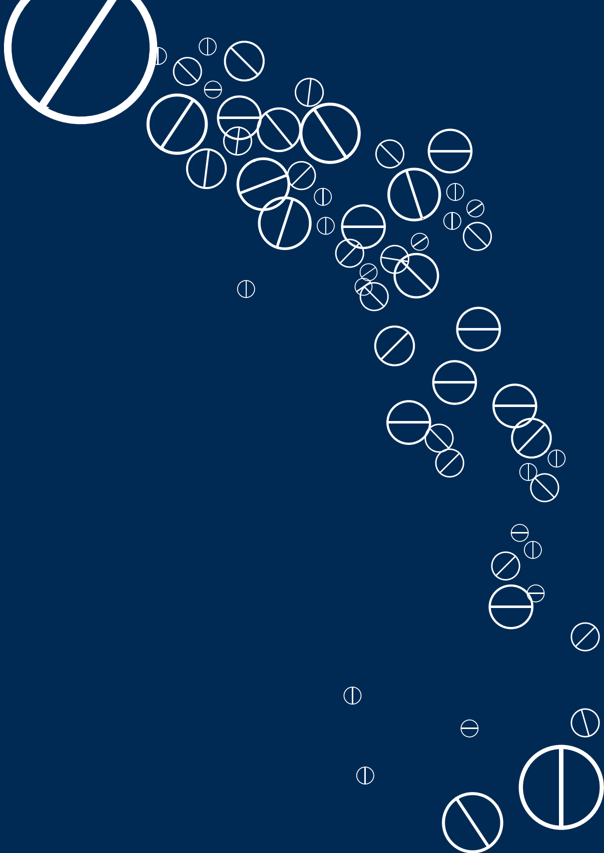

adcock ingram

UNAUDITED FINANCIAL RESULTS

for the six-month period ended **31 March 2013**

Heritage | Quality | Integrity

adcock ingram

SALIENT FEATURES

- Turnover increased **9% to R2,46 billion**
- EBITDA increased **15% to R564 million**
- HEPS decreased **5%** to **188,1 cents**
- Dividend per share maintained at **86 cents**
- Strategic acquisition of Cosme brands in India concluded at a cost of **R782 million**
- Continued operational improvement under challenging market conditions

Adcock Ingram is a leading South African pharmaceutical manufacturer, marketer and distributor. The Company has a 10% share of the private pharmaceutical market in South Africa with the leading presence in over-the-counter brands. The Company is South Africa's largest supplier of hospital and critical care products. Its footprint extends to India and other territories in sub-Saharan Africa.

The extensive product portfolio includes branded and generic prescription medicines, over-the-counter/ fast moving consumer goods (FMCG) brands, intravenous solutions, blood collection products and renal dialysis systems.

Vision

To be recognised as a leading world-class branded healthcare company.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	**Unaudited six months ended 31 March 2013 R'000**	Change %	Unaudited six months ended 31 March 2012 R'000	Audited year ended 30 September 2012 R'000
REVENUE	2	**2 474 360**	9	2 276 815	4 644 406
TURNOVER	2	**2 457 365**	9	2 251 450	4 599 249
Cost of sales		**(1 420 517)**		(1 200 931)	(2 505 167)
Gross profit		**1 036 848**	(1)	1 050 519	2 094 082
Selling and distribution expenses		**(296 126)**		(294 405)	(571 500)
Marketing expenses		**(97 375)**		(102 843)	(208 625)
Research and development expenses		**(52 051)**		(40 173)	(81 601)
Fixed and administrative expenses		**(116 397)**		(177 746)	(363 535)
Operating profit		**474 899**	9	435 352	868 821
Finance income	2	**9 201**		8 151	18 285
Finance costs		**(25 446)**		(11 081)	(26 637)
Dividend income	2	**7 794**		17 214	26 872
Profit before taxation		**466 448**	4	449 636	887 341
Taxation		**(139 934)**		(107 913)	(168 265)
Profit for the period		**326 514**	(4)	341 723	719 076
Other comprehensive income		**56 765**		(45 135)	(37 896)
Exchange differences on translation of foreign operations		**56 232**		(31 690)	(26 181)
Movement in cash flow hedge accounting reserve, net of tax		**613**		(13 445)	(11 715)
Net loss on available-for-sale financial asset, net of tax		**(80)**		–	–
Total comprehensive income for the period, net of tax		**383 279**		296 588	681 180
Profit attributable to:					
Owners of the parent		**317 192**		335 296	705 641
Non-controlling interests		**9 322**		6 427	13 435
		326 514		341 723	719 076
Total comprehensive income attributable to:					
Owners of the parent		**372 310**		293 246	670 434
Non-controlling interests		**10 969**		3 342	10 746
		383 279		296 588	681 180
Basic earnings per ordinary share (cents)		**188,0**	(5)	198,4	417,8
Diluted basic earnings per ordinary share (cents)		**187,8**	(5)	198,1	417,2
Headline earnings per ordinary share (cents)		**188,1**	(5)	198,7	422,4
Diluted headline earnings per ordinary share (cents)		**187,9**	(5)	198,4	421,8

CONSOLIDATED STATEMENT 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 interests R'000	Total R'000
Balance at 30 September 2011 (audited)	16 888	765 288	1 932 212	371 368	3 085 756	137 624	3 223 380
Share issue	45	5 031			5 076		5 076
Movement in treasury shares	(41)	(25 509)			(25 550)		(25 550)
Share-based payment expense				9 069	9 069		9 069
Acquisition of non-controlling interests in Ayrton Drug Manufacturing Limited			(2 000)		(2 000)	(8 752)	(10 752)
Total comprehensive income			335 296	(42 050)	293 246	3 342	296 588
Profit for the period			335 296		335 296	6 427	341 723
Other comprehensive income				(42 050)	(42 050)	(3 085)	(45 135)
Dividends						(1 280)	(1 280)
Distribution out of share premium		(183 831)			(183 831)		(183 831)
Balance at 31 March 2012 (unaudited)	16 892	560 979	2 265 508	338 387	3 181 766	130 934	3 312 700
Share issue	12	1 980			1 992		1 992
Movement in treasury shares	(32)	(20 101)			(20 133)		(20 133)
Share-based payment expense				10 999	10 999		10 999
Disposal of non-controlling interests in National Renal Care (Pty) Limited			11 279		11 279	9 108	20 387
Acquisition of non-controlling interests in Ayrton Drug Manufacturing Limited			(148)		(148)	(160)	(308)
Total comprehensive income			370 345	6 843	377 188	7 404	384 592
Profit for the period			370 345		370 345	7 008	377 353
Other comprehensive income				6 843	6 843	396	7 239
Dividends			(144 474)		(144 474)	(9 602)	(154 076)
Distribution out of share premium		4 542			4 542		4 542
Balance at 30 September 2012 (audited)	16 872	547 400	2 502 510	356 229	3 423 011	137 684	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)	(161)	(253)
Total comprehensive income			317 192	55 118	372 310	10 969	383 279
Profit for the period			317 192		317 192	9 322	326 514
Other comprehensive income				55 118	55 118	1 647	56 765
Dividends			(195 128)		(195 128)	(1 236)	(196 364)
Balance at 31 March 2013 (unaudited)	**16 858**	**523 697**	**2 624 482**	**420 016**	**3 585 053**	**147 256**	**3 732 309**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited 31 March 2013 R'000	Unaudited 31 March 2012 R'000	Audited 30 September 2012 R'000
ASSETS			
Property, plant and equipment	**1 655 881**	1 377 191	1 560 177
Intangible assets	**1 513 099**	720 431	710 960
Other financial assets	**139 653**	139 013	139 751
Loans receivable	**23 834**	–	27 060
Deferred tax	**5 135**	5 058	5 097
Non-current assets	**3 337 602**	2 241 693	2 443 045
Inventories	**1 305 287**	819 041	956 164
Trade and other receivables	**1 528 772**	1 312 297	1 320 191
Cash and cash equivalents	**97 607**	567 762	492 716
Taxation receivable	**32 851**	32 467	70 170
Current assets	**2 964 517**	2 731 567	2 839 241
Total assets	**6 302 119**	4 973 260	5 282 286
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	**16 858**	16 892	16 872
Share premium	**523 697**	560 979	547 400
Non-distributable reserves	**420 016**	338 387	356 229
Retained income	**2 624 482**	2 265 508	2 502 510
Total shareholders' funds	**3 585 053**	3 181 766	3 423 011
Non-controlling interests	**147 256**	130 934	137 684
Total equity	**3 732 309**	3 312 700	3 560 695
Long-term borrowings	**11 007**	322 031	104 625
Post-retirement medical liability	**16 645**	14 883	15 341
Deferred tax	**106 356**	69 412	101 910
Non-current liabilities	**134 008**	406 326	221 876
Trade and other payables	**1 086 833**	752 481	983 589
Short-term borrowings	**333 056**	419 312	431 368
Cash-settled options	**34 373**	43 834	39 983
Provisions	**41 621**	38 607	44 775
Bank overdraft	**939 919**	–	–
Current liabilities	**2 435 802**	1 254 234	1 499 715
Total equity and liabilities	**6 302 119**	4 973 260	5 282 286

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Unaudited six months ended 31 March 2013 R'000	Unaudited six months ended 31 March 2012 R'000	Audited year ended 30 September 2012 R'000
Cash flows from operating activities			
Operating profit before working capital changes	**590 571**	496 707	1 077 581
Working capital changes	**(437 308)**	(315 534)	(292 138)
Cash generated from operations	**153 263**	181 173	785 443
Finance income, excluding receivable	**11 788**	8 151	19 369
Finance costs, excluding accrual	**(20 573)**	(11 081)	(22 672)
Dividend income, excluding receivable	**7 794**	17 214	27 035
Dividends paid	**(196 364)**	(1 280)	(155 356)
Taxation paid	**(100 638)**	(129 180)	(196 158)
Net cash (outflow)/inflow from operating activities	**(144 730)**	64 997	457 661
Cash flows from investing activities			
Decrease in other financial assets	**–**	1 197	457
Acquisition of business, net of cash	**(821 593)**	–	–
Purchase of intangible assets	**–**	(13 508)	(13 109)
Purchase of property, plant and equipment [(1)]	**(157 950)**	(273 539)	(511 793)
Proceeds on disposal of property, plant and equipment	**–**	346	1 732
Decrease/(Increase) in loans receivable	**2 827**	–	(11 221)
Net cash outflow from investing activities	**(976 716)**	(285 504)	(533 934)
Cash flows from financing activities			
Acquisition of non-controlling interests in Ayrton Drug Manufacturing Limited	**(253)**	(10 752)	(11 060)
Proceeds from issue of share capital	**3 595**	5 076	7 068
Purchase of treasury shares	**(27 312)**	(25 550)	(45 683)
Distribution out of share premium	**–**	(183 831)	(179 289)
Increase in borrowings	**31 789**	4 521	16 503
Repayment of borrowings	**(225 757)**	(103 848)	(321 777)
Net cash outflow from financing activities	**(217 938)**	(314 384)	(534 238)
Net decrease in cash and cash equivalents	**(1 339 384)**	(534 891)	(610 511)
Net foreign exchange difference on cash and cash equivalents	**4 356**	(929)	(355)
Cash and cash equivalents at beginning of period	**492 716**	1 103 582	1 103 582
Cash and cash equivalents at end of period	**(842 312)**	567 762	492 716

[(1)] *Additions include interest capitalised in accordance with IAS 23, of R8,1 million.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

1.1 Introduction

This unaudited interim report has been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34: Interim Financial Reporting, the South African Companies Act, the Listings Requirements of the JSE Limited as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Standards Council.

