



Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2007/016236/06)

Share code: AIP ISIN: ZAE000123436

("Adcock" or "the Company")

Circular to ordinary shareholders regarding the proposed black economic empowerment transaction

including:

- **amendments to the Articles of Association of the Company to:**
 - **create A ordinary shares and B ordinary shares (which will be unlisted); and**
 - **increase the authorised share capital;**
- **the authority to issue A ordinary shares and B ordinary shares for cash;**
- **the authority to place the A ordinary shares and B ordinary shares under the control of the directors;**
- **the authority to repurchase A ordinary shares and B ordinary shares (and ordinary shares, if applicable)**

and incorporating:

- **a notice of general meeting of ordinary shareholders; and**
- **a form of proxy (yellow) (for use by certificated ordinary shareholders and own name dematerialised ordinary shareholders only).**

17 March 2010

**Legal adviser to
the Company**

read hope phillips
ATTORNEYS

**Merchant bank and
transaction sponsor**

 **RAND
MERCHANT
BANK**
A division of FirstRand Bank Limited

Reporting accountants

 **ERNST & YOUNG**
Quality In Everything We Do

Sponsor

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



Independent professional expert

VUNANI
CORPORATE FINANCE

CORPORATE INFORMATION AND ADVISERS

Company secretary and registered office

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Reporting accountants

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Transfer secretaries

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(Proprietary) Limited
Ground Floor, 70 Marshall Street
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(PO Box 61051, Marshalltown, 2107)

Merchant bank and transaction sponsor

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Legal adviser to the Company

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ACTION REQUIRED BY ORDINARY SHAREHOLDERS

This circular is important and requires your immediate attention.

The definitions and interpretations commencing on page 4 of this circular apply *mutatis mutandis* to this "Action required by ordinary shareholders" section.

Please take careful note of the following provisions regarding the action required by ordinary shareholders:

1. If you have disposed of all of your ordinary shares, this circular should be handed to the purchaser of such ordinary shares or the CSDP, broker or other agent who disposed of your ordinary shares on your behalf.
2. If you are in any doubt as to what action to take, consult your CSDP, broker or other professional adviser immediately.
3. This circular contains information relating to the Transaction. You should carefully read through this circular and decide how you wish to vote on the resolutions to be proposed at the general meeting.
4. The general meeting, convened in terms of the notice of general meeting incorporated in this circular, will be held at the Company's registered office, 1 New Road, Midrand, Gauteng on Friday, 9 April 2010, at 09:00.
5. **If you are a dematerialised ordinary shareholder:**

5.1 Own name registration

You are entitled to attend, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (yellow), in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09:00 on Wednesday, 7 April 2010.

5.2 Other than own name registration

Your CSDP/broker should contact you to ascertain how you wish to cast your vote at the general meeting and thereafter will cast the vote in respect of your ordinary shares in accordance with your instructions.

If you have not been contacted by your CSDP/broker, it would be advisable for you to contact your CSDP/broker and furnish them with your voting instructions.

If your CSDP/broker does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP/broker.

You should **NOT** complete the attached form of proxy (yellow).

In accordance with the agreement between you and your CSDP/broker, you must advise your CSDP/broker if you wish to attend the general meeting and your CSDP/broker will issue the necessary letter of representation to you to enable you to attend and vote at the general meeting.

6. If you are a certificated ordinary shareholder:

You are entitled to attend, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (yellow), in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09:00 on Wednesday, 7 April 2010.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this circular have, where necessary, been used in this section.

2010

Circular posted to ordinary shareholders on or about	Wednesday, 17 March
Last day for receipt of proxy forms for the general meeting by 09:00 on	Wednesday, 7 April
General meeting to be held at 09:00 on	Friday, 9 April
Results of general meeting released on SENS on	Friday, 9 April
Results of general meeting published in the press on	Monday, 12 April
Special resolutions lodged with the CIPRO on or about	Wednesday, 14 April

Notes:

1. These dates and times are subject to change. Any material changes to the above dates and times will be released on SENS.
2. All times given in this circular are local times in South Africa.

