




Table of Contents 

Sections
At a Glance
Operating Environment & Strategy
Financial Results
Business Performance
Pharmaceuticals (OTC and prescription)
Hospital (critical care)
Outlook

Group Interim Results for the six month period ended, 31 March 2011

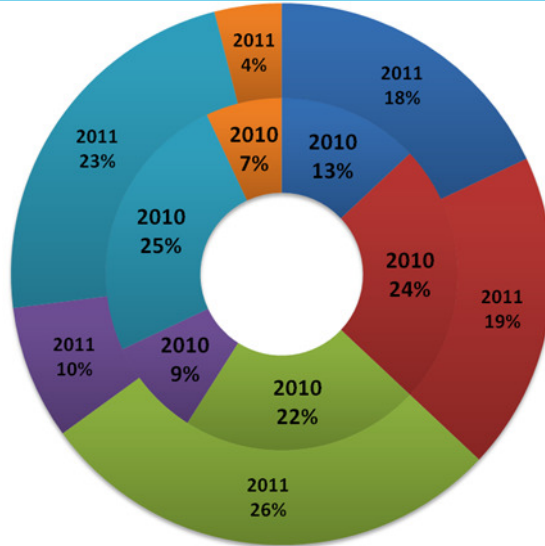
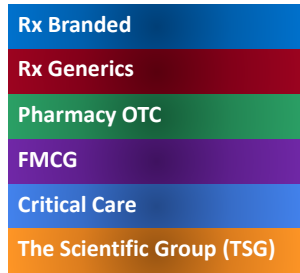


AT A GLANCE		adcock ingram
Salient Financial Features		
Turnover	↑	14% to R2.2 billion
EBITDA	↑	3% to R580 million
HEPS	↓	1% to 221.3 cents
Distribution per share	↑	4% to 81 cents

Group Interim Results for the six month period ended, 31 March 2011

AT A GLANCE

Revenue by Division – 6 Months



Strong performance in OTC and Prescription with challenges in Hospital and Public Sector

Group Interim Results for the six month period ended, 31 March 2011

AT A GLANCE

Operating Environment



Operating Environment:

- Strength of the Rand benefited the business
- API prices stable but other input costs affecting the business
- Low inflationary environment continues
- Robust competition across all sectors but Adcock gaining share

Regulatory Environment:

- National Health Insurance (NHI) is still firmly on the agenda
- Consumer Protection Act implemented
- Medicines Control Council (MCC) delays in registrations and factory accreditations continue
- MCC cancels registration of Sibutramine and DPP-containing medicines

Logistics Fees:

- Gazetted for comment by the Department of Health (DoH) in March
- Industry Bodies have responded
- Fees at 6% remain a problem

Low priced, high volume, heavy (liquid) preparations
(Product B)

vs.

High priced, low volume, low weight products
(Product A)



International Benchmark Pricing:

- Extensive engagement with DoH continues
- Submissions delayed until July 2011
- Focus on multinational companies (MNC) branded products under patent, generics delayed
- Schedule 0 products exempt

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

Public Sector & ARVs



- Critical Care Intravenous (IV) Fluids Tender runs to February 2012
 - Volumes overall are 8% ahead of Tender estimates for year one
 - Stock levels negatively impacted by upgrade
- Pharma Non-ARV Tenders
 - Value growth 33% and Volume growth 59%
- New ARV 2 year Tender announced in December 2010
 - Adcock Ingram won 4% by value and 3.22% by volume
 - Prices and margins extremely low
 - Supply challenges with certain products from certain companies
- Private sector ARV market remains buoyant
- Adcock Ingram's first dual combination drugs finally registered
 - Adco Lamivudine Zidovudine (Lamivudine 150mg/Zidovudine 300mg)
 - Adco Emtevir (Emtricitabine 200mg/Tenofovir 300mg)
 - Growth in the Private Sector and targeting market share improvements

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

DPP



Background

- DPP withdrawn from EU as the benefits of dextropropoxyphene did not outweigh its risks
- In US, Multiple Ascending Dose (MAD) study showed that the drug can cause serious toxicity to the heart, even when used at therapeutic doses of 600 mg daily, the maximum permissible dose in the US
- The FDA has concluded that the safety risks of propoxyphene outweigh its benefits for pain relief at recommended doses
- We await comprehensive reasons from the MCC as to why it decided to cancel the registration of our DPP containing medicines as their formulations are different to those tested in the US
- South African epidemiological data do not support this decision

Process to date

- The pharmacovigilance committee of MCC asked on 13 August 2010 for a motivation as to why the DPP containing products should not be withdrawn from the South African market – the company replied
- On 8 December 2011 the company receives a letter from the MCC citing an intention to withdraw DPP containing medicines

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY



DPP continued

Clinical Trial in India

- Delays in local approval of cardiotoxicity study have resulted in moving the study to an internationally approved ICH site in India with the ability to measure QT prolongation
- DPP dosing study with echocardiogram (ECG) and blood-level monitoring
- Intend to still pursue larger safety studies in South Africa

MCC appeal process

- Medicines Act makes provision to appeal a resolution of Council
- Once appeal is submitted to Minister, a committee of scientific, medical and legal experts will be constituted
- Appeal Committee will examine all available data, and will request representation from appellant
- Duration of appeal depends on DoH internal processes

Possible outcomes

- Appeal Committee may confirm, set aside or vary the decision of Council and will direct the Council to execute the decision of the Appeal Committee
- A positive outcome will mean the product will continue to be available in the market
- A negative outcome will result in a three month period for prescribers and patients to find alternative therapeutic options

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY



DPP – Making changes

Patient Safety

- Package inserts – updated to reflect current safety concerns and to alert patients to the precautions they need to take
- Introduced smaller pack sizes (from 100 tablets per pack to 30 and 40 tablet pack sizes)
- Developed a patient information leaflet
- Placed a warning on the outer pack, and a widespread education campaign to healthcare providers
- Adcock Ingram has engaged and continues to engage with prescribing doctors and pharmacists to update them on the current safety concerns



Adcock Ingram putting patient safety first

Group Interim Results for the six month period ended, 31 March 2011

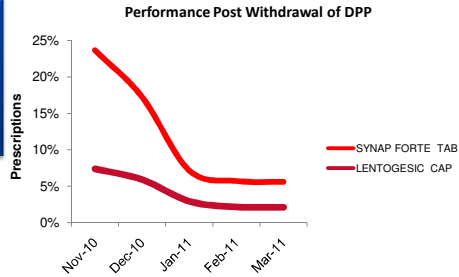
OPERATING ENVIRONMENT & STRATEGY

Pain Portfolio



DPP - what next.....