Mr Andy Hall, Deputy Chief Executive and Financial Director, is responsible for this set of financial results and has supervised the preparation thereof in conjunction with Finance Executive, Ms Dorette Neethling.

1.2 Changes in accounting policies

The accounting policies and the methods of computation are consistent with those of the previous annual financial statements, except for the adoption of the following amended IFRS interpretation during the year:

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

The adoption of the above standard did not have any effect on the financial performance or position of the Group.

	Unaudited six months ended 31 March 2013 R'000	Unaudited six months ended 31 March 2012 R'000	Audited year ended 30 September 2012 R'000
2 REVENUE			
Turnover	**2 457 365**	2 251 450	4 599 249
Finance income	**9 201**	8 151	18 285
Dividend income	**7 794**	17 214	26 872
	2 474 360	2 276 815	4 644 406
3 SEGMENT REPORTING			
Turnover			
Southern Africa	**2 329 872**	2 161 865	4 435 938
OTC	**906 058**	874 685	1 791 875
Prescription	**856 707**	752 145	1 520 219
Hospital	**567 107**	535 035	1 123 844
Rest of Africa and India	**212 393**	144 117	295 545
	2 542 265	2 305 982	4 731 483
Less: Intercompany sales	**(84 900)**	(54 532)	(132 234)
	2 457 365	2 251 450	4 599 249
Contribution after marketing expenses (CAM)			
Southern Africa	**591 892**	620 555	1 245 746
OTC	**322 121**	318 870	660 492
Prescription	**178 204**	198 037	371 801
Hospital	**91 567**	103 648	213 453
Rest of Africa and India	**56 206**	35 116	75 703
	648 098	655 671	1 321 449
Less: Intercompany	**(4 751)**	(2 400)	(7 492)
	643 347	653 271	1 313 957
Less: Other operating expenses [1]	**(168 448)**	(217 919)	(445 136)
Research and development	**(52 051)**	(40 173)	(81 601)
Fixed and administrative	**(116 397)**	(177 746)	(363 535)
Operating profit	**474 899**	435 352	868 821

[1] Other operating expenses are managed on a central basis and are not allocated to operating segments.

	Unaudited six months ended 31 March 2013 R'000	Unaudited six months ended 31 March 2012 R'000	Audited year ended 30 September 2012 R'000
3 SEGMENT REPORTING continued			
Total assets			
Southern Africa	**4 998 083**	4 803 977	5 070 135
Pharmaceuticals	**4 305 599**	4 319 363	4 454 715
Hospital	**692 484**	484 614	615 420
Rest of Africa and India	**1 304 036**	169 283	212 151
Total assets	**6 302 119**	4 973 260	5 282 286
4 INVENTORY			
The amount of inventories written down recognised as an expense in profit or loss	**9 466**	17 029	42 336
5 CAPITAL COMMITMENTS			
Contracted	**96 764**	235 873	64 632
Approved	**106 084**	54 024	143 403
	202 848	289 897	208 035
6 HEADLINE EARNINGS			
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	**317 192**	335 296	705 641
Adjusted for:			
Impairment of leasehold improvements and intangible assets	**–**	–	1 887
Tax indemnity on discontinued operation	**–**	–	2 355
Loss on disposal of property, plant and equipment, net of tax	**167**	509	3 526
Headline earnings	**317 359**	335 805	713 409

7 SHARE CAPITAL		**Number of shares**	
	'000	**'000**	'000
Number of ordinary shares in issue	**201 066**	200 604	200 735
Number of A and B shares held by the BEE participants	**(25 944)**	(25 944)	(25 944)
Number of ordinary shares held by the BEE participants	**(2 255)**	(1 451)	(1 782)
Number of ordinary shares held by Group company	**(4 285)**	(4 285)	(4 285)
Net shares in issue	**168 582**	168 924	168 724
Headline earnings and basic earnings per share are based on:			
Weighted average number of shares	**168 696**	168 982	168 894
Diluted weighted average number of shares	**168 868**	169 254	169 131

8 BUSINESS COMBINATION

8.1 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 pharmaceutical sales and marketing 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:

	Unaudited six months ended 31 March 2013 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.

As the assets purchased were fully integrated into the Indian business, it is not possible to determine the exact contribution towards profit before income tax.

	R'000
Analysis of cash flows on acquisition	
Transaction costs of the acquisition (included in cash flows from operating activities)	4 248
Cash outflow on acquisition	4 248

Transaction costs of R4,2 million have been expensed during the six months and are included in fixed and administrative expenses.

SALIENT FEATURES

Turnover increased 9% to R2,46 billion
EBITDA increased 15% to R564 million
HEPS decreased 5% to 188,1 cents
Dividend per share maintained at 86 cents
Strategic acquisition of Cosme brands in India concluded at a cost of R782 million
Continued operational improvement under challenging market conditions

The Company delivered satisfactory operating results from the activities under its control, reflecting continued progress with its strategic priorities. This was, however, a challenging period for the Company, both in markets for its products and in that the Rand weakened considerably compared to the prior corresponding period.

As released via SENS on 22 March 2013, the Company received an unsolicited proposal. Subsequent thereto, the Company announced on 9 May 2013 that it had received other proposals which the Board is evaluating. The Board, on 31 May 2013, updated shareholders that this process is ongoing and remains focused on obtaining the best outcome for the Company and delivering value to shareholders.

FINANCIAL REVIEW

Turnover

The acquisition of Cosme, a mid-sized Indian pharmaceutical sales and marketing business, was concluded in late January 2013. This acquisition, together with recent tender awards and the conclusion of further multinational (MNC) contracts, supported turnover growth of 9% to R2,457 million (2012: R2,251 million).

New business in the product mix accounted for 6,1% of the overall increase with Novo-Nordisk and Lundbeck products contributing R109 million in the Prescription portfolio. Price increases across the business averaged 1,9% for the period. The Single Exit Price (SEP) increase of 5,8%, granted in March 2013, had very little effect in the six-month period, but the 2012 SEP increase of 2,14% was implemented in March 2012. Over-the-counter (OTC) turnover growth of 3,6% includes 4,8% price inflation but lower volumes on the back of weak consumer demand resulted in muted growth. The Hospital Products division's revenue growth of 6,0% includes a 0,5% price increase, with good volume growth achieved in the public sector.

Profits

Gross profit for the six months decreased by 1,3% to R1,037 million (2012: R1,051 million) with the margin declining from 46,7% to 42,2% (September 2012: 45,5%). Gross margin as a percentage of sales was adversely impacted by the significantly weaker Rand, which affected imported raw materials and finished products. The average exchange rates for procurement in the period were R8,75 (2012: R7,57) and R11,08 (2012: R10,48) for US Dollar and Euro imports, respectively, with total foreign contracts settled during the period amounting to R523,2 million (2012: R366,1 million).

Operating expenses, net of an abnormal foreign exchange gain of R42,4 million, decreased by 8,7% to R562 million (2012: R615 million). Operating profit increased by 9,1% to R475 million (2012: R435 million) with the percentage on sales stable at 19,3% (September 2012: 18,9%).

Finance costs, net of investment income, were R8,5 million, compared to the R14,3 million income realised in the prior period as the average cash position turned into a net overdraft position following the acquisition of Cosme.

After net finance costs and dividends received, profit before tax increased 3,7% to R466 million (2012: R450 million). The effective tax rate for the period was 30,0% (2012: 24,0%, as a result of utilisation of the Strategic Industrial Project allowance), resulting in profit after tax declining 4,5% to R327 million (2012: R342 million).

Headline earnings

The improved turnover, lower gross margins due to the weak Rand and sales mix effect, good cost control and expiry of tax allowances, when combined, delivered headline earnings for the six months ended 31 March 2013 of R317,4 million. This represents a 5% decrease from the comparable figure for 2012 of R335,8 million and translates into the same percentage decrease at the headline earnings per share (HEPS) and earnings per share (EPS) level.

Cash flows and financial position

Cash generated from operations was R153 million (2012: R181 million) after working capital increased by R437 million.

Trade and other receivables accounted for a cash outflow of R165 million with trade accounts receivable days at the end of the period of 68 days, deteriorating from the 65 days reported in September 2012, including debt outstanding from government amounting to R139 million. No receivables were written off in the period.

Inventory increased by R348 million as safety stock of some major brands was increased to improve service levels, inventory relating to new MNC and tender business added R140 million, and the overall holding cost increased due to the exchange rate impact.

After net finance costs, dividends and taxation, cash outflow from operations was R145 million. Total capital expenditure for the six months amounted to R158 million (2012: R274 million) which includes upgrading of the Midrand distribution facility, as well as the completion of the upgrade at the Aeroton distribution facility and the high-volume liquids facility.

Subsequent to September 2012, an amount of R200 million has been repaid on the Capex loan facility. The remaining balance of R300 million is being repaid in quarterly instalments with the final instalment due in December 2013. Cash decreased by R1,3 billion, leaving the business in an overdraft position of R842 million (September 2012: R493 million net cash position).

Interim dividend from income reserves

The Board has declared an interim dividend out of income reserves of 86 cents per share for the six months ended 31 March 2013, equal to the comparable distribution in 2012.

BUSINESS OVERVIEW

Southern Africa

This segment encompasses all of the businesses in the Southern African region namely OTC, Prescription and Hospital. Overall, the region posted a sales increase of 7,8%, despite consumers remaining under pressure. Volumes were boosted by increased tender awards and we expect to see continued volume improvements as the ARV tender sales gain momentum during the second half of the year.

Margins have been negatively impacted by the weak Rand, competitive trading conditions, inflation-plus cost increases on raw materials and production inputs, and the change in mix, with higher proportions of MNC and tender business at lower margins, resulting in the contribution after marketing expenses (CAM) decreasing almost 5% to R592 million (2012: R621 million).