This circular is available in English only. Copies may be obtained from the registered office of the Company or from the office of the transfer secretaries from Wednesday, 17 March 2010 to Friday, 9 April 2010, at the addresses set out in “Corporate information and advisers” section.

DEFINITIONS AND INTERPRETATION

In this circular and the annexures hereto, unless otherwise stated or the context indicates otherwise, the words or phrases in the first column shall have the meanings assigned to them in the second column. Words in the singular include the plural and *vice versa*, words and expressions which denote one gender include the other genders, and a reference to a natural person includes a juristic person and an association and *vice versa*.

“A Implementation Date”	the date on which the A ordinary shares are issued to BEE-Co in terms of the A subscription agreement, expected to be on or about 22 April 2010;
“A lock-in period”	the lock-in period in the case of the Strategic Partners and BEE-Co, being the period commencing on the A Implementation Date and terminating on the 10th (tenth) anniversary of the A Implementation Date (both dates included);
“A notional outstanding”	(i) the agreed notional value of all the A ordinary shares, being R847 335 911; less (ii) with effect from the respective date/s on which such special dividends are paid to ordinary shareholders, the amount of any special dividends that would have been paid by Adcock to BEE-Co but for the terms of the A ordinary shares and the fact that BEE-Co has, in terms of the A subscription agreement, waived its rights to special dividends in respect of the ordinary shares to be acquired by BEE-Co on the terms set out in the A subscription agreement and as contemplated in paragraph 3.2 of this circular; plus (iii) notional accrued interest, calculated from the day following the A Implementation Date, on the difference from time to time between the amounts in (i) and (ii) above at the notional rate to the date in question;
“A ordinary share”	a share with a par value of 10 cents in the Company, which carries the same voting rights as an ordinary share, and which is automatically convertible into an ordinary share on a one-for-one basis, to be created to facilitate the Transaction, subject to the passing of the necessary resolutions detailed in the notice of general meeting attached to this circular;
“A subscription agreement”	the subscription agreement concluded between Adcock and BEE-Co on 17 February 2010, in terms of which BEE-Co has agreed, subject to fulfilment of certain conditions precedent, to subscribe for 19 458 196 A ordinary shares, as amended from time to time;
“Adcock” or “the Company”	Adcock Ingram Holdings Limited (Registration number 2007/016236/06), a public company duly incorporated in South Africa, the ordinary shares of which are listed on the JSE;
“Agreed Price”	the notional value of each A ordinary share and each B ordinary share on the implementation of the Transaction, which is deemed to be R48.36, being equal to the 10-day VWAP of an ordinary share as at the close of trade on 19 November 2009 (being the date on which the MoU was signed) (R50.91) less a discount of 5%;
“AICC”	Adcock Ingram Critical Care (Proprietary) Limited (Registration number 2004/004208/07), which is currently a wholly-owned subsidiary of Adcock;
“Articles”	the articles of association of the Company as registered with CIPRO;
“B Implementation Date”	the date on which the B ordinary shares are issued to the Employee Trust in terms of the B subscription agreement, expected to be on or about 22 April 2010;