- Leverage other analgesic alternatives within Adcock Ingram Portfolio.
- In-Source New Technologies
- Synaleve has been identified as an additional alternative to support prescriber demand based on an increase in the demand for similar products
- Synaleve contains three active ingredients in alleviating pain and musculoskeletal tension



Source: Impact Rx March 2011



- Each capsule contains:
- 400mg Paracetamol
 - 200mg Meprobamate
 - 8mg Codeine

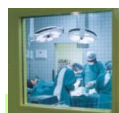


Adcock Ingram still the leader in pain management

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

TOTAL PHARMACY MARKET



PRIVATE SECTOR

Value: R28.2bn
(Growth = 10.2%)
Counting Units (CU): 44.9bn
(Growth = 19.2%)

Value: R2720m * [9.7%]
(Growth = 8.2%)
Counting Units (CU): 9880m * [22%]
(Growth = 35.7%)



PUBLIC SECTOR

Value: R23.3bn = 82.8%
(Growth = 9.2%)
CU: 25.9bn = 57.8%
(Growth = 3.9%)

Value: R2363m = 86.8% * [10.1%]
(Growth = 11%)
CU: 8099m = 82% * [31.2%]
(Growth = 22.2%)

Value: R4.8bn = 17.2%
(Growth = 14.9%)
CU: 19bn = 42.2%
(Growth = 49.3%)

Value: R358m = 13.2% * [7.4%]
(Growth = -7.2%)
CU: 1781m = 18% * [9.4%]
(Growth = 174.2%)



PRESCRIPTION

Value: R17.1bn = 73.2%
(Growth = 9.4%)
CU: 7.1bn = 27.2%
(Growth = 5.6%)

Value: R1172m = 49.6% * [6.9%]
(Growth = 8.4%)
CU: 959m = 11.8% * [13.6%]
(Growth = 5.1%)

OTC (OVER THE COUNTER)

Value: R6.3bn = 26.8%
(Growth = 8.7%)
CU: 18.9bn = 72.8%
(Growth = 3.3%)

Value: R1190m = 50.4% * [19%]
(Growth = 13.6%)
CU: 7140m = 88.2% * [37.8%]
(Growth = 24.9%)



Original R&D products- (Patented & Non-patented original branded > Sch 3)



Value: R11.1bn = 65.2%
(Growth = 6.9%)
CU: 2.4bn = 33.7%
(Growth = 1.7%)

Value: R632m = 53.9% * [5.7%]
(Growth = 5.9%)
CU: 400m = 41.7% * [16.8%]
(Growth = 3.1%)

Generics (Off patent > Sch 3)

Value: R5.9bn = 34.8%
(Growth = 14.4%)
CU: 4.7bn = 66.3%
(Growth = 7.7%)

Value: R540m = 46.1% * [9.1%]
(Growth = 11.4%)
CU: 559m = 58.3% * [11.9%]
(Growth = 6.6%)



Source: IMS TPM - MAT March 2011, IMS ISA - MAT March 2011

South Africa

Adcock Ingram

* [] Adcock Ingram Market Share

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

FMCG Market Performance



Category	Volume Size	Volume Growth			AI Vol Share Growth	Value Size R	Value Growth			
		Market	AI Volume Share	AI Vol Share Growth			Market	AI Value Share	AI Value Share Growth	
ANALGESICS Panado Compral	807 m	-1.0%	25.6%	0.6	↑	1,062 m	6.0%	28.4%	-0.8	↓
VMS & TONICS Bioplus Vita-thion Gummyvites Unique	20 m	16.3%	31.3%	2.0	↑	941 m	9.4%	10.2%	1.3	↑
				4.5					3.4	
DSUR's Citro Soda	235 m	-1.2%	8.6%	0.6	↑	457 m	8.7%	13.0%	0.3	↑
COUGH DROP & LOZ Cepacol	30 m	-5.0%	1.5%	0.1	↑	285 m	2.8%	3.6%	0.1	↑
LCCIRS LCC Expigen	127 m	0.4%	8.4%	-1.4	↓	414 m	7.2%	6.1%	-1.1	↓
TOTAL HEALTHCARE (AI categories)	1,219 m	-0.7%	20.0%	0.0	↑	3,159 m	7.7%	15.6%	1.0	↑

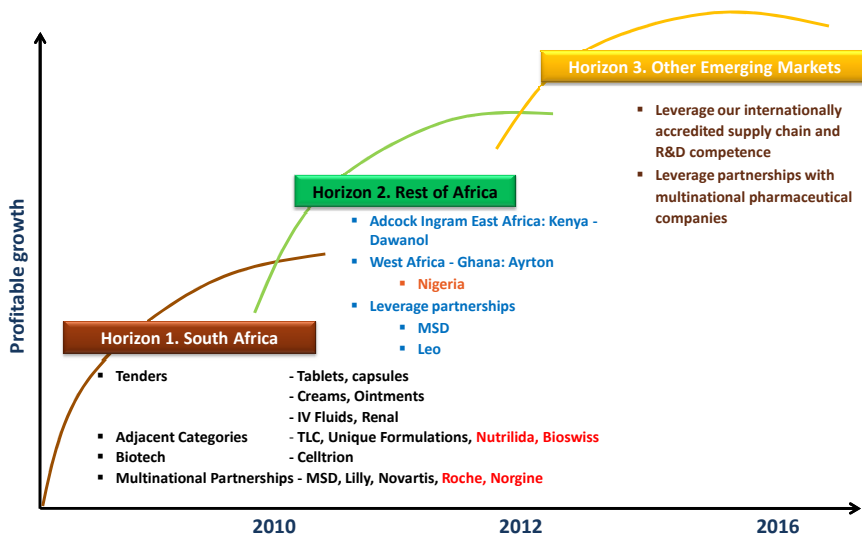
Strong brand equity, innovation and point of purchase focus drives share growth