OTC sales increased by 4% to R906 million (2012: R875 million), with good performance from economy brands in Pharmacy and schedule 0 brands in the FMCG channel. Premium brands remain under pressure but are showing growth relative to the market. Adcock Ingram is number 1 in 5 categories in the Pharmacy channel including: Pain, Colds & Flu, Allergy, Digestive and Feminine Health and number 2 in Supplements, as measured by IMS. In the FMCG channel, Adcock Ingram is number 1 in Supplements and Feminine Health and is number 2 in Pain and Digestive Wellbeing, as measured by Aztec and Nielsens.

The OTC portfolio comprises a basket of both premium and economy brands from Complementary Alternative Medicines Products and some Personal Care products to Schedule 2 medicines. These are sold through both the Pharmacy and FMCG channels and have benefited Adcock Ingram, considering the economic pressure on consumers, as has the increase in proactive self-care and self-medication. The core brands – Panado, Corenza, Bioplus, Citro-Soda and Allergex – have managed to at least hold their market positions despite aggressive competition.

The strategic move to participation in economy brands in OTC over the last few years has reduced the Company's reliance on a few core brands and will continue to grow competitive advantage in the OTC sector.

Turnover in the **Prescription** business increased by 14% to R857 million (2012: R752 million). This was impacted by new multinational collaborations, including the most recent alliance with Lundbeck South Africa which has provided Adcock Ingram with a leading position in the Central Nervous System category, success in the most recent ARV and other oral dosage tender awards, and the introduction of new generics products (Atorvastatin and Lansoprazole).

Hospital turnover increased by 6% over the comparable period to R567 million (2012: R535 million) with increased tender volumes. The Renal portfolio reflects continued growth through peritoneal dialysis, haemodialysis and Continuous Renal Replacement Therapy (CRRT).

Rest of Africa

Revenue growth of 3% over the same period last year was achieved despite supply constraints which adversely impacted exports to the SADC region.

In **Ghana**, Adcock Ingram product sales continue to grow due to expansion in territorial coverage and increased marketing activities, but the core Ayrton brands' performance was almost flat due to production bottlenecks on the liquid lines.

In **East Africa**, sales increased by 34% compared to the same period last year, driven by expansion in the OTC therapeutic areas, increased marketing activities and the re-introduction of Dawanol.

Datlabs in Zimbabwe became a 100% Adcock Ingram subsidiary at the beginning of the financial year with the business recording a 36% increase in sales over the same period last year, benefiting from Group supply chain scale economies. CamphaCare was successfully launched late March 2013 and has since received country-wide acceptance.

SUPPLY CHAIN

The Wadeville facility has been accepted by the Food and Drug Administration in the USA (USFDA) following an audit in November 2011. The capacity at Wadeville for tableting will be doubled through the addition of two new granulation suites, which is expected to be completed by the end of this calendar year. The expansion is being done with little or no disruption to the operation of the plant and will place Adcock Ingram in a stronger position to take advantage of additional capacity for both the general tablet and ARV tenders.

The Clayville high-volume liquids facility has been approved by the MCC following an audit in October 2012. Product-by-product approval is being granted following completion of validation batches. Various MNC's have also conducted audits at the facility with positive outcomes.

The inventory supply issues experienced during the distribution centre upgrade at Aeroton have been resolved and the focus is now on efficiency and cost reduction. Additional equipment to increase the capacity at the Bangalore facility is being investigated.

LOGISTICS

Distribution volumes on a unit basis have increased 14% compared to the same period last year, with pallet capacities in the network remaining a challenge. Distribution expenses, as a cost per unit, have decreased year-on-year, after cost-saving initiatives and synergies were realised following the rationalisation of certain warehouses.

REGULATORY ENVIRONMENT

The Department of Health announced an SEP increase of 5,8% in March 2013. No announcements on the regulation of logistics fees and international benchmarking have been forthcoming. There has been a further delay to the South African Health Products Regulatory Authority (SAHPRA) which was originally proposed to come into effect on 1 April 2013.

The use of dextropropoxyphene (DPP) containing products was recently successfully appealed on in Australia subject to certain conditions, including the use of safety warnings and strict contra-indication criteria. Adcock Ingram's appeal process is still in progress.

PROSPECTS

The Government tender business is benefiting from significantly increased volumes which are expected to drive greater efficiencies in the supply chain. The factories are gearing up to the increased demand and the business is confident of its ability to meet Government requirements on a sustainable basis.

The multinational partner of choice strategy continues to deliver attractive value with the recent additions of Lundbeck and Novo-Nordisk. Additional collaborations are being explored to continue the path of revenue stream diversification and to decrease mature product dependence. Supply chain collaborations will address the challenge in extending multinational collaboration partnerships into sub-Saharan Africa.

Whilst registration delays at the MCC continue to impede the ability of the Company to bring a material number of new products to the market, further new product launches are planned for the third quarter. Recent MCC registrations include Irbesartan and a triple-combination ARV therapy.

The East Africa turnaround is on course with regulatory bottlenecks in Uganda and Tanzania having been resolved. Inspection of Adcock Ingram's factories by the Ethiopian Pharmaceutical Regulatory Authorities has commenced and bodes well for entry into that growing market. In Ghana, the new management team is progressing well with revamping the factory and distribution infrastructure.

The Group continues to maintain its focus on the acquisition of businesses and brands in high growth emerging markets. The impact of the current economic climate on consumer spending is concerning. Margins will continue to be impacted by cost pressures and active ingredient prices which are directly linked to currency fluctuations, but in the second half of the financial year will be mitigated by the recent SEP increase. The second six months of the year will incorporate a determined focus on improving the working capital cycle within the business.

CHANGES TO THE BOARD OF DIRECTORS

Mr Andrew Thompson has been appointed as the Chairman of the Audit Committee, effective 12 April 2013. Mr Leon Schönknecht has been appointed as a member of the Audit Committee, effective 15 May 2013. These appointments follow the resignation of Mr Eric Diack as an independent non-executive director of the Company, Chairman of the Company's Audit Committee and as member of the Company's Risk and Sustainability Committee with effect from 22 March 2013.

DIVIDEND

The Board has declared an interim gross dividend out of income reserves of 86 cents per share in respect of the six months ended 31 March 2013. No credits in terms of secondary tax on companies have been utilised. The South African dividend tax ("DT") rate is 15% and the net dividend payable to shareholders who are not exempt from DT is 73,10 cents per share. As at the date of this declaration, Adcock Ingram has 175 157 248 ordinary shares in issue including 6 540 587 treasury shares. There are also 25 944 261 "A" and "B" ordinary shares in issue, all held as treasury shares, which are entitled to a dividend. The income tax reference number is 9528/919/15/3.

The salient dates for the dividend are detailed below:

Last date to trade:	Friday, 28 June 2013
Shares trade *"ex"* dividend:	Monday, 1 July 2013
Record date:	Friday, 5 July 2013
Payment date:	Monday, 8 July 2013

Share certificates may not be dematerialised or rematerialised between Monday, 1 July 2013 and Friday, 5 July 2013, both dates inclusive.

On Monday, 8 July 2013 the cash dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired, cheques dated 8 July 2013 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 8 July 2013.

By order of the Board

NE Simelane
Company Secretary

Johannesburg
4 June 2013

NOTES

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GROUP RESULTS PRESENTATION

for the six-month period ended **31 March 2013**

Heritage | Quality | Integrity

UNAUDITED FINANCIAL RESULTS

for the six months ended 31 March 2013

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Heritage | Quality | Integrity

NOTES:

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Heritage | Quality | Integrity

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FINANCIAL RESULTS

Andy Hall

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FINANCIAL RESULTS

Salient Financial Features

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Turnover	↑	9% to R2.46 billion
EBITDA	↑	15% to R564 million
HEPS	↓	5% to 188.1 cents
Dividend per share		Maintained at 86 cents

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Income Statement

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	2013 R'm	2012 R'm	+/- %
Turnover	**2,457.4**	**2,251.5**	9.1
Gross profit	1,036.8	1,050.5	(1.3)
Gross profit %	*42.2%*	*46.7%*	
Operating profit	474.9	435.3	9.1
Net financing & investment (costs)/income	(8.5)	14.3	
Profit before tax	**466.4**	**449.6**	3.7
Income tax expense	(139.9)	(107.9)	29.7
Profit after tax	**326.5**	**341.7**	(4.4)
Non-controlling interests	(9.3)	(6.4)	
Net profit	**317.2**	**335.3**	(5.4)
HEPS (cents)	188.1	198.7	(5.3)

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Operating expenses

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	2013 R'm	2012 R'm	+/- %
Selling and distribution	296.1	294.4	0.6
Marketing	97.4	102.8	(5.3)
Research and development	52.0	40.2	29.4
Fixed and administration	158.8	177.8	(10.7)
Foreign exchange gain	(42.4)	-	
Total	**561.9**	**615.2**	**(8.7)**

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Geographical split

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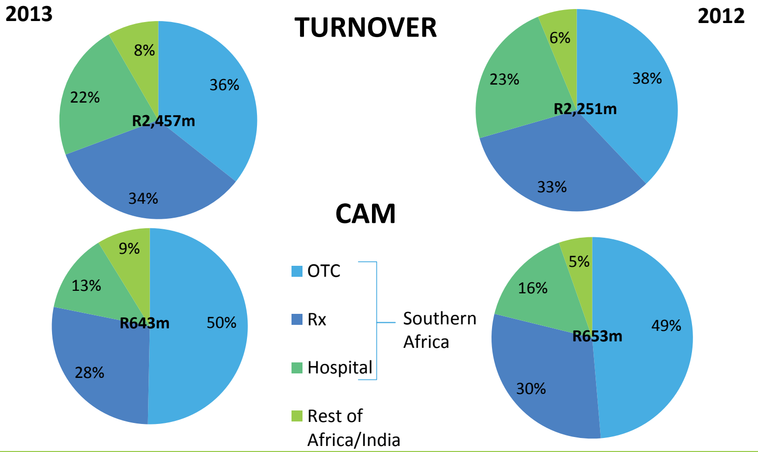

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Segmental Analysis

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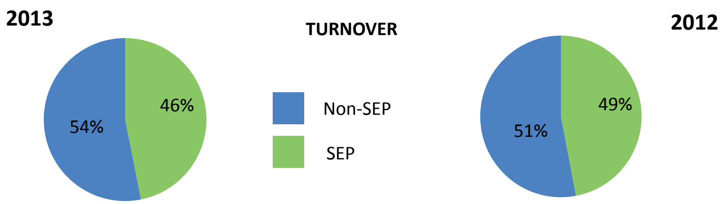
		2013 R'm	+/- %	2012 R'm
	Turnover	906.1	3.6	874.7
OTC	Gross Profit	480.3	(1.4)	487.0
	GP%	***53.0%***		***55.7%***
	Contribution after marketing (CAM)	322.1	1.0	318.9
	CAM%	***35.6%***		***36.5%***