“B lock-in period”	the lock-in period in the case of the Employee Trust, being the period commencing on the B Implementation Date and terminating on the 7th (seventh) anniversary of the B Implementation Date (both dates included);
“B notional outstanding”	<ul style="list-style-type: none"> (i) the notional value of all the B ordinary shares, being R313 695 304; less (ii) with effect from the respective date/s on which such special dividends are paid to ordinary shareholders, the amount of any special dividends that would have been paid by Adcock to the Employee Trust but for the terms of the B ordinary shares and the fact that the Employee Trust has, in terms of the B subscription agreement, waived its rights to special dividends in respect of the ordinary shares to be acquired by the Employee Trust on the terms set out in the B subscription agreement and as contemplated in paragraph 3.3 of this circular; plus (iii) notional accrued interest, calculated from the day following the B Implementation Date, on the difference from time to time between the amounts in (i) and (ii) above at the notional rate to the date in question;
“B ordinary share”	a share with a par value of 10 cents in the Company, which carries the same voting rights as an ordinary share, and which is automatically convertible into an ordinary share on a one-for-one basis, to be created to facilitate the Transaction, subject to the passing of the necessary resolutions detailed in the notice of general meeting attached to this circular;
“B subscription agreement”	the subscription agreement concluded between Adcock and the Employee Trust on 17 February 2010, in terms of which the Employee Trust has agreed, subject to the A subscription agreement becoming unconditional, to subscribe for 6 486 065 B ordinary shares, as amended from time to time;
“BEE”	Black Economic Empowerment, as envisaged in the BEE legislation;
“BEE-Co”	Blue Falcon 69 Trading (Proprietary) Limited (Registration number 2009/016091/07), a private company duly incorporated in accordance with the company laws of South Africa, through which the Strategic Partners will hold their equity interests in Adcock, as set out in paragraph 3.4 of this circular;
“BEE-Co Call Option”	the terms contained in the A subscription agreement pursuant to which Adcock is granted an option to repurchase a formula-determined number of A ordinary shares (and compulsorily acquired ordinary shares, if applicable) from BEE-Co;
“BEE-Co Call Option Date”	the first business day after the expiry of the A lock-in period;
“BEE-Co Call Option formula”	the formula set out in the A subscription agreement which determines the number of BEE-Co repurchase shares, as described in paragraph 3.6.1 of this circular;
“BEE-Co Conversion Date”	the date on which the A ordinary shares automatically convert into ordinary shares on a one-for-one basis;
“BEE-Co repurchase shares”	that number of A ordinary shares (and compulsorily acquired ordinary shares, if applicable), to be repurchased by Adcock on exercise of the BEE-Co Call Option, as is determined in accordance with the BEE-Co Call Option formula;
“BEE-Co shareholders’ agreement”	the Subscription and Shareholders Agreement concluded between BEE-Co and the Strategic Partners on 17 February 2010, as amended from time to time;
“BEE legislation”	the Broad-Based Black Economic Empowerment Act, 53 of 2003, including the Codes;
“BEE Participants”	BEE-Co and the Employee Trust;

“Beneficiary”	a beneficiary of the Employee Trust as defined in the Employee Trust Deed;
“black”	in relation to any person, shall have the meaning ascribed to it in the Codes;
“board”	board of directors of the Company;
“broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE made in accordance with the provisions of the Securities Services Act;
“business day”	any day other than a Saturday, Sunday or a national public holiday in South Africa;
“cents”	South African cents in the official currency of South Africa;
“certificated ordinary shares”	ordinary shares that are not dematerialised, the title to which is represented by a physical document of title;
“certificated ordinary shareholders”	holders of certificated ordinary shares;
“CIPRO”	the Companies and Intellectual Property Registration Office or the successor thereto;
“circular”	this circular to ordinary shareholders dated on or about 17 March 2010 regarding the Transaction and all annexures and attachments hereto;
“Codes”	the broad-based Black Economic Empowerment Codes of Good Practice gazetted by the Department of Trade and Industry on 9 February 2007;
“Companies Act”	the Companies Act (Act 61 of 1973), as amended or replaced from time to time;
“CSDP”	a Central Securities Depository Participant, operating in terms of the Securities Services Act, appointed by individual shareholders for purposes of and in regard to dematerialisation;
“dematerialisation”	a process by which certificated ordinary shares are converted to an electronic form as uncertificated shares and are recorded in the sub-register of shareholders maintained by a CSDP;
“dematerialised ordinary shares”	ordinary shares that have been dematerialised;
“dematerialised ordinary shareholders”	holders of dematerialised ordinary shares;
“directors”	the directors of Adcock from time to time;
“documents of title”	valid share certificates, certified transfer deeds, balance receipts or any other documents of title acceptable to Adcock in respect of ordinary shares;
“Employee Transaction Term”	a period of 7 years from the B Implementation Date;
“Employee Trust”	the Mpho Ea Bophelo Trust (Master’s reference number IT330/2010), formed in terms of the Employee Trust Deed for the benefit of qualifying employees;
“Employee Trust Call Option”	the terms contained in the B subscription agreement pursuant to which Adcock is granted an option to repurchase a formula-determined number of the B ordinary shares (and compulsorily acquired ordinary shares, if applicable) from the Employee Trust;
“Employee Trust Call Option Date”	the first business day after the expiry of the B lock-in period;
“Employee Trust Call Option formula”	the formula set out in the B subscription agreement which determines the number of Employee Trust repurchase shares, as described in paragraph 3.7.2 of this circular;