Source: AC Nielsen March 2011

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

Three Horizons of Growth



Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

Acquisitive Growth – Adjacent Categories



The acquisition of Nutrilida is subject to Competition Commission approval

Acquisitions drive innovation and growth in new segments

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

Acquisitive Growth – Adjacent Categories



- Acquisition of 51% stake in Bioswiss, a specialised company that distributes a range of human biosimilar insulins and diabetic diagnostic products
- Entry into high growth adjacent category with Adcock Ingram's first exposure to the biosimilar insulin market
- Strategic Partnership with Bioswiss and an international supplier will grow the franchise with new products over time



An affordable alternative for diabetic patients

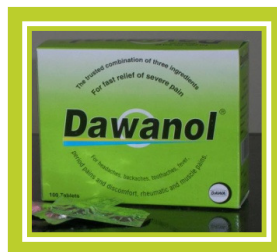
Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

Rest of Africa Update



- **Adcock Ingram East Africa:**
 - Core business growing at 70% year-on-year
 - Dawanol growing in Kenya and Uganda, also launched in other African markets
 - Progress made in submitting further new product registrations in Kenya and surrounding countries
- **Ghana:**
 - Shareholding in Ayrton increased to more than 71%
 - 13 products registered
 - Ayrton leveraging group's manufacturing competence:
 - Certain products to be manufactured in India
 - New tablets and liquids manufacturing facility to be commissioned in Accra
- **Multinational partnerships:**
 - Collaboration with MSD successfully rolled out in Kenya and Ghana
 - Leo Dermatology Portfolio established
 - Two new partnerships in process
- **Nigeria:**
 - Opportunities under consideration



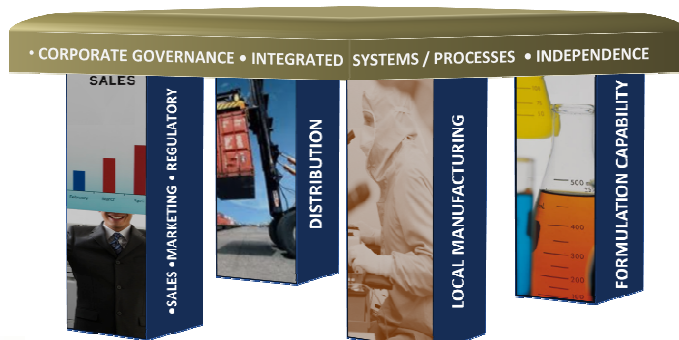
Current Registrations	206
Registrations anticipated in 2011	59
Projected Registrations by 2015	500

23 out of 59 dossiers have been registered

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

Why do multinationals partner with Adcock Ingram



Multinational Partner of Choice Strategy

Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

CAPEX Programme



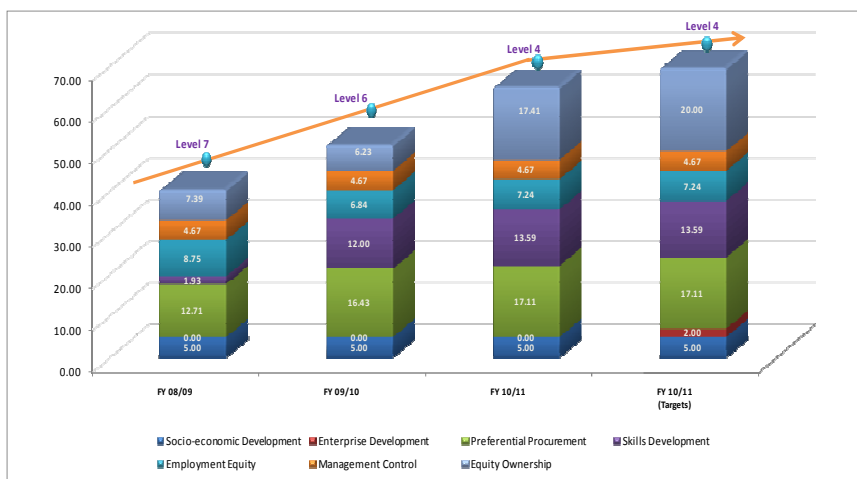
CAPITAL EXPENDITURE R'm								
	F2009	F2010	F2011	F2012	F2013	F2014	F2015	TOTAL CAPEX
Aeroton	50.1	127.5	99.2	20.0	36.1	10.6	20.2	363.7
Bangalore	13.0	9.0	11.6	5.8	4.5	5.3	8.3	57.5
Clayville	31.8	117.8	276.9	128.7	20.0	35.0	36.5	646.7
Wadeville	67.2	42.5	49.1	60.0	14.6	12.2	22.5	268.1
Distribution & other	66.5	36.2	12.7	74.7	36.8	0	0	226.9
TOTAL	228.6	333.0	449.5	289.2	112.0	63.1	87.5	1,562.9



Group Interim Results for the six month period ended, 31 March 2011

OPERATING ENVIRONMENT & STRATEGY

Transformation Scorecard



Adcock Ingram fully empowered

Group Interim Results for the six month period ended, 31 March 2011



FINANCIAL RESULTS		adcock ingram		
Income Statement				
	6 Months 2011 R'm	6 Months 2010 R'm	VAR %	
Turnover	2,152.3	1,884.4	14%	
Gross Profit	1,059.0	994.9	6%	
Gross Profit %	49%	53%		
Results of Operating Activities	526.2	521.8	1%	
Income from Investments	7.5	6.4		
Net Financing Income	20.4	6.4		
Profit before Tax	554.1	534.6	4%	
Income Tax Expense	(165.7)	(143.8)		
Profit After Tax	388.4	390.8		
(Loss)/profit after tax for the period from a discontinued operation	(28.2)	7.9		
Non-controlling interests	(6.9)	(5.0)		
Net Profit	353.4	393.7		
HEPS (cents) – continuing operations	221.3	223.1	(1%)	
HEPS (cents) – total operations	221.5	226.5	(2%)	

Group Interim Results for the six month period ended, 31 March 2011

FINANCIAL RESULTS
Segmental Analysis


Continuing operations		6 Months 2011 R'm	+%	6 Months 2010 R'm
OTC	Turnover	803.5	26.6	634.8
	Gross Profit	479.7	26.7	378.7
	GP%	59.7%		59.7%
	Operating profit	289.4	39.2	207.9
	OP%	36.0%		32.8%
PRESCRIPTION	Turnover	826.5	10.4	748.7
	Gross Profit	416.0	(1.6)	423.0
	GP%	50.3%		56.5%
	Operating profit	167.7	(17.7)	203.8
	OP%	20.3%		27.2%
HOSPITAL	Turnover	522.3	4.3	500.9
	Gross Profit	163.3	(15.5)	193.2
	GP%	31.3%		38.6%
	Operating profit	69.1	(37.2)	110.1
	OP%	13.2%		22.0%