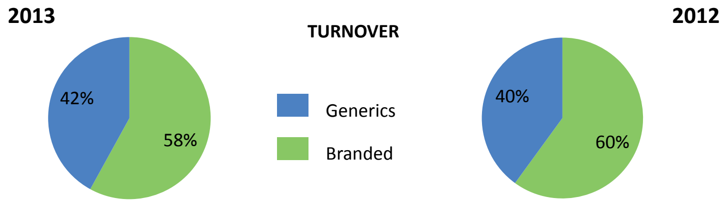
Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS
Segmental Analysis

adcock ingram

		2013 R'm	+/- %	2012 R'm
	Turnover	856.7	13.9	752.1
PRESCRIPTION	Gross Profit	312.0	(9.0)	343.0
	GP%	***36.4%***		***45.6%***
	Contribution after marketing (CAM)	178.2	(10.0)	198.0
	CAM%	***20.8%***		***26.3%***



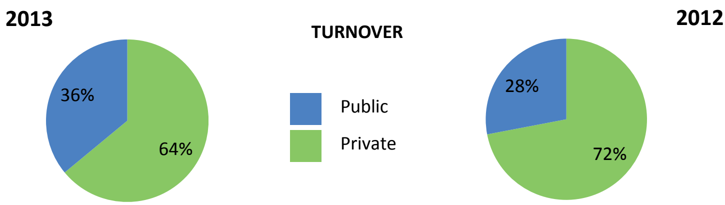
Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS
Segmental Analysis

adcock ingram

		2013 R'm	+/- %	2012 R'm
	Turnover	567.1	6.0	535.0
HOSPITAL	Gross Profit	162.0	(3.3)	167.5
	GP%	***28.6%***		***31.3%***
	Contribution after marketing (CAM)	91.6	(11.6)	103.6
	CAM%	***16.1%***		***19.4%***



Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Headline Earnings

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	2013 R'm	+/- %	2012 R'm
Earnings from operations	317.2	(5.4)	335.3
Loss on disposal of property, plant & equipment, net of tax	0.2		0.5
Headline earnings	317.4	(5.5)	335.8
HEPS (cents)	188.1	(5.3)	198.7

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Statement of Financial Position

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	2013 R'm	Sept 2012 R'm
Non-current assets	**3,337**	**2,443**
Property, plant & equipment	1,656	1,560
Intangible assets	1,513	711
Investments & loan receivable	163	167
Deferred tax	5	5
Net current assets	**529**	**1,340**
Current assets	**2,965**	**2,839**
Inventories	1,305	956
Trade and other receivables	1,529	1,320
Cash and cash equivalents	98	493
Taxation receivable	33	70
Current liabilities	**2,436**	**1,499**
Short-term borrowings	333	431
Bank overdraft	940	-
Trade and other payables	1,087	984
Provisions and cash-settled options	76	84
Total	**3,866**	**3,783**

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NOTES:

FINANCIAL RESULTS

Statement of Financial Position

adcock ingram

	2013 R'm	Sept 2012 R'm
Total shareholders' funds	**3,585**	**3,423**
Share capital and premium	541	564
Non-distributable reserves	420	356
Retained income	2,624	2,503
Non-controlling interests	147	138
Total equity	**3,732**	**3,561**
Long term borrowings	11	105
Deferred tax	106	102
Post-retirement medical liability	17	15
Total	**3,866**	**3,783**

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Property, plant and equipment

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	2013 R'm
Opening balance as at 1 October 2012	**1,560**
Additions:	158
Clayville	41
Wadeville	19
Midrand	38
Hospital	41
Other	19
Depreciation	(71)
Exchange difference	9
Closing balance at 31 March 2013	**1,656**

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS
Intangible assets

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	2013 R'm
Opening balance at 1 October 2012	**711**
Acquisition of Cosme	782
Amortisation	(18)
Exchange difference	38
Closing balance at 31 March 2013	**1,513**

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS
Gross borrowings

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	2013 R'm	Sept 2012 R'm
Capex loans	300	500
Other	44	36
Bank overdraft	940	-
Total	**1,284**	**536**
<u>**Split:**</u>		
Short-term borrowings	333	431
Long-term borrowings	11	105
Bank overdraft	940	-
Total	**1,284**	**536**

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Statement of Cash Flows

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	2013 R'm	2012 R'm
Profit before taxation	**466**	**450**
Adjusted for:		
Depreciation	71	47
Amortisation	18	8
Non cash flow items	36	(8)
Cash Operating profit	**591**	**497**
Working capital changes	(437)	(316)
Cash generated from operations	**154**	**181**
Net finance costs, excluding accruals	(9)	(3)
Dividend income	8	17
Dividends paid	(196)	(1)
Taxation paid	(101)	(129)
Net cash (outflow)/inflow from operating activities	**(144)**	**65**
Cash flows from investing activities	**(977)**	**(286)**
Cash flows from financing activities	**(218)**	**(314)**
Net decrease in cash and cash equivalents	**(1,339)**	**(535)**

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Statement of Cash Flows

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	2013 R'm	2012 R'm
Working capital changes	**(437)**	**(316)**
(Increase)/Decrease in inventories	(348)	40
Increase in trade and other receivables	(166)	(117)
Increase/(Decrease) in trade and other payables	77	(239)

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Statement of Cash Flows

adcock ingram

	2013 R'm	2012 R'm
Cash flows from investing activities	**(977)**	**(286)**
Acquisition of business, net of cash	(822)	-
Purchase of property, plant and equipment	(158)	(273)
Decrease in financial assets	3	1
Purchase of intangible assets	-	(14)

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS

Statement of Cash Flows

adcock ingram

	2013 R'm	2012 R'm
Cash flows from financing activities	**(218)**	**(314)**
Acquisition of non-controlling interests	(1)	(11)
Proceeds from issue of share capital	4	5
Purchase of treasury shares	(27)	(25)
Distribution out of share premium	-	(184)
Net decrease in borrowings	(194)	(99)

Heritage | Quality | Integrity

NOTES:

FINANCIAL RESULTS
Capex Programme

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CAPITAL EXPENDITURE R'm

	A2009	A2010	A2011	A2012	E2013	E2014	E2015	TOTAL
Aeroton	50.1	127.5	119.6	98.6	38.8	45.1	48.1	**527.8**
Bangalore	13.0	9.0	2.2	2.5	8.6	6.8	4.3	**46.4**
Clayville	31.8	117.8	192.0	287.0	43.9	35.9	13.0	**721.4**
Wadeville	67.2	42.5	22.4	5.9	80.7	54.2	15.0	**287.9**
Distribution & other	66.5	36.2	96.8	117.8	96.8	5.0	5.0	**424.1**
TOTAL	**228.6**	**333.0**	**433.0**	**511.8**	**268.8**	**147.0**	**85.4**	**2,007.6**

A = Actual E = Estimated

AEROTON

BANGALORE

CLAYVILLE

WADEVILLE

Heritage | Quality | Integrity

NOTES:

OPERATING ENVIRONMENT
Dr Jonathan Louw

adcock ingram

Heritage | Quality | Integrity

NOTES:

Strategic Objectives

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- Grow in South Africa
- Be a low cost, high quality producer
- Expand public sector business
- Develop excellence in distribution
- Acquire and grow in Africa and India
- Be a responsible corporate citizen

NOTES:

Operating Environment

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Economic
- Rand weakness continues
- Cost pressures on labour, utilities and fuel
- Uncertain labour and trade environment

Facilities
- All major capital investment projects completed
- Margin compression due to mix and factory upgrades
- International accreditations continue

Raw Materials
- Continued depreciation of the Rand
- Significant cost increases on key actives

Customers
- Consumers continuing to face economic pressure
- Down trading in the highly competitive OTC and FMCG channels
- Retailers under pressure to maintain margins
- Funder pressure increasing

Heritage | Quality | Integrity

NOTES:

Regulatory Environment

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Single Exit Price (SEP)	A 5.8% increase was approved by the Department of Health (DoH) for 2013 Effected April 2013
International Benchmark Pricing (IBP)	Focus on branded products under patent Potential impact on Adcock Ingram not material Negotiations underway with DoH with uncertain implementation timeline
Logistics fees	Potential impact on Adcock Ingram is uncertain Uncertain implementation timeline – Regulations awaited
Product Registrations	Adcock Ingram continues to engage with MCC on backlog No clarity on status of Amendment Bill to enable SAHPRA e-CTD Pilot phase underway to establish faster registration process

Heritage | Quality | Integrity

NOTES:

Regulatory Environment

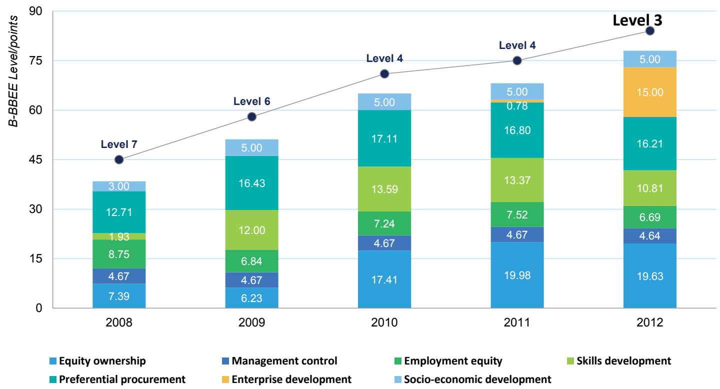
adcock ingram

Complementary and alternative medicines regulations (CAMS)	Regulations on complementary medicines expected post SAHPRA establishment Call for scheduling of complementary medicines gaining momentum Adcock Ingram complies with GMP standards Adcock Ingram complies on dossiers and claims
Rest of Africa	Evolving and fragmented regulatory framework Progress on regulatory harmonisation in East and West Africa GMP compliant manufacturing and packaging facilities
India	Complex regulatory framework Highly fragmented regulatory process NLEM controlling price > 600 products

Heritage | Quality | Integrity

NOTES:

Broad-Based Black Economic Empowerment

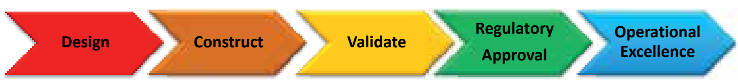


Leading Empowerment in Health

NOTES:

Upgrade to Highest Standards in Manufacture and Distribution Achieved

- R2 billion upgrade and expansion of facilities and distribution completed
- Significant capacity in steriles, liquids and tablet/capsule manufacturing
- Well positioned to supply under requirements of PPPFA
- Supplier of 25% of ARV tender
- Maintains high quality but low cost objective
- Various accreditations received for facilities e.g. US FDA
- Flexibility through Indian manufacturing facility