“Employee Trust Conversion Date”	the date on which the B ordinary shares automatically convert into ordinary shares on a one-for-one basis;
“Employee Trust Deed”	the Mpho Ea Bophelo Trust Deed entered into between Adcock and the Trustees on 12 February 2010, as amended from time to time, in terms of which the Employee Trust is established and regulated;
“Employee Trust repurchase shares”	that number of B ordinary shares (and compulsorily acquired ordinary shares, if applicable) to be repurchased by Adcock on exercise of the Employee Trust Call Option as is determined in accordance with the Employee Trust Call Option formula;
“Employee Trust Rules”	the rules of the Mpho Ea Bophelo scheme, as set out in Annexure A to the Employee Trust Deed, as amended from time to time;
“first allocation date”	31 March 2011;
“general meeting”	the general meeting of ordinary shareholders, convened in terms of the notice of general meeting attached to and forming part of this circular, to be held at 09:00 on Friday, 9 April 2010 at Adcock’s head office, 1 New Road, Midrand;
“Group”	Adcock and its direct and indirect subsidiaries and associates from time to time;
“IFRS”	International Financial Reporting Standards;
“Independent professional expert”	Vunani Corporate Finance (trading as a division of Vunani Capital (Proprietary) Limited) (Registration number 1998/001469/07), appointed as the independent professional expert in relation to the Transaction;
“JSE”	the securities exchange, licensed under the Securities Services Act, operated by JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in South Africa;
“Kagiso”	Kagiso Strategic Investments III (Proprietary) Limited (Registration number 2007/023000/07), a private company duly incorporated in accordance with the laws of South Africa;
“Kagiso Trust”	Kagiso Trust, (Master’s reference number IT374/87), a trust set up in accordance with the laws of South Africa;
“Kurisani”	Kurisani Youth Development Trust (Master’s reference number IT8979/04), a trust set up in accordance with the laws of South Africa to benefit historically disadvantaged South African youth through loveLife’s programmes;
“last practicable date”	Tuesday, 9 March 2010, being the last practicable date prior to finalisation of this circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended;
“loveLife”	the loveLife Trust (Master’s reference number IT12825/07), a trust set up in accordance with the laws of South Africa and which is a public benefit organisation (Public benefit organisation number 930012001);
“Mookodi”	the Mookodi Pharma Trust (Master’s reference number IT314/2010), a trust set up in accordance with the laws of South Africa and for the benefit of black medical doctors and/or health professionals;
“MoU”	the memorandum of understanding setting out the key commercial principles of the Transaction, which was signed on 19 November 2009;
“notional rate”	9.0766%, nominal annual compounded daily in arrears;
“ordinary shares”	ordinary shares of 10 cents each in the Company;
“ordinary shareholders”	registered holders of ordinary shares;
“own name dematerialised ordinary shareholders”	dematerialised ordinary shareholders who have instructed their CSDP/broker to hold their dematerialised ordinary shares in their own name on the sub-register;