Group Interim Results for the six month period ended, 31 March 2011

FINANCIAL RESULTS
Statements of cash flow


	6 Months 2011 R'm	6 Months 2010 R'm
Operating profit	531	533
Adjusted for:		
Depreciation and amortisation	57	44
(Decrease) /increase in provisions	(51)	(29)
Equity share-based expenses	4	0
Cash operating profit	538	548
Working capital changes	(274)	1
Cash generated from operations	264	549
Net Financing Income	20	6
Dividends Received	7	6
Taxation Paid	(171)	(155)
Dividends Paid	(198)	(140)
Net cash (outflow)/inflow from operating activities	(78)	266
Cash flows from investing activities	(131)	(153)
Cash flows from financing activities	(111)	112
Net (decrease)/increase in cash and cash equivalents	(320)	225

Group Interim Results for the six month period ended, 31 March 2011

FINANCIAL RESULTS
Statements of financial position


	March 2011 R'm	Sept 2010 R'm
NON-CURRENT ASSETS	1,541	1,456
Property, Plant & Equipment	983	857
Intangible assets	389	424
Investments	139	139
Investment in associate	12	12
Deferred Taxation	18	24
CURRENT ASSETS	3,015	3,301
Inventories	732	719
Trade Receivables	1,020	1,005
Other Receivables	153	146
Cash and cash Equivalents	1,110	1,431
CURRENT LIABILITIES	1,241	1,189
Short-term Borrowings	400	127
Trade accounts payable	434	412
Other Payables and Provisions	391	629
Taxation	16	21
NET CURRENT ASSETS	1,774	2,112
TOTAL ASSETS	3,315	3,568

Group Interim Results for the six month period ended, 31 March 2011

FINANCIAL RESULTS
Statements of financial position continued


	March 2011 R'm	Sept 2010 R'm
EQUITY AND NON-CURRENT LIABILITIES		
Share Capital and Premium	935	1,208
Non-distributable Reserves	332	349
Retained Income	1,536	1,358
TOTAL SHAREHOLDERS' FUNDS	2,803	2,915
Non-controlling interests	131	159
TOTAL EQUITY	2,934	3,074
Long-term borrowings	341	454
Deferred Tax	23	24
Post-retirement medical liability	17	16
TOTAL EQUITY AND LIABILITIES	3,315	3,568

Group Interim Results for the six month period ended, 31 March 2011

FINANCIAL RESULTS
Ratio Analysis


	March 2011	Sept 2010	March 2010
CONTINUING OPERATIONS			
Operating Margin (%)	24.4%	28.3%	27.7%
Gross Margin (%)	49.2%	53.3%	52.8%
Effective tax rate	29.9%	33.1%	26.9%
Net shares in issue ('m)	169.0	173.7	173.8
NAV / Share (cents)	1,658.7	1,678.5	1,490.3
NTAV / Share (cents)	1,428.7	1,434.3	1,297.6
TOTAL OPERATIONS			
Working Capital per R1 Turnover (cents)	29.4	29.5	30.3
Inventory days	116.4	119.8	102.6
Trade accounts receivable days	62.9	57.8	58.3
Trade accounts payable days	65.4	58.5	46.9
Current ratio	2.4	2.8	2.8
Gross cash position (R m)	1,110	1,431	918
Net cash (R m)	369	850	496

Group Interim Results for the six month period ended, 31 March 2011

FINANCIAL RESULTS
Share buy back


Shares purchased	4 285 163
% of issued ordinary shares	2.46%
Total weighted cost per share	R58.0672
% of volume traded	47.4%

Group Interim Results for the six month period ended, 31 March 2011








BUSINESS PERFORMANCE: PHARMACEUTICALS

Overview: Pharmaceuticals

adcock ingram

- Market share improvements across the business
- Improved margins in core business, despite recent setbacks
- Investment into adjacent wellbeing category - NutriLida
- Collaboration with multinationals continues – including agreements in Sub-Saharan African countries
- OTC performs well in a tough market – VMS is the only market showing real growth in FMCG while pharmacy reflects a 3.3% real growth
- OTC growth coming from innovation, better penetration in bottom end channels, acquisitions and operational improvements
- Improving generics performance
- Investment in customer integration activities with broader offering

Despite recent set backs, balance of business performs strongly

Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Overview: Pharmaceuticals

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Connecting with the customer

Healthcare *Summit* 2011
Embracing Partnerships

adcock Ingram healthcare
PHARMACIST SUMMIT 2011

adcock Ingram healthcare
OTC COMPLEMENTARY ACADEMY

adcock Ingram healthcare
OTC PHARMACEUTICAL ACADEMY

adcock Ingram healthcare
OTC TRAINING ACADEMY

adconnect

adconnect OTC

Customer intimacy at various points of interaction

Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Over-The-Counter

adcock Ingram

New identity established for the range of products in the Digestive Wellbeing basket



- ✓ Drive AI credibility in category
- ✓ Bring new noise into category
- ✓ Consumer/customer education
- ✓ Establish thought leadership
- ✓ Grow category

Launch date: Oct 2010
+21% Digestive Wellbeing Portfolio Revenue growth YTD



Success of Cold & Flu basket approach leveraged into Digesticare

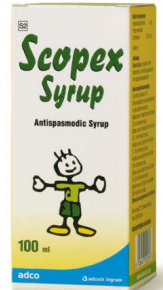
Source: Company Information

Group Interim Results for the six month period ended, 31 March 2011

Non-core brands benefit from promotion of the Digestive Wellbeing basket



Proposition:
3-in-1 diarrhoea specialist
+36% growth on prior YTD



Proposition:
Smooth out stomach cramps
+23% growth on prior YTD

Renewed promotion of non-core brands with strong functional benefits leads to solid growth

Source: Company Information

Group Interim Results for the six month period ended, 31 March 2011

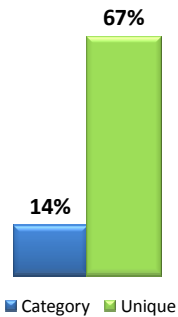
Consumer insights leads to new packaging



Objectives of the launch:

