, only that holder whose name stands first in the register in respect of such Scheme Shares need sign this form.
13. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.

PART B: To be completed by all scheme participants in addition to Part A.

SECTION 1

Dear Sirs

I/We hereby surrender the Adcock Ingram share certificate/s and/or other enclosed documents of title, representing Adcock Ingram Ordinary Shares with a par value of 10 cents each, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the Scheme being implemented, to register the transfer of these Adcock Ingram Ordinary Shares into the name of CFR Inversiones:

Name of Adcock Ingram Shareholder	Certificate number(s)	Number of Adcock Ingram Ordinary Shares covered by each certificate(s) enclosed
Total		

SIGNATURE CLAUSE AND DETAILS

	Stamp and address of agent lodging this form (if any)
Signature of certificated shareholder	
Assisted by me (if applicable)	
State full name and capacity	
Date 2013	
Telephone number (Home) ()	
Telephone number (Work) ()	
Cellphone number	

SECTION 2

To be completed in BLOCK CAPITALS by certificated Scheme Participants if they wish the Scheme Consideration to be sent to an address different from their registered address.

Surname or Name of corporate body
First names (in full)
Title (Mr, Mrs, Miss, Ms, etc)
Address to which the Scheme Consideration should be sent (if different from registered address)
Postal code

SECTION 3

To be completed in BLOCK CAPITALS by certificated Scheme Participants wishing to receive payment of Cash Consideration by means of the electronic transfer of funds. The option of electronic payment into an Adcock Ingram Ordinary Shareholder's bank account is only applicable if documents of title are received on or before 12h00 on the Business Day before the Scheme Record Date (or such other date as may be announced).

I/We, being a holder/s of Adcock Ingram Ordinary Shares, hereby request that the Cash Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third party accounts):
Bank name:
Branch name:
Branch code:
Account number:
Signature of Adcock Ingram Ordinary Shareholder:
Assisted by me (if applicable):
(State full name and capacity):
Date:
Telephone number (Home): ()
Telephone number (Work): ()
Cellphone number:

In terms of FICA, Computershare Investor Services Proprietary Limited will only be able to record the banking details if the following documents are submitted together with the form:

- a certified copy of the Adcock Ingram Ordinary Shareholder's ID document; and
- a certified true copy of the Adcock Ingram Ordinary Shareholder's bank statement.

SECTION 4

To be completed in BLOCK CAPITALS by certificated Scheme Participants who are emigrants from the Common Monetary Area and non-residents of the Common Monetary Area (see notes 1 and 2).

The Scheme Consideration will be forwarded to the Authorised Dealer in foreign exchange in South Africa controlling the emigrant's blocked assets in terms of the Exchange Control Regulations as nominated below for its control and credited to the emigrant's blocked assets account. Accordingly, Scheme Participants who are emigrants must provide the following information:

Name of authorised dealer:
Account number:
Address:
Signature of authorised dealer:

If emigrants make no nomination above, the Scheme Consideration will be held in trust by Adcock Ingram (or any third party nominated by it for this purpose) for the benefit of the Scheme Participants concerned, until lawfully claimed by such Scheme Participants, for a maximum period of three years, after which such consideration shall be made over to the Guardians Fund. For the avoidance of doubt, no additional interest will accrue pursuant to this paragraph for the benefit of the Scheme Participants on the consideration held by Adcock Ingram. Non-residents must complete Section 4 if they wish the Scheme Consideration to be paid, to an authorised dealer in South Africa.

NOTES TO PART B:

1. Emigrants from the Common Monetary Area must complete Section 4 of this Part B.
2. All other non-residents of the Common Monetary Area must complete Section 4 of this Part B if they wish the Cash Consideration to be paid to an Authorised Dealer in South Africa.
3. If this form is returned with the relevant document(s) of title to Adcock Ingram, it will be treated as a conditional surrender which is made subject to the Scheme becoming operative. In the event of the Scheme not becoming operative for any reason whatsoever, the Transfer Secretaries will, by not later than five Business Days after the date upon which it becomes known that the Scheme will not be operative, return the documents of title to the Adcock Ingram Ordinary Shareholders concerned, by registered post, at the risk of such Adcock Ingram Ordinary Shareholders.
4. Persons who have acquired Adcock Ingram Shares after the date of the issue of the Circular to which this form is attached can obtain copies of the form and the Circular from the Transfer Secretaries, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).
5. The Scheme Consideration will not be sent to Certificated Scheme Participants unless and until documents of title in respect of the relevant Scheme Shares have been surrendered to the Transfer Secretaries.