Commitment to Local Manufacture

NOTES:

Fully Integrated Steriles Manufacture unique in Africa

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- R330m upgrade of facility completed for regulatory compliance and capacity
- Range of intravenous fluids, blood bags, renal dialysis products, LVPs and SVPs
- Manufacturer of medical grade sheeting for steriles and blood collection bags
- Partner government by supplying 85% of Critical Care requirements to the public sector in line with PPPFA
- Accreditation: South Africa (MCC), PIC/S

  ISO 9001:2008 approved

Aeroton

Design → Construct → Validate → Regulatory Approval → Operational Excellence

Largest Critical Care Supplier to the Public Sector

NOTES:

State of the Art
Liquids facility

adcock ingram

- R550m upgrade with fully automated manufacturing
- High-volume liquids, effervescents and powders
- Environmentally friendly technology – lights, water, recycling
- Accreditation: South Africa (MCC), Ghana (FDB), Malawi (PMPB), Kenya (PPB), PIC/S and MNC

CLAYVILLE

Design → Construct → Validate → Regulatory Approval → Operational Excellence

One of Largest Facilities in the Southern Hemisphere

NOTES:

Centre of Excellence for tablet and capsule manufacture

- R240m regulatory upgrade completed
- FDA acceptance received 2013
- Further R80m upgrade will double tablet capacity catering for ARV and other tablet tender requirements
- Manufactures tablets, capsules, LV liquids, creams and ointments
- Accreditation: South Africa (MCC), Ghana (FDB), Botswana (DRU), Malawi (PMPB), Kenya (PPB) and PIC/S

WADEVILLE

Design → Construct → Validate → Regulatory Approval → Operational Excellence

Positioned to be major supplier of ARVs to the Public Sector

NOTES:

International footprint through India investment

- Expansion of manufacturing capacity
- Offers alternative source of manufacture as required
- Low cost base offers competitive advantage in Africa
- Distribution capability by sea/air freight
- Accreditation: South Africa (MCC), UK (MHRA), Australia (TGA), France (MSNA), Tanzania (TFDC), Kenya (PPB), Ghana (FDB), Namibia (NMRC), Uganda (NDA), Ethiopia (DACA) and Romania (NMA)

BANGALORE

Design → Construct → Validate → Regulatory Approval → Operational Excellence

Offers alternative source of manufacture

NOTES:

Investment in Distribution

adcock ingram

Design	Construct	Validate	Regulatory Approval	Operational Excellence
Labour Intensive Picking Bulk Warehousing Regulatory challenges Warehouse relocation to Midrand	New Midrand Automation R65m investment Cape Town and Durban new investment (R32m) Africa establish Multinational Network	Establish African and India Network State of the art Integrated Warehouse Management System Software Integration Oracle/Fortna/ Knapp	MCC Operational approval MNC Approval and 18 partnerships India Rest of Africa	Increased Fine Distribution Environmental best practice Owner Driver Scheme implemented

NOTES:

BUSINESS PERFORMANCE

OTC Southern Africa

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Heritage | Quality | Integrity

NOTES:

The Brief Post Unbundling

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- **Growth into adjacent categories**
  - Personal care
  - Complementary medicines
- **Reduce reliance on SEP products**
  - Personal care
  - Complementary medicines
  - FMCG channel
  - Maintain S0 exempt status
- **Develop regional brands**
  - Take our core brands into Africa

Successful strategy execution in OTC business

Heritage | Quality | Integrity

NOTES:

Adcock Ingram – a stronger #1 in OTC

Value

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Rank 2009	Rank 2013	Company	Share % 2009	Share % 2013*	R'm 2009	R'm 2013*	CAGR %
# 1	# 1	**Adcock Ingram**	**17.6**	**21.9**	**943**	**1 833**	**18.1**
# 2	# 2	Aspen	15.7	13.1	844	1 099	6.8
# 3	# 3	J&J	7.5	6.5	400	542	7.9
# 4	# 4	Cipla Medpro	4.1	4.6	221	384	14.8
# 5	# 5	Reckitt Benckiser	3.2	3.8	171	319	16.9
		Other	51.9	50.1	2 779	4 199	10.9
		Market			**5 358**	**8 376**	**11.8**

Adcock Ingram – a stronger #1 in OTC

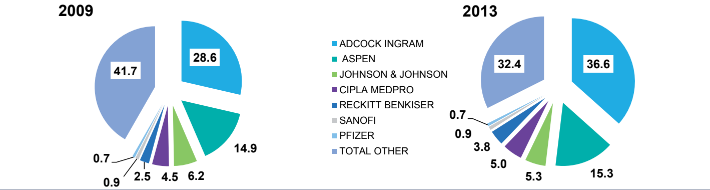
- Includes MNC partners & Acquisitions
- Source: IMS TPM-MAT Mar 2013

Heritage | Quality | Integrity

NOTES:

Adcock Ingram – a stronger #1 in OTC

Counting Units



Rank 2009	Rank 2013	Company	Share % 2009	Share % 2013	'm 2009	'm 2013	CAGR %
# 1	**# 1**	**Adcock Ingram**	**28.6**	**36.6**	**5 351**	**8 219**	**11.3**
# 2	# 2	Aspen	14.9	15.3	2 779	3 428	5.4
# 3	# 3	J&J	6.2	5.3	1 152	1 201	1.0
# 4	# 4	Cipla Medpro	4.5	5.0	845	1 125	7.4
# 5	# 5	Reckitt Benckiser	2.5	3.8	465	848	16.2
		Other	43.3	34.0	8 116	7 639	-1.5
		Market			**18 708**	**22 460**	**4.7**

Adcock Ingram – a stronger #1 in OTC

- **Includes MNC partners & Acquisitions**
- **Source: IMS TPM-MAT Mar 2013**

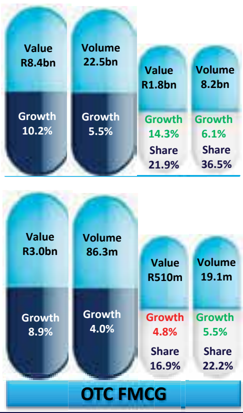
Heritage | Quality | Integrity

NOTES:

Over-the-Counter (OTC)

- **Pharmacy Performance**
  - Category leadership in Pain, Colds & Flu, Allergy, Digestive Wellbeing and Feminine Health
  - Performing ahead of market
- **FMCG Performance**
  - Category leadership in Supplements and Feminine Health and #2 in Pain and Digestive Wellbeing

Panado · ADCO-DOL · CITRO-SODA · BIOPLUS · Corenza-C · ALCOPHYLLEX · allergex · ProbiFlora · Mypaid · Compral



Source: IMS TPM-MAT MAR 2013,
Aztec SA MAT MAR 2013
Value IMS – Sales into trade @ SEP
Value Aztec – Retail selling price to consumer
Volume IMS – Counting Units
Volume Aztec – Units (Selling unit)

The #1 player in OTC

Heritage | Quality | Integrity

NOTES:

Top 5 Pharmacy and FMCG Brands

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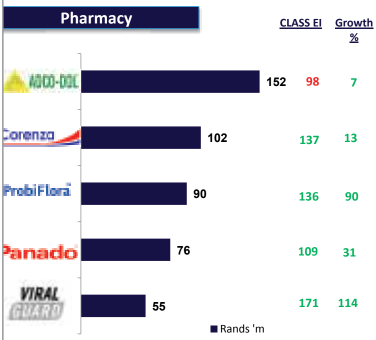
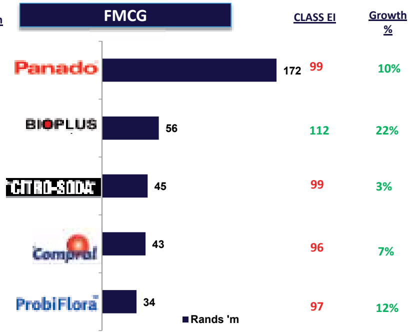
4 brands ranked in the top 10 OTC Pharmacy brands



Panado is ranked 3rd in top 5 Brands in FMCG



A strong performance in Pharmacy, challenges in FMCG

Source: IMS MAT March 2013 & Aztec SA MAT Mar 2013

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NOTES:

OTC

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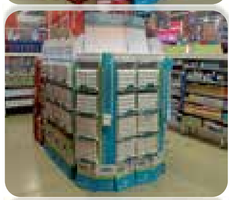
Business Overview

- Business performance has been impacted by 3 key considerations:
  - Some supply constraints due to upgrades
  - Consumer spending remains under pressure
  - OTC remains a highly competitive market
- Umbrella branding continues to sustain growth in our core brands
- Increased focus on the FMCG channel with improved availability, visibility and accessibility



Critical mass and category leadership

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NOTES:


Successful Strategy Implementation
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BIOPLUS
Variant extensions
GUARD
Consistent branding
Respicare
Maintaining category relevance
Gyna GUARD
Relevant brand extension
Consumer insights unlock brand growth

NOTES:


Future Focus
adcock ingram
Defend and Grow the Core
Differentiation & Innovation
Growth of Complementary
Corenza
customer
Emerging Market Penetration
Thought Leadership
Market Leadership
digesticare
Consistent strategy execution

NOTES:

BUSINESS PERFORMANCE
Specialised Healthcare

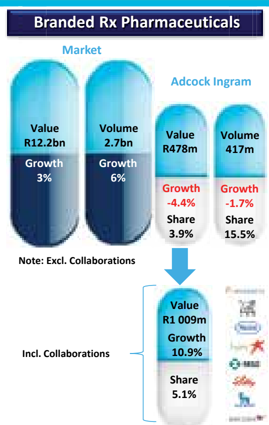
Heritage | Quality | Integrity

NOTES:

Specialised healthcare
Prescription Pharmaceuticals

- Largely dominated by global multinationals
- Originator prescription medicines
- Higher priced, lower volume category
- Funding pressure
- Risk in generic and therapeutic substitution
- MNC data not reflected in IMS under Adcock Ingram

Rank 2008	Company	Rank 2013	
# 2	Sanofi Aventis	# 1	▲
# 1	Pfizer	# 2	▼
# 3	GSK / Aspen	# 3	▶
# 4	Astra Zeneca	# 4	▶
# 7	**Adcock Ingram** (incl. collaborations)	**# 5**	▲



Growth in market share ranking

Source: IMS, TPM, March 2013
Prescription, Non-Generic Pharmaceuticals

Heritage | Quality | Integrity

NOTES:

Business Strategy 2008 ….