- ✓ Differentiate from competitors
- ✓ Simplify choice
- ✓ Grow penetration
- ✓ Target shopper

% MAT Value Growth



New packaging developed to address need states of the consumer

Source: ACNielsen February 2011

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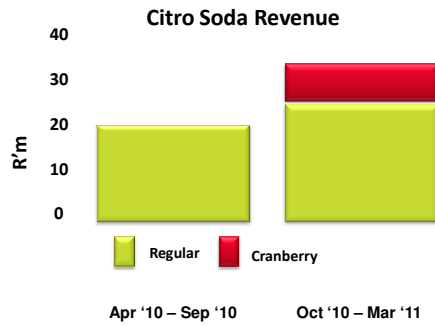
BUSINESS PERFORMANCE: PHARMACEUTICALS

Over-The-Counter



Citro-Soda Cranberry innovation to offer consumers an additional *functional* flavour

Launch date: Oct 2010
Revenue: R6m sales



New functional variant results in core brand growth

Source: Company Information

Group Interim Results for the six month period ended, 31 March 2011

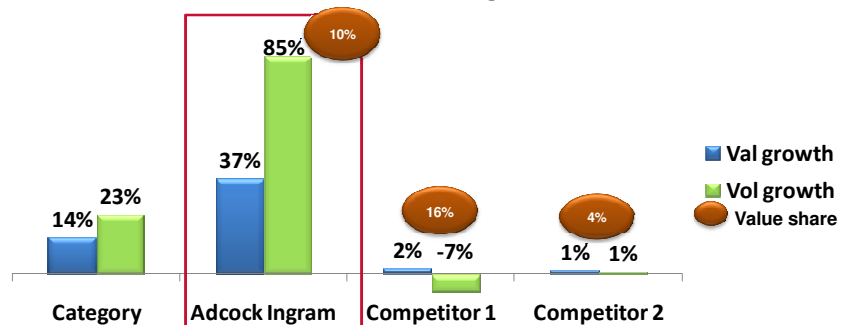
BUSINESS PERFORMANCE: PHARMACEUTICALS

Over-The-Counter



Comprehensive portfolio of brands positioned for various consumer need states drives growth

% MAT In-market growth



vita-thion® BIOPLUS



Wellbeing portfolio gaining further traction in FMCG

Source: ACNielsen February 2011

Group Interim Results for the six month period ended, 31 March 2011

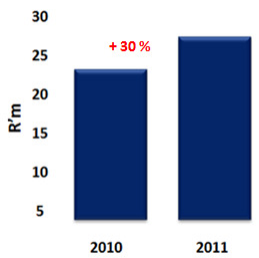
BUSINESS PERFORMANCE: PHARMACEUTICALS

Over-The-Counter

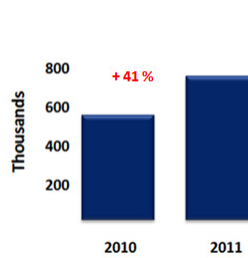


Range has been consolidated under a Beta Master Brand to better meet key stress-related needs

Beta-Range YTD Rand Value



Beta-range YTD Volume



Focus:

- ✓ Leverage a strong brand
- ✓ Leverage a consumer insight - STRESS

Umbrella branding and pack modernisation leads to growth

Source: Company Information

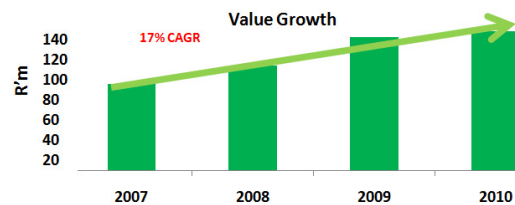
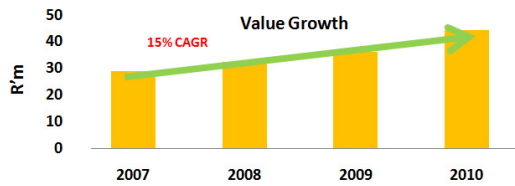
Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Over-The-Counter



During economic downturn, tried and trusted, value for money brands benefited from consumer support.



Value for money brands continue to show growth

Source: Company Information

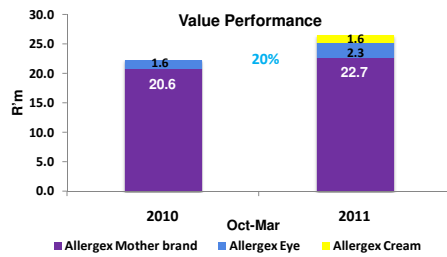
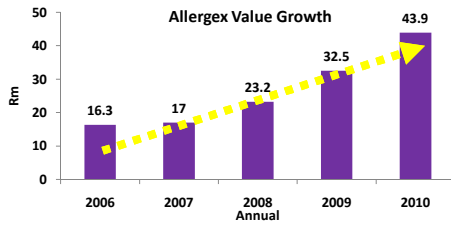
Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Over-The-Counter



Allergex successfully builds its umbrella brand through venturing into allergy eye drops and skin allergy



Umbrella branding drives growth

Source: Company Information

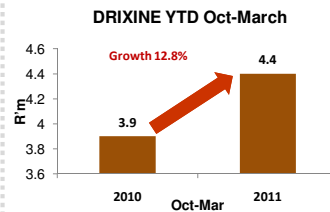
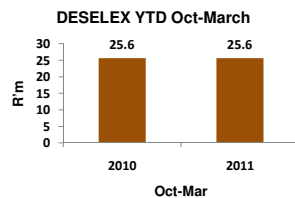
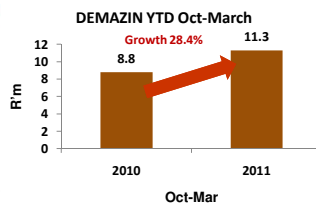
Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Over-The-Counter



MSD portfolio tracking ahead of budget at mid year, all key brands showing growth vs PY