“qualifying employee”	permanent employees of the Company and each other member of the Group (excluding associates) as at the first allocation date and each subsequent anniversary of the first allocation date, until the 4th anniversary of the first allocation date, who are black people, but excluding any such employees who are not employed in South Africa, unless such employees are on secondment outside of South Africa;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“register”	Adcock’s shareholders register, including all sub-registers;
“Relationship agreement”	the Relationship agreement concluded between, <i>inter alia</i> , Adcock, BEE-Co and the Strategic Partners on 17 February 2010, as amended from time to time;
“reporting accountants”	Ernst & Young Inc;
“SENS”	Securities Exchange News Service of the JSE;
“Securities Services Act”	Securities Services Act (Act 36 of 2004), as amended;
“South Africa”	Republic of South Africa;
“special dividend”	any dividend of Adcock which is described by Adcock as a special or extraordinary dividend or in any analogous manner and/or which is otherwise not a dividend declared in accordance with Adcock’s ordinary dividend policy, other than any dividend <i>in specie</i> ;
“Strate”	Strate Limited (Registration number 1998/022242/06), a public company duly incorporated in South Africa, which is a registered central securities depository in terms of the Securities Services Act, and which manages the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
“Strategic Partners”	collectively, Kagiso, Kurisani and Mookodi;
“Strategic Partners’ Transaction Term”	a period of 10 years from the A Implementation Date;
“sub-register”	a list of shareholders maintained by a CSDP and forming part of the register;
“the Transaction”	the creation and issue of the A ordinary shares and the B ordinary shares to the BEE Participants resulting, collectively, in the issue of the equivalent of 13% of the Adcock shares in issue post the Transaction, to be held by BEE-Co and the Employee Trust in accordance with the terms of the applicable Transaction Agreements;
“Transaction Agreements”	the signed agreements giving effect to the Transaction, being the Employee Trust Deed, the Employee Trust Rules, the Relationship agreement, the A subscription agreement, the B subscription agreement and the BEE-Co shareholders’ agreement;
“transfer secretaries”	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company duly incorporated in South Africa;
“Trustees”	trustees of the Employee Trust;
“unit”	a notional participation unit in the residual Employee Trust assets bearing the benefits and being subject to the terms and conditions set out in the Employee Trust Deed and the Employee Trust Rules; and
“VWAP”	the volume weighted average price of an ordinary share on the JSE, i.e. the ratio of the value traded to total volume traded of an ordinary share on the JSE over the relevant time period.



Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2007/016236/06)

Share code: AIP ISIN: ZAE000123436

("Adcock" or "the Company")

CIRCULAR TO ORDINARY SHAREHOLDERS

1. INTRODUCTION

Adcock has entered into the Transaction, which will, subject to the passing of the necessary resolutions detailed in the notice of general meeting attached to this circular, be implemented as part of its committed efforts to achieve the objectives set out in the Codes.

The purpose of this circular is to provide ordinary shareholders with relevant information relating to the Transaction in order to enable ordinary shareholders to make an informed decision as to whether they should vote in favour of the resolutions to be proposed at the general meeting, as set out in the notice of general meeting attached to and forming part of this circular.

2. RATIONALE

As a leading listed healthcare company in South Africa, it is Adcock's intention to embrace broad-based BEE equity participation as a key transformation initiative. Adcock was guided by the following key objectives in structuring and implementing the Transaction:

- positioning Adcock as South Africa's leading empowered healthcare company;
- supporting Adcock's market position and growth strategies in healthcare in South Africa;
- enhancing Adcock's commitment to broad-based empowerment and transformation;
- enhancing healthcare in South Africa;
- maximising Adcock's equity ownership scorecard (in terms of the Codes); and
- satisfying regulatory requirements.

Adcock is committed to transformation through the introduction of broad-based BEE equity partners into its business to add to the significant progress it has made in the areas of, *inter alia*, employment equity, skills development and preferential procurement. The Transaction is being implemented as part of Adcock's committed efforts to achieve the objectives set out in the Codes and in anticipation of the future requirements of a Healthcare Charter.

3. DETAILS OF THE TRANSACTION

The total value of the Transaction is R1.321 billion, based on the 10-day VWAP of R50.91 per ordinary share on the JSE as at the close of trade on Thursday, 19 November 2009, being the date when the MoU was signed.

3.1 Transaction mechanics

The Transaction will be implemented through a specific issue of 19 458 196 A ordinary shares and 6 486 065 B ordinary shares. The A ordinary shares and B ordinary shares will constitute 13% of Adcock's total issued shares after their issue.

For the purposes of the Transaction, the notional value of each A ordinary share and each B ordinary share on the A Implementation Date and B Implementation Date, respectively, will be deemed to be R48.36, being the Agreed Price.

The specific issue of shares will be financed by way of an equity contribution of R93.75 million by the Strategic Partners, made through BEE-Co, a grant of R0.65 million by Adcock to the Employee Trust and notional vendor funding provided by Adcock which has the following salient characteristics:

- no recourse to Adcock;
- no impact on Adcock's credit facilities nor any requirement for the approval of Adcock's existing financiers; and
- no cash flow implications for Adcock.