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1 Multinational Partner of Choice ✓

2 Market Leadership in Therapeutic Categories of Choice ✓

3 Leading ARV Franchise ✓

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NOTES:

Specialised Healthcare

Multinational partner of choice strategy

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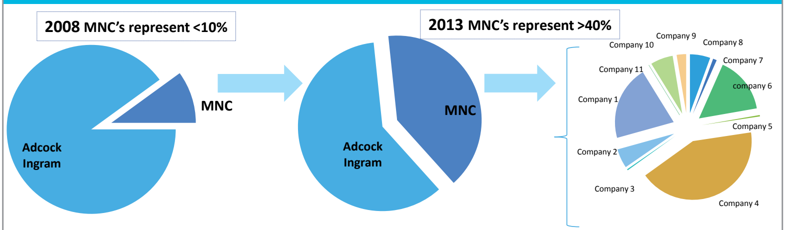

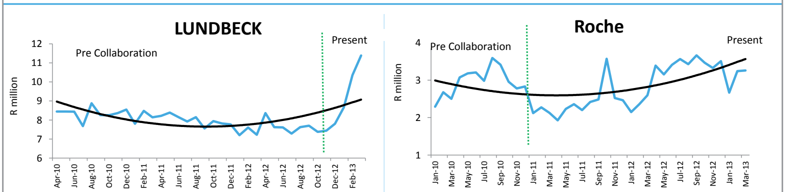

Diversifying risk and successful turn around strategies

Source: IMS, TPM, March 2013
Note: polynomial trendiness

Heritage | Quality | Integrity

NOTES:

Specialised Healthcare

Multinational partner of choice strategy

adcock ingram

Multinationals

- Evaluation of Global strategy and footprint
- Specialisation in select therapeutic areas
- New technologies
- Limited resources
- Product life cycle
- Increased loss of exclusivity
- Generic capability increasingly more aggressive

Adcock Ingram

- Local empowered partner
- Non conflicting shareholding
- Solid principles of Governance
- Agile deal structures
- Successful track record
- Integrated infrastructure with critical mass

Adcock Ingram – Future

- Expanded Product Basket
- New Alliance Partners
- Increased depth of
- Relationship
- Acquisition of Brands

NOVARTIS LEO Roche MSD Lilly novo nordisk BIOCODEX

Adcock Ingram set to benefit from further opportunities with MNC's

Heritage | Quality | Integrity

NOTES:

Specialised Healthcare

Market Leader in Therapeutic Categories of Choice

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Women's Health & Urology	ARVs	Dermatology	Central Nervous System	Respiratory	Ophthalmic	Cardiovascular	Pain	Renal
#1	# 6 Public Sector * # 8 Private Sector	#2	#2	#2	#3	#2	#1	#1*

*2013 tender award effective 01 January 2013; includes first 3 months of new tender data

Adcock Ingram through its association with National Renal Care

- Targeted therapeutic focus
- Depth in knowledge, skill and competence
- Thought leader development
- Critical mass
- Capitalise on Alliances
- Leverage operations to support additional dossiers, acquisitions and partners

Leadership positions created through successful strategies and execution

Source: IMS, TPM, MAT, R value, March 2013, ATC 4,
Renal – Company Information ARV – Public / Private Sectors

Heritage | Quality | Integrity

NOTES:

Specialised Healthcare

Business supported by solid brand performances

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Core Brands

	Rm	Growth %	Evolution Index
MYPRODOL	84	2	95
CIPRALEX	58	2	93
ESTROFEM	48	-4	97
SOLPHYLLEX	40	7	101
MACAINE	30	18	105
ROACCUTANE	27	15	106
ACTIVELLE	27	3	100
NASONEX	24	7	100
COZAAR	22	8	100
FOSAVANCE	22	5	112
URIZONE	21	42	106
ESTRADOT	16	29	130
TENSTON	16	54	140
SPERSADEX	16	22	107

Core brands reflects strong performance

Source: IMS, TPM, MAT, R value, March 2013
- Prescription products including multinational Brands

Heritage | Quality | Integrity

NOTES:

Specialised Healthcare

Establish Competitive ARV franchise

adcock ingram

- **South Africa has the largest ARV treatment programme in the world**
  - 2013/2014 tender valued at R5.9 bn
  - More than 1.6 million people benefiting from government driven treatment programmes.
- **The National Strategic Plan 2012-2016 aims at increasing the number of patients treated and maintaining patients on ARV's**
  - Target is to have more than 3 million patients on treatment by 2016
- **Adcock Ingram is strategically positioned to effectively compete in the ARV market**
  - Full 1st line treatment basket including triple combination (Trivenz), registered in May 2013

South African Population living with **HIV** estimated: 9.98%
5.26 million

Rate of new infections: 3% p.a.

http://www.doh.gov.za
Stats SA Mid Year Population Estimates 2013

Heritage | Quality | Integrity

NOTES:

ARV

Adcock Ingram achievement in latest tender award

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Product	
Abacavir 300mg tablets	✓
Efavirenz 50mg capsules	✓
Efavirenz 200mg capsules	✓
Efavirenz 600mg tablets	✓
Lamivudine 240ml solution	✓
Lamivudine 150mg tablets	✓
Lamivudine 300mg tablets	✓
Nevirapine 200mg tablets	✓
Tenofovir 300mg tablets	✓
Zidovudine syrup 200ml	✓
Zidovudine 300mg tablets	✓
Emtricitabine/Tenofovir tablets	✓
Lamivudine/Zidovudine tablets	✓

Adcock Ingram achieves success with bid items

Adcock Ingram award represents 34% of all items called

	Volume Market Share
Adcock Ingram	**25%**
Cipla Medpro South Africa	16%
Pharmacare Limited	15%
Medivision (Pty) Ltd	13%
Winthrop Pharmaceuticals (Pty) Ltd	10%
Medpro Pharmaceutica (Pty) Ltd	8%
DPR Pharmaceuticals (Pty) Ltd	5%
Sonke Pharmaceuticals (Pty) Ltd	3%
Abbott Laboratories SA (Pty) Ltd	2%
Aurobindo Pharma (Pty) Ltd	2%
Specpharm Holdings (Pty) Ltd	<1%
MSD (Pty) Ltd	<1%
Dezzo Trading (392)	<1%

http://www.doh.gov.za/tenders.php?type=Medical and Pharmaceutical Contracts
nternal data, 2013 YTD March 2013

Heritage | Quality | Integrity

NOTES:

Specialised Healthcare

Establish Competitive ARV franchise

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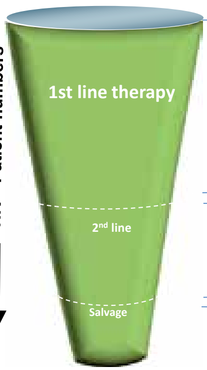
Treatment of HIV / AIDS

HIV+ Patient numbers



1st Line
2NRTI + NNRTI

94.5% of patient numbers

Adcock Ingram 100% Competitive with current range of products

2nd Line
2NRTI + PI

5% of patient numbers

Adcock Ingram 50% Competitive with current range of products

3rd/Salvage
Reltegravir/Duranivir/ Etravirine

0.5% of patient numbers

Future Pipeline

The South African Anti-retroviral Treatment Guidelines 2013

Heritage | Quality | Integrity

NOTES:

BUSINESS PERFORMANCE

Generics and Hospital

Heritage | Quality | Integrity

NOTES:

Generics Business Strategy 2008

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1	Major generic medicines player	✓
2	Public sector growth	✓
3	Pipeline focus with early entry strategies	✓

Capitalise off-patent opportunities with new product pipeline

Heritage | Quality | Integrity

NOTES:

Adcock Ingram – Generics Business

Value market share position

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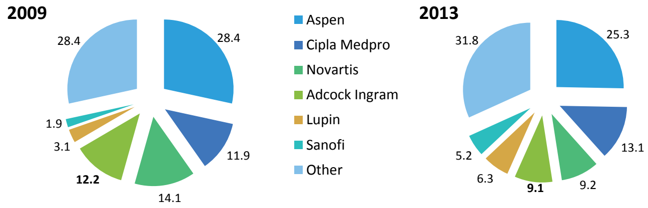

Rank 2009	Rank 2013	Company	Share % 2009	Share % 2013	R'm 2009	R'm 2013	CAGR %
# 1	# 1	Aspen	28.4	25.3	1 136	1 706	10.7%
# 4	# 2	Cipla Medpro	11.9	13.1	475	882	16.7%
# 2	# 3	Novartis	14.1	9.2	563	618	2.4%
# 3	# 4	Adcock Ingram	12.2	9.1	489	595	5.0%
# 6	# 5	Lupin	3.1	6.3	125	426	35.9%
# 8	# 6	Sanofi	1.9	5.2	77	353	46.3%
		Market			4 001	6 743	13.9%

A highly commoditised and competitive market

Source: IMS TPM-MAT Mar 2013

Heritage | Quality | Integrity

NOTES:

Adcock Ingram – Generics Business

Counting Units

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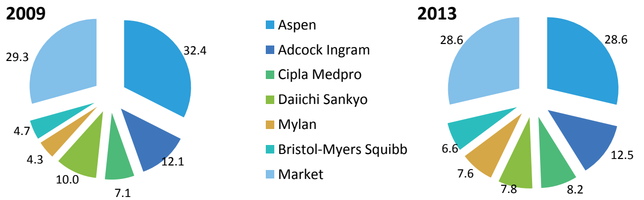


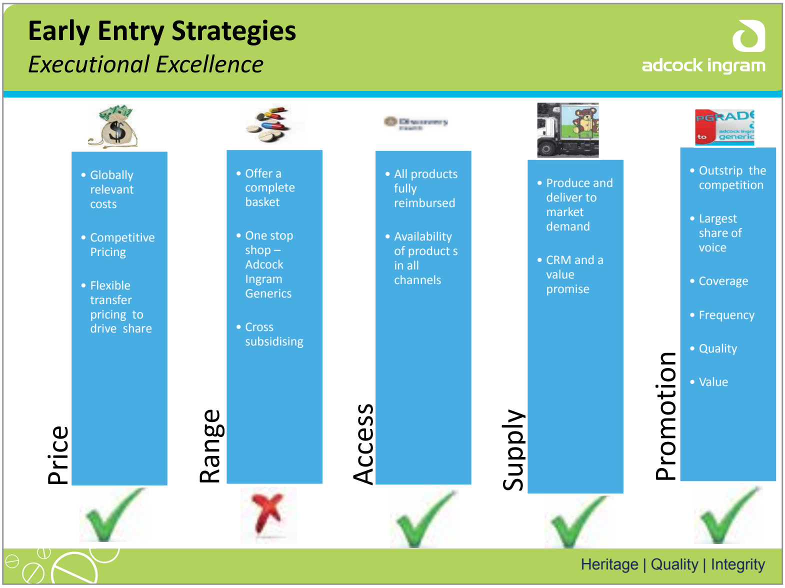
Rank 2009	Rank 2013	Company	Share % 2009	Share % 2013	2009 (m)	2013 (m)	CAGR %
# 1	# 1	Aspen	32.4	28.6	1 237	1 428	3.65%
# 2	# 2	Adcock Ingram	12.1	12.5	462	622	7.72%
# 5	# 3	Cipla Medpro	7.1	8.2	271	411	10.97%
# 3	# 4	Daiichi Sankyo	10.0	7.8	381	388	0.46%
# 7	# 5	Mylan	4.3	7.6	165	380	23.19%
# 6	# 6	Bristol-Myers Squibb	4.7	6.6	177	327	16.59%
		Market	29.3	28.6	1 122	1 431	6.27%