Collaboration results in win/win positions for both partners

Source: Company Information and MSD

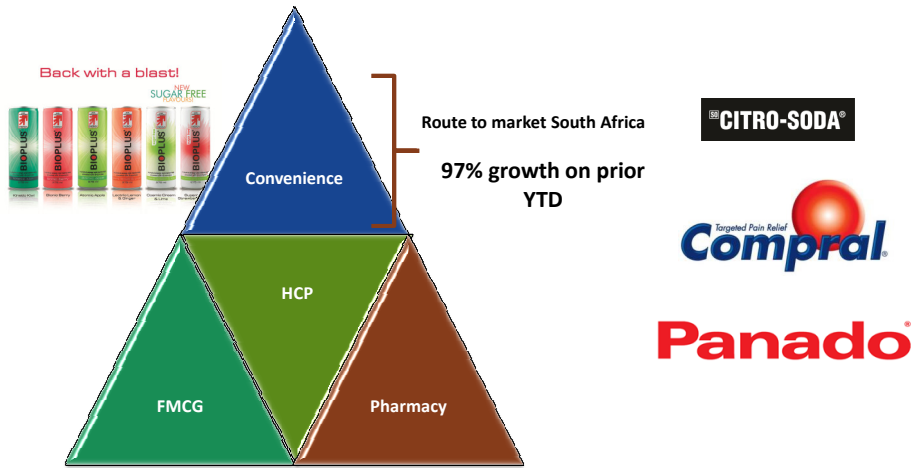
Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Over-The-Counter



Focus on lower LSM routes to market



Increased focus on under serviced channels drives growth

Source: Company Information

Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Over-The-Counter

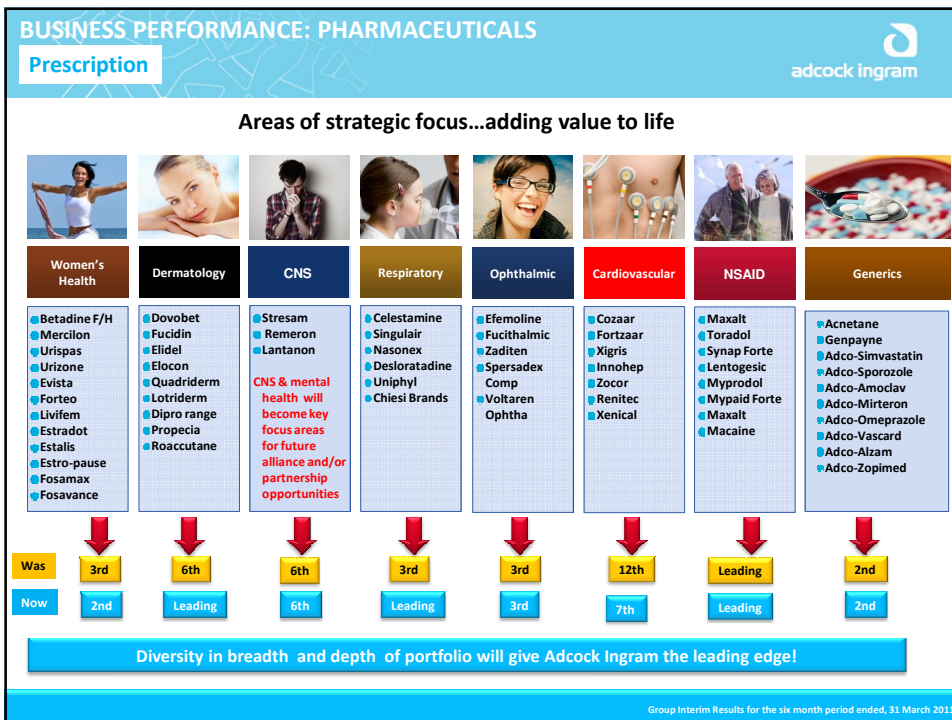
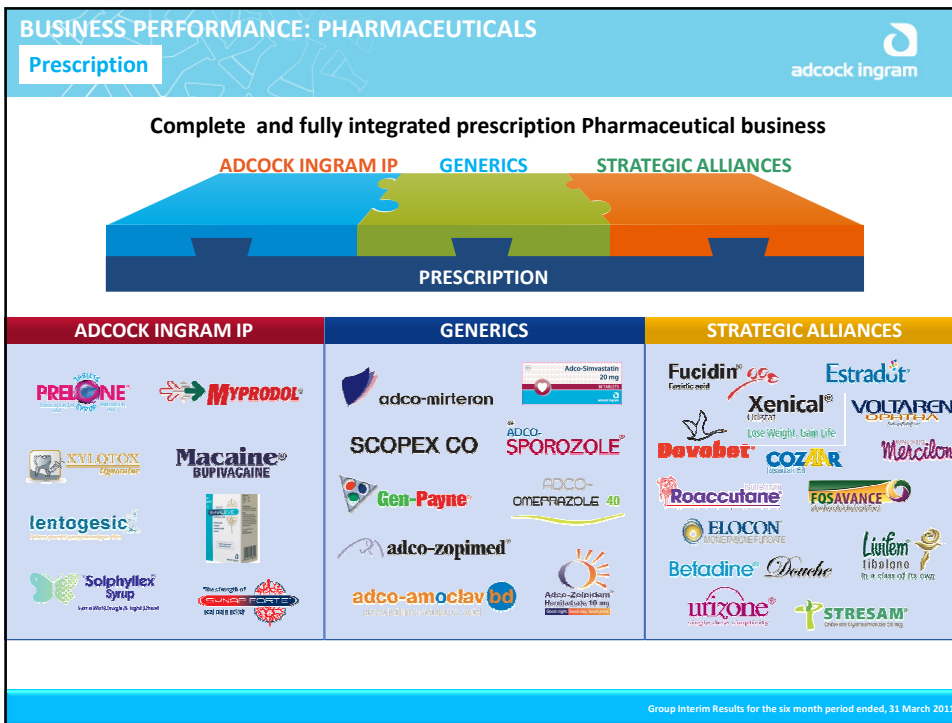


NEW LAUNCHES

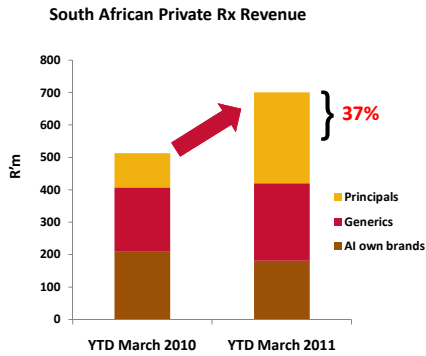


New launches planned for H2

Group Interim Results for the six month period ended, 31 March 2011



Multinational partnership success in prescription pharmaceuticals



- Multinational Partner of Choice**
- Incremental revenue and profit
 - Critical mass and leadership in key therapeutic areas
 - Attraction of additional partners through proof of competence
 - Skills development through multinational exposure
 - Access to pipeline, new technologies and clones
 - Organisational effectiveness (leverage infrastructure)
 - Africa expansion