The mechanics of the notional vendor finance structure will essentially result in the following:

- the specific issue of the A ordinary shares and the B ordinary shares, which will equate to 13% of Adcock's issued share capital following the issue of the A ordinary shares and B ordinary shares;
- the repurchase at par value of the BEE-Co repurchase shares at the end of the Strategic Partners' Transaction Term and the Employee Trust repurchase shares at the end of the Employee Trust Transaction Term, respectively;
- the A ordinary shares and B ordinary shares shall automatically convert into ordinary shares at the end of the Strategic Partners Transaction Term and the Employee Trust Transaction Term, respectively, and those which are not repurchased by Adcock in terms of the BEE-Co Call Option or the Employee Trust Call Option shall thereafter be free of any restrictions; and
- upon conversion of the A ordinary shares and B ordinary shares into ordinary shares in accordance with their terms, Adcock will procure that those ordinary shares that are not repurchased by Adcock are listed on the JSE.

3.2 Creation and issue of the A ordinary shares for purposes of the Transaction

Adcock will increase its authorised share capital through the creation of 19 458 196 A ordinary shares which will be issued by Adcock to BEE-Co in terms of the A subscription agreement.

The terms of the A ordinary shares are set out in special resolution number 2 in the notice of general meeting attached to this circular.

The key terms of the A ordinary shares and the key contractual obligations of the holders of A ordinary shares (as set out in the A subscription agreement) are as follows:

- Adcock will have the right to repurchase all or some of the A ordinary shares at the end of the Strategic Partners' Transaction Term in accordance with the BEE-Co Call Option formula;
- the A ordinary shares will not be listed but will be considered in determining a quorum and will be entitled to vote on any or all resolutions proposed at general/annual general meetings;
- the A ordinary shares will automatically convert into ordinary shares at the end of the Strategic Partners' Transaction Term;
- the A ordinary shares will be entitled to ordinary dividends and dividends *in specie pari passu* with the ordinary shares. However, during the A lock-in period, BEE-Co will be entitled to retain only 15% of the ordinary dividends received by it in respect of the A ordinary shares. The balance of the ordinary dividends received by BEE-Co, i.e. 85% of the ordinary dividends on the A ordinary shares will, on a compulsory basis, be used by BEE-Co, within a period of 30 business days after receipt, to purchase ordinary shares; and
- 100% of the ordinary dividends received by BEE-Co in respect of the ordinary shares compulsorily acquired by BEE-Co must likewise be utilised to purchase ordinary shares. All such ordinary shares compulsorily acquired by BEE-Co will also be subject to the BEE-Co Call Option, to the extent required.

BEE-Co may deal with any dividends in specie received by BEE-Co as it deems fit.

To the extent that any part of the 30 business day period referred to above falls within a closed period for Adcock, as defined in the Listings Requirements, the following provisions shall apply:

- any such acquisitions of ordinary shares shall be implemented on the open market of the JSE, through the order book operated by the JSE trading system and without any prior understanding or arrangement between BEE-Co (or its sole agent referred to below) and the relevant counterparty/ies;
- the price of the closed period acquisitions may not exceed 110% of the VWAP for the five business days immediately preceding the date of the relevant closed period acquisition;
- prior to the closed period, BEE-Co shall appoint an agent to effect all closed period acquisitions on BEE-Co's behalf;

- prior to the receipt of the relevant ordinary dividend by BEE-Co, the dates and quantities of ordinary shares to be purchased by the agent during the closed period shall be fixed by written instructions given by BEE-Co to the agent and such instructions may not be varied or cancelled thereafter; and
- BEE-Co may not have any direct or indirect contact with, or engage in any direct or indirect communications with, the agent during the closed period.