35% increase in counting units

Source: IMS TPM-MAT Mar 2013

Heritage | Quality | Integrity

NOTES:


Early Entry Strategies
Executional Excellence
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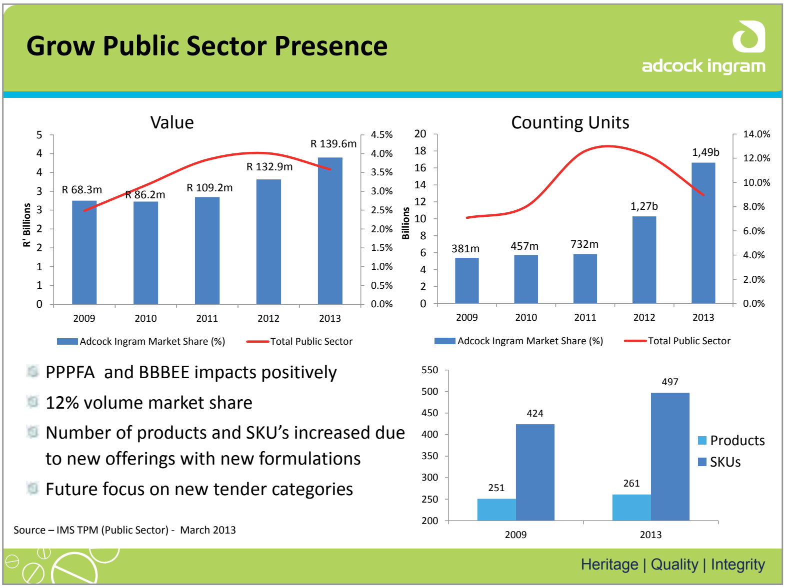
Price
• Globally relevant costs
• Competitive Pricing
• Flexible transfer pricing to drive share
Range
• Offer a complete basket
• One stop shop – Adcock Ingram Generics
• Cross subsidising
Access
• All products fully reimbursed
• Availability of product s in all channels
Supply
• Produce and deliver to market demand
• CRM and a value promise
Promotion
• Outstrip the competition
• Largest share of voice
• Coverage
• Frequency
• Quality
• Value
Heritage | Quality | Integrity

NOTES:


Grow Public Sector Presence
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Value
R' Billions
R 68.3m
R 86.2m
R 109.2m
R 132.9m
R 139.6m
2009
2010
2011
2012
2013
Adcock Ingram Market Share (%)
Total Public Sector
Counting Units
Billions
381m
457m
732m
1,27b
1,49b
2009
2010
2011
2012
2013
Adcock Ingram Market Share (%)
Total Public Sector
PPPFA and BBBEE impacts positively
12% volume market share
Number of products and SKU's increased due to new offerings with new formulations
Future focus on new tender categories
251
424
261
497
2009
2013
Products
SKUs
Source – IMS TPM (Public Sector) - March 2013
Heritage | Quality | Integrity

NOTES:

Pharmacy Generics Performance

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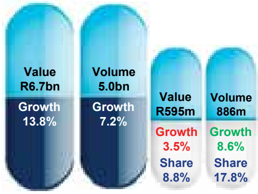
Top 5 Products	Value (MAT) R 'm	Growth (%)	Evolution Index
GEN-PAYNE	79	16	102
ADCO-ZOLPIDEM	61	8	98
ADCO-SIMVASTATIN	56	16	111
ZETOMAX	30	37	140
ADCO-MIRTERON	20	52	133



Source: IMS TPM-MAT March 2013

New products	Value (MAT) R 'm
CO-MIGROBEN	11
SEREZ	8
ADCO-ATORVASTATIN	5
MIGROBEN	5
ADCO PREDNISOLONE	2
ADCO-FEM 35	1

New Product sales have added R32 million to the portfolio

Top brands outgrowing the market

Heritage | Quality | Integrity

NOTES:

Hospital Business Strategy

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- Number 1 Critical Care player in private and public sectors
- Extend into high growth complementary categories
  - Injectable antibiotics, Pre-mixes, Biosciences, Nutrition, medical consumables and complementary devices
- World Class quality
  - Maximise returns on regulatory (PICs) and capacity upgrades

Diversify and Grow Hospital footprint

Heritage | Quality | Integrity

NOTES:

Private & Public Sectors' Performance 2010 - 2012

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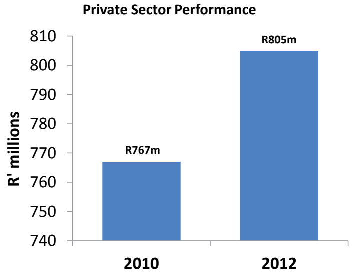

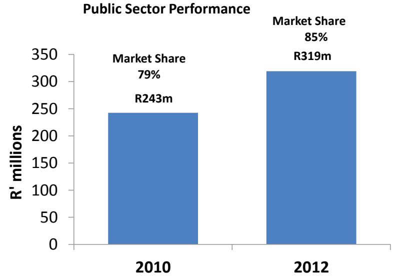

Retain key supplier status

Heritage | Quality | Integrity

NOTES:

Extend into High Growth Complementary Categories

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2008 Portfolio	2010 Portfolio additions	2012 Portfolio additions
• Large volume parenterals • Renal products • Blood blags • Limited consumables Range	• IV Antibiotics • Premixes • Nutrition • Biosciences • Volume expanders • TPN filter sets • SVP's • Nebulising solutions	• Blood Filters • Alyx System • New range of medical consumables

Innovation assisting the core business to grow

Heritage | Quality | Integrity

NOTES:

Critical Care Facility

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Heritage | Quality | Integrity

NOTES:

BUSINESS PERFORMANCE
Rest of Africa

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Heritage | Quality | Integrity

NOTES:

Rest of Africa Footprint

We are in the right territories

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- Adcock Ingram Subsidiaries
- Third Party Representations
- Territories under SA

Ghana:
- Shareholding in Ayrton increased to more than 78% in 2013
- 15 Adcock Ingram products registered and distributed in Ghana
- Ayrton leveraging group's manufacturing competence
- Registration of Critical Care products has commenced

Adcock Ingram East Africa:
- 100% owned Adcock Ingram subsidiary
- Dawanol growing in Kenya, Uganda and other East African markets
- Progress made in product registrations in Kenya and satellite countries
- Co-promotion collaboration with MSD
- Sales, marketing and distribution of Leo Pharma Portfolio

Nigeria:
- Adcock Ingram West Africa Incorporated in 2012
- Nigeria office opened to explore distribution and acquisition opportunities

Zimbabwe: Datlabs, a 100% owned subsidiary
- Manufacturing and distribution capabilities
- Currently the leading pharmaceutical company in Zimbabwe

NOTES:

Our Performance is Constrained by Challenging Operational Environment

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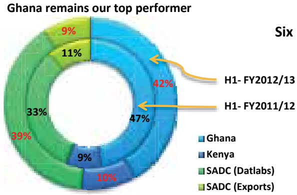
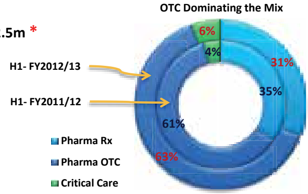
Ghana remains our top performer

Six months turnover R132.5m *



OTC Dominating the Mix



- Macroeconomic: fluctuating foreign exchange rates, interest rates and economic growth
- Political shocks which affect economic development and overall demand
- Regulatory compliance risks
- Pricing, cost cutting and profit pressure
- Expansion of government role in economic activities and pharmaceutical procurement
- Poor infrastructure, skills shortages and counterfeit drugs raising operational costs
- Graft & corruption

* Includes Datlabs which has not been included in the financial results

Heritage | Quality | Integrity

NOTES:

Future Focus

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- Expansion into new therapeutic areas
- Pan-African reformulation project to address dossier and product registration gaps
- Pan-African formulations and branding to enable scale and scope economies
- Appropriate measures on packaging to combat counterfeits
- Upgrading manufacturing and distribution facilities
- Establishing own warehouse facilities in East Africa

NOTES:

NOTES:

Market Opportunities

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Rising Indian household income
- Huge middle class with vigorous buying capacity

Rising consumer healthcare expenditure
- Increase in wealth & education levels, health awareness, ability & willingness to pay for healthcare
- Improving access and growth rates in rural India

Population dynamics
- Large population base 1.5bn by 2050
- Geriatric population to double from 7% to 14% by 2030

Transition in disease patterns
- Transition from infectious to lifestyle related chronic diseases
- Increasing detection & diagnosis

Increasing healthcare access
- Entry of Private & Foreign companies
- Corporatisation of hospitals and pharmacies
- Large retail pharmacy chains

Heritage | Quality | Integrity

NOTES:

Our Presence

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Business in all the 29 States of the country

Catering to 2000 Hospitals

Distribution across India through 24 C&F

Reaching 1726 Wholesalers and 100 000 Retail Pharmacies

Serving 150 000 Doctors

Heritage | Quality | Integrity

NOTES:

Our Performance in a Challenging Environment

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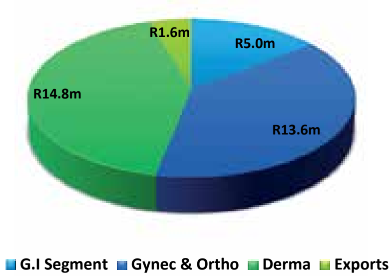
- National List of Essential Medicine announced by the Government
- Government to distribute USD 5 billion worth of free Generics in the next 5 years
- Unionisation of Medical Representatives
- Adcock Ingram portfolio of products planned to be launched
- Implementation of insourcing of at least 25% of the production
- Talent war

Cosme sales for 6 months ending March 2013



Heritage | Quality | Integrity

NOTES:

Progress Since Acquisition

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- R780m Acquisition completed January 2013
- Injectables Manufacturing agreement with Cosme
- Feasibility study to establish creams and ointments facility
- Integration of admin into Bangalore
- Labour force >1000 - mostly field force
  - Traditionally unionised staff

NOTES:

Strategic Scorecard

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Low cost, high quality producer