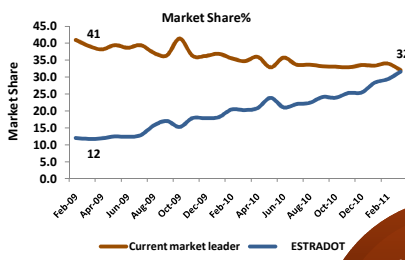


Recent strategic alliance collaborations have significantly bolstered prescription portfolio

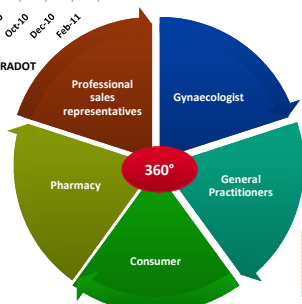
Source: Company Information

Group Interim Results for the six month period ended, 31 March 2011

Demonstrated Competence in Women's Health supports category leadership



Estradot gains market share since launch and will achieve market leadership in the hormone therapy patch market in the next 3 months



Estradot maintains double digit growth since launch resulting in Evolution Index of above 120 monthly

360° marketing campaign has resulted in market share gains and double digit growth



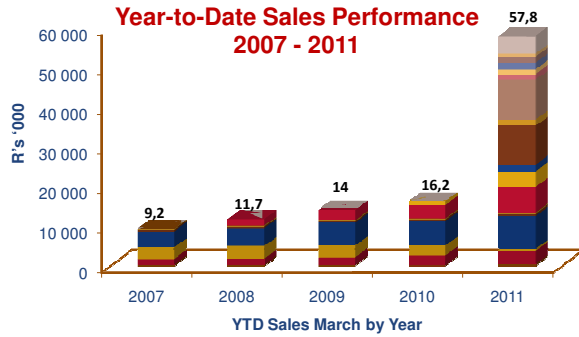
Adcock Ingram drives market acceptance of New Technologies

Source: IMS TPM – MAT March 2011, IMS ISA

Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Prescription



Principals



Theme 1	Theme 2	Theme 3
Medical & scientific excellence	Innovative Sales & Marketing excellence	Relationship Excellence



Collaboration with Multinationals significantly bolsters Adcock Ingram Dermatology portfolio

Source: Company Information

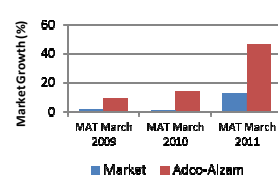
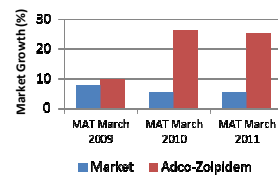
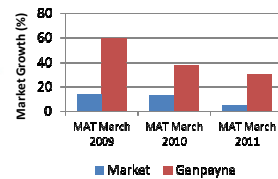
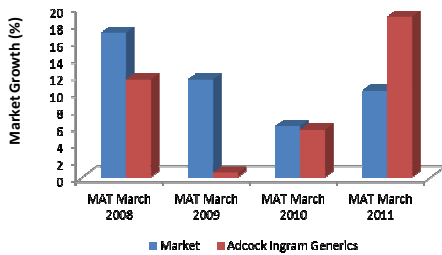
Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Generics



Performance in participating markets



Source: IGMS TPM MAT March 2011

Strong performance in participating markets

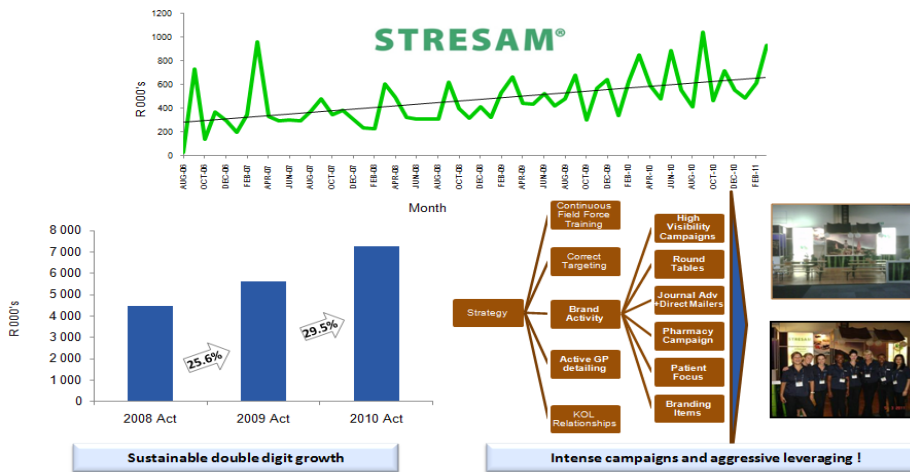
Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

Prescription



Revenue



Continuous investment in Stresam has resulted in double digit growth

Source: Company Information

Group Interim Results for the six month period ended, 31 March 2011

BUSINESS PERFORMANCE: PHARMACEUTICALS

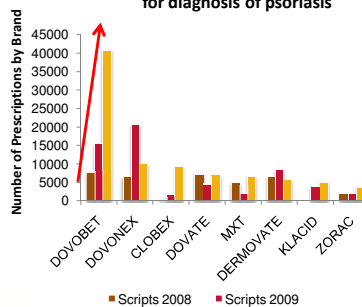
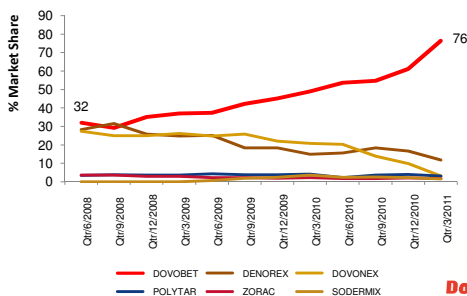
Prescription



In Dermatology Adcock Ingram Extends Leadership Performances

Market value R 15,7m, growth 16.5%

Dovobet drives significant growth in Scripts for diagnosis of psoriasis



- Dovobet accelerated market share gains in the anti-psoriasis market - Due to well executed market penetration strategy
- Aimed at healthcare professionals, who choose Dovobet as their No 1 psoriasis treatment
- Direct to consumer campaign activated to reach untreated and undiagnosed psoriasis patients
- Dovobet shows 67% growth vs. same period last year