In terms of the A subscription agreement, BEE-Co has waived its entitlement to receive special dividends in respect of its compulsorily acquired ordinary shares until such time as the A notional outstanding has reduced to zero in terms of the A subscription agreement. Similarly, the terms of the A ordinary shares provide that the A ordinary shares will not participate in special dividends until the A notional outstanding has reduced to zero in terms of the A subscription agreement. BEE-Co will thus not be entitled to participate in special dividends declared by the Company in respect of either the A ordinary shares or its compulsorily acquired ordinary shares until such time as the A notional outstanding has reduced to zero. However, an equivalent amount of the special dividends which would otherwise have been received by BEE-Co shall be offset against the A notional outstanding with effect from the date on which such special dividends are paid to ordinary shareholders.

BEE-Co may, from time to time, propose to the nomination committee of the board, persons suitable for nomination and appointment as non-executive directors to the board. Proposals made by BEE-Co will be considered by the nomination committee in accordance with its normal procedures and criteria from time to time, together with any other proposals regarding nominations and appointments to the board which may come before the nomination committee from time to time. The nomination committee may, if it deems fit, and in its sole discretion, support the nomination and appointment as non-executive directors to the board of any persons nominated by BEE-Co as aforesaid. Notwithstanding any such support which may be given by the nomination committee regarding a person nominated by BEE-Co, the decision whether to appoint any person as a non-executive director to the board shall be taken by Adcock shareholders in general meeting, and such shareholders are not obliged to follow any recommendation which may be made by the nomination committee.

Where shareholders are required to vote in terms of the Listings Requirements, the JSE does not ordinarily allow unlisted securities to be taken into account in determining either a quorum or for the approval of any resolution considered at any general or annual general meeting. However in the interests of BEE legislation, the JSE has agreed that the A ordinary shares can be taken into account in determining a quorum and for the approval of any resolution considered at any general or annual general meeting, subject to the fact that the rights attaching to the A ordinary shares may not be amended in any material respect without the prior approval of the JSE and will not be counted for categorisation purposes in terms of Section 9 of the Listings Requirements.

In addition, the JSE has requested a fairness opinion as referred to in paragraph 3.14 below and ordinary shareholders will be requested to vote on the Transaction as set out in this circular.

3.3 Creation and issue of the B ordinary shares for purposes of the Transaction

In addition to the creation of the A ordinary shares, Adcock will increase its authorised share capital through the creation of 6 486 065 B ordinary shares which will be issued by Adcock to the Employee Trust in terms of the B subscription agreement.

The terms of the B ordinary shares are also set out in special resolution number 2 in the notice of general meeting attached to this circular.

The key terms of the B ordinary shares and the key contractual obligations of the holder of B ordinary shares (as set out in the B subscription agreement) are:

- Adcock will have the right to repurchase all or some of the B ordinary shares at par value at the end of the Employee Trust Transaction Term in accordance with the Employee Trust Call Option formula;
- the B ordinary shares will not be listed but will be considered in determining a quorum and entitled to vote on any or all resolutions proposed at general/annual general meetings;
- the B ordinary shares will automatically convert into ordinary shares at the end of the Employee Trust Transaction Term;
- the B ordinary shares will be entitled to ordinary dividends and dividends *in specie pari passu* with the ordinary shares but will not be entitled to receive special dividends. However, during the B lock-in period, the Employee Trust will be obliged to utilise 100% of the ordinary dividends received in respect of the B ordinary shares within a period of 30 business days after receipt to purchase ordinary shares; and

- 100% of the ordinary dividends received by the Employee Trust in respect of the compulsorily acquired ordinary shares acquired by the Employee Trust shall likewise be utilised to purchase ordinary shares. All such ordinary shares shall also be subject to the Employee Trust Call Option, to the extent required.

The Employee Trust will hold any dividends *in specie* received by the Employee Trust for the benefit of the beneficiaries.

To the extent that any part of the 30 business day period referred to above falls within a closed period for Adcock, as defined in the Listings Requirements, the same provisions shall apply to the Employee Trust as those described in paragraph 3.2 above in relation to BEE-Co.