- ✓ Capital Investment of R2bn completed
- ✓ Facilities and Distribution centers upgraded
- ✓ High level of automation
- ✓ State of the art facilities with local and international acceptance
- ✓ Leader in liquids and steriles manufacture
- ✓ Leader in effervescents, creams and ointments
- ✓ FDA-accepted tablet and capsule facility
- X Operational efficiencies
- X Full capacity utilisation

Expand public sector business

- ✓ Well positioned in terms of government's PPPFA objectives
- ✓ Expanding product portfolio
- ✓ Commitment to Public Sector supply:
  - ✓ Largest volume supplier of ARVs
  - ✓ Largest supplier of hospital products
  - ✓ Significant supplier of tablets and capsules

Growth in South Africa

- ✓ Leading player in the OTC/FMCG arena
- ✓ Leader in hospital products
- ✓ Multinational partner of choice

Heritage | Quality | Integrity

NOTES:

Strategic Scorecard

adcock ingram

- **Achieve excellence in distribution**
  - ✓ New compliant facilities countrywide
  - ✓ Automation and capacity improvement
  - ✓ Largest volume distributor in South Africa

- **Acquire and grow in Africa and India**
  - ✓ Footprint established in East and West Africa
  - ✓ 100% Datlabs, Zimbabwe acquired
  - ✓ International Expansion in India with Cosmé acquisition
  - ✓ Multinational Partnerships and AI pipeline contributing to growth

- **Be a responsible corporate citizen**
  - ✓ Level 3 B-BBEE
  - ✓ Owner-Driver scheme
  - ✓ Empowerment partners: Kagiso Tiso Holdings, Kurisani, loveLife and Adcock Ingram Employee Trust

Heritage | Quality | Integrity

NOTES:

Outlook

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Increased Public Sector business

- Increased and growing volumes bring efficiencies in supply chain

Multinational Partner of Choice

- Reduces dependency on mature product range
- Growth through supply chain collaboration into sub-Saharan Africa

Regulatory

- Product registrations slowed by MCC delays
- New product launches planned for third quarter

Africa

- East African expansion
- Potential in Ethiopia

Focus on Growth

- Targeting high growth emerging markets
- Economic climate impacting consumer spending
- Margins affected by currency fluctuations
- Focus on working capital

Consumer brands sustain strategy

Heritage | Quality | Integrity

NOTES:

APPENDIX

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Heritage | Quality | Integrity

NOTES:

Total Market Breakdown - MAT

TOTAL Market

South Africa	Adcock Ingram
Value: R32.2bn (Growth = 5.6%)	Value: R2821m *[8.8%] (Growth = 7.6%)
Counting Units (CU): 44.6bn (Growth = -7.7%)	Counting Units (CU): 10281m *[23.1%] (Growth = 8.1%)

PRIVATE SECTOR

South Africa	Adcock Ingram
Value: R27.9bn = 86.8% (Growth = 8.1%)	Value: R2671m = 94.7% *[9.6%] (Growth = 9.3%)
CU: 29.9bn = 67.2% (Growth = 5.8%)	CU: 8860m = 86.2% *[29.6%] (Growth = 5.4%)

PUBLIC SECTOR

South Africa	Adcock Ingram
Value: R4.3bn = 13.2% (Growth = -8.5%)	Value: R150m = 5.3% *[3.5%] (Growth = -15.4%)
CU: 14.6bn = 32.8% (Growth = -26.8%)	CU: 1421m = 13.8% *[9.7%] (Growth = 28.7%)

PRESCRIPTION

South Africa	Adcock Ingram
Value: R19.7bn = 70.7% (Growth = 7.1%)	Value: R1073m = 40.2% *[5.4%] (Growth = -0.2%)
CU: 8.2bn = 27.5% (Growth = 7.6%)	CU: 1303m = 14.7% *[15.8%] (Growth = 5.1%)

OTC (OVER THE COUNTER)

South Africa	Adcock Ingram
Value: R8.2bn = 29.3% (Growth = 10.5%)	Value: R1599m = 59.8% *[19.6% (Growth = 16.7%)
CU: 21.7bn = 72.5% (Growth = 5.2%)	CU: 7557m = 85.3% *[34.8%] (Growth = 5.4%)

Original R&D products- (Patented & Non-patented original branded

South Africa	Adcock Ingram
Value: R12.2bn = 61.6% (Growth = 3%)	Value: R478m = 44.5% *[3.9%] (Growth = -4.4%)
CU: 2.7bn = 32.5% (Growth = 6%)	CU: 417m = 32% *[15.5%] (Growth = -1.7%)

Generics (Off patented)

South Africa	Adcock Ingram
Value: R7.6bn = 38.4% (Growth = 14.5%)	Value: R595m = 55.5% *[7.8%] (Growth = 3.5%)
CU: 5.6bn = 67.5% (Growth = 8.4%)	CU: 886m = 68% *[15.9%] (Growth = 8.6%)

South Africa | Adcock Ingram

*[ ] Adcock Ingram Market Share

Source: IMS TPM – MAT March 2013, IMS ISA – MAT Dec 2012.

NOTES:

New Management

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Werner van Rensburg
Chief Operations Officer


Vicki St Quintin
Group Corporate Affairs & Investor Relations Manager


Doreen Kosi
Government Relations Executive


Ashley Pearce
Commercial Executive: Southern Africa


Tarun Kumar
Marketing Director: India


Janardhanan Narayanaswamy
GM Human Capital: India


Timothy Chege
MD: East Africa


Daniel Kissi
MD: Ayrton Drugs Ltd: West Africa

NOTES:

FINANCIAL RESULTS
Environment

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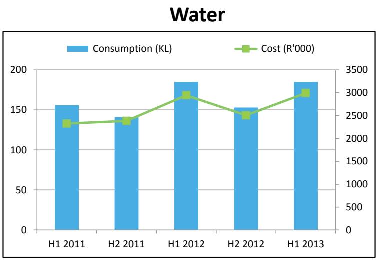

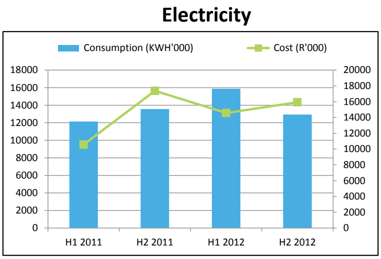

Heritage | Quality | Integrity

NOTES:

CNS market Leadership achieved with Lundbeck collaboration

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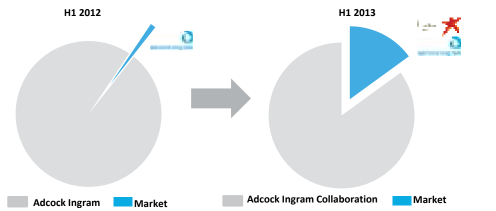
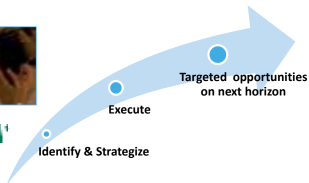


"Power in Partnership"

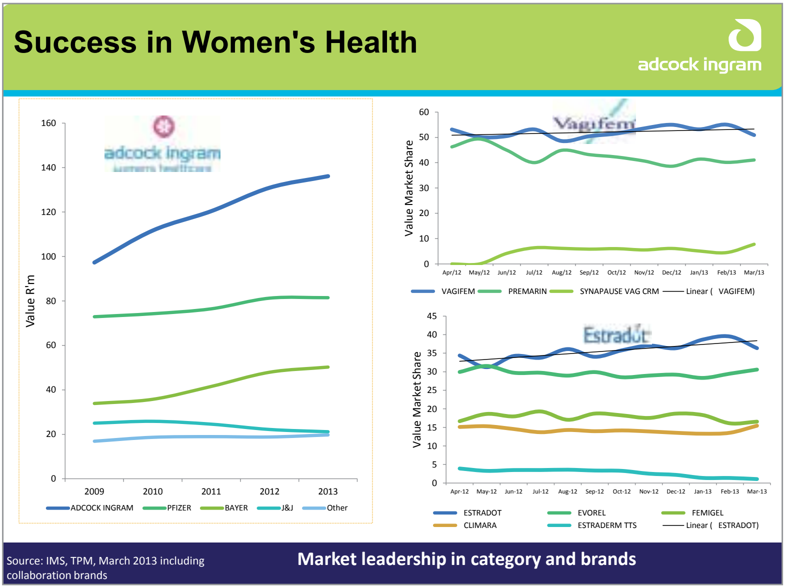
Successful on-boarding of partners strengthens Adcock Ingram position in CNS



IMS, TPM, H1 Mar 2013

Heritage | Quality | Integrity

NOTES:


Success in Women's Health
adcock ingram
adcock ingram
Value R'm
160
140
120
100
80
60
40
20
0
2009
2010
2011
2012
2013
ADCOCK INGRAM
PFIZER
BAYER
J&J
Other
Vagifem
Value Market Share
60
50
40
30
20
10
0
Apr/12 May/12 Jun/12 Jul/12 Aug/12 Sep/12 Oct/12 Nov/12 Dec/12 Jan/13 Feb/13 Mar/13
VAGIFEM
PREMARIN
SYNAPAUSE VAG CRM
Linear (VAGIFEM)
Estradot
Value Market Share
45
40
35
30
25
20
15
10
5
0
Apr-12 May-12 Jun-12 Jul-12 Aug-12 Sep-12 Oct-12 Nov-12 Dec-12 Jan-13 Feb-13 Mar-13
ESTRADOT
EVOREL
FEMIGEL
CLIMARA
ESTRADERM TTS
Linear (ESTRADOT)
Source: IMS, TPM, March 2013 including collaboration brands
Market leadership in category and brands

NOTES:

CORPORATE INFORMATION

ADCOCK INGRAM HOLDINGS LIMITED
Incorporated in the Republic of South Africa
Registration number 2007/016236/06
Income tax number 9528/919/15/3
Share code: AIP ISIN: ZAE000123436
("Adcock Ingram" or "the Company" or "the Group")

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

Company secretary:
NE Simelane

Registered office:
1 New Road, Midrand, 1682

Postal address:
Private Bag X69, Bryanston, 2021

Transfer secretaries:
Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Auditors:
Ernst & Young Inc.
Wanderers Office Park, 52 Corlett Drive, Illovo, 2196

Sponsor:
Deutsche Securities (SA) (Pty) Limited
3 Exchange Square, 87 Maude Street, Sandton, 2146

Bankers:
Nedbank Limited, 135 Rivonia Road, Sandown, Sandton, 2146
Rand Merchant Bank, 1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196

Attorneys:
Read Hope Phillips, 30 Melrose Boulevard, Melrose Arch, 2196

Forward-looking statements:
Adcock Ingram may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return and cost reductions. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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