Adcock Ingram expands its market leadership position in the Psoriasis Market

Source: IMS Audits, Mar 2011; NDTI, Dec 2010

Group Interim Results for the six month period ended, 31 March 2011



BUSINESS PERFORMANCE: HOSPITAL

Adcock Ingram Critical Care

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Business Overview

- Challenging H1 due to factory upgrade
- Significant disruption to production
- Inability to manufacture core products to meet customer demand
- Stock availability severely impacted on key lines

Business Performance

- IV Fluids show volume gain in public sector with losses in private sector
- Renal division revenue growth of 21% over prior year
- Supply to SANBS in line with growth in donor numbers

Intravenous Fluids

Production Statistics

Year	Production (m)
2007	21.5m
2008	25.1m
2009	24.8m
2010	26.2m
2011 (Actual)	12.6m

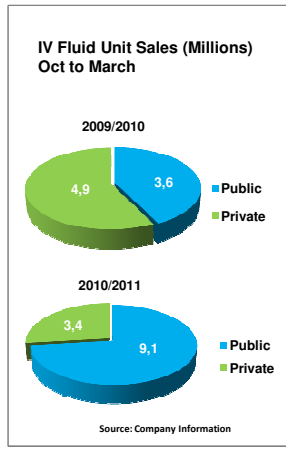
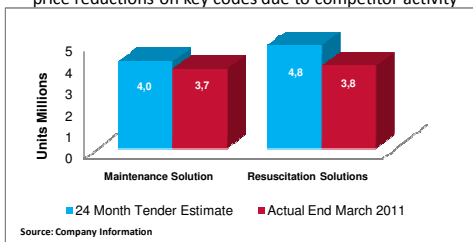
Source: Company Information

Reduced volumes through factory in H1

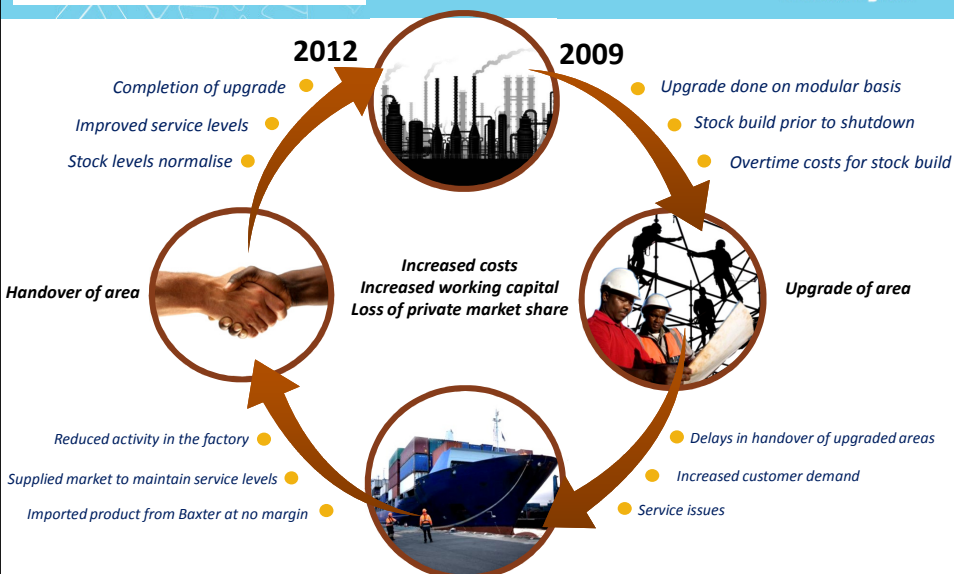
Group Interim Results for the six month period ended, 31 March 2011

Core Products

- Public sector
 - volume remains key driver
 - actual purchases ahead of tender estimates
 - higher distribution costs for extra volumes and part deliveries
 - delayed payment (45-60 days) from some provinces
- Private sector
 - volumes behind due to stock issues during upgrade
 - price reductions on key codes due to competitor activity



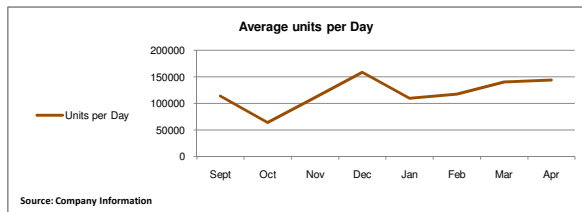
Service levels impacted by back-orders



Quality of product remains the priority

Factory Upgrade

- PIC/s upgrade at AICC progressing according to schedule and is expected to be completed as planned by end December 2011
- Areas complete
 - Warehouse
 - Weighing area/dispensary
 - Glass bottle and plastic bag manufacturing areas
 - Water processing plant
- Generic injectable area MCC approved



Improved production in H2



Renal Therapies

- Solid performance
- 10% growth in peritoneal dialysis – PD Academy
- 8% growth in haemodialysis in private sector
- Investment in acute dialysis for future growth
- Rest of Africa remains a focus area



Education and training to improve clinical outcomes

Transfusion Therapies

- Partnership with SANBS remains strong
- Co-marketing initiatives to increase awareness
- 5% growth in donor pool



Donor numbers Oct to March

2010	2011
275 784	289 124

Source: SANBS, March 2011

Donor pool drives growth

Operating Environment

- Industry growth remains solid
- Hospital occupancy averages 65% to 70%, so demand for hospital beds remains consistent

Outlook

- Improved factory performance in H2
- Improved service levels to customers as stock levels normalise
- Growth in generic injectables
- Baxter committed to long-term relationship
- Integration within the Group
 - centralised distribution
 - business in Africa through Kenya and Ghana offices
 - consolidate back office and support functions

Stronger H2 as business normalises



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Outlook
Jonathan Louw

Outlook



- Economic recovery remains slow
- Foreign exchange risk remains
- Factories on track to completion in 2012
- Logistics Fee and International benchmarking outcomes awaited
- MNC Partner of Choice Strategy still bearing fruit
- Focus on launching new products
- Outcome of the Competition Commission w.r.t. Nutrilida Acquisition
- Acquisitive focus on Africa, particularly Nigeria

Increase capacity, global accreditation

Continue to build brands and partnerships

Move into adjacent categories

Move into new geographies

Group Interim Results for the six month period ended, 31 March 2011