In terms of the B subscription agreement, the Employee Trust has waived its entitlement to receive special dividends in respect of its compulsorily acquired ordinary shares until such time as the B notional outstanding has reduced to zero in terms of the B subscription agreement. Similarly, the terms of the B ordinary shares provide that the B ordinary shares will not participate in special dividends until the B notional outstanding has reduced to zero in terms of the B subscription agreement. The Employee Trust will thus not be entitled to participate in special dividends declared by the Company in respect of either the B ordinary shares or its compulsorily acquired ordinary shares until such time as the B notional outstanding has reduced to zero. However, an equivalent amount of the special dividends which would otherwise have been received by the Employee Trust shall be offset against the B notional outstanding with effect from the date on which such special dividends are paid to ordinary shareholders.

Where shareholders are required to vote in terms of the Listings Requirements, the JSE does not ordinarily allow unlisted securities to be taken into account in determining either a quorum or for the approval of any resolution considered at any general or annual general meeting. However in the interests of BEE legislation, the JSE has agreed that the B ordinary shares can be taken into account in determining a quorum and for the approval of any resolution considered at any general or annual general meeting, subject to the proviso that the rights attaching to the B ordinary shares may not be amended in any material respect without the prior approval of the JSE and will not be counted for categorisation purposes in terms of Section 9 of the Listings Requirements.

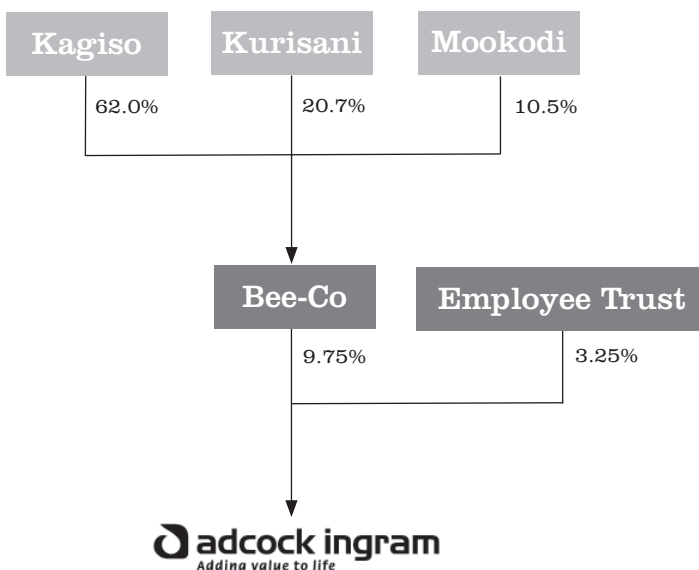
In addition, the JSE has requested a fairness opinion as referred to in paragraph 3.14 above and ordinary shareholders will be requested to vote on the Transaction as set out in this circular.

3.4 BEE participants

The BEE Participants which will participate in the Transaction are:

- the Strategic Partners, who will collectively participate through a single investment vehicle, namely BEE-Co, and will initially, indirectly, respectively, hold interests of 6.13% (in the case of Kagiso), 2.60% (in the case of Kurisani) and 1.02% (in the case of Mookodi) of Adcock's enlarged issued share capital; and
- qualifying employees, who will participate through the Employee Trust, which will hold a direct interest of 3.25% of Adcock's enlarged issued share capital.

The post-implementation Transaction structure is illustrated below:



After the issue of the A ordinary shares and the B ordinary shares, the effective participation of the BEE Participants in Adcock will be as follows:

	Number of Adcock A or B ordinary shares	Percentage of Adcock post the Transaction	Percentage of the Transaction	Market value¹ (Rm)
Kagiso	12 233 368 ²	6.13%	47%	622.6
Kurisani	5 189 501 ²	2.60%	20%	264.2
Mookodi	2 035 327 ²	1.02%	8%	103.8
BEE-Co	19 458 196 ²	9.75%	75%	990.6
Employee Trust	6 486 065 ³	3.25%	25%	330.2
Total	25 944 261	13.00%	100%	1 320.8

Notes:

1. Calculated using the 10-day VWAP as at close of trade on Thursday, 19 November 2009
2. A ordinary shares
3. B ordinary shares

3.4.1 Kagiso

Kagiso will acquire an effective equity interest of 6.13% of Adcock's enlarged issued share capital.

The ultimate majority shareholders of Kagiso are the Kagiso Trust (effective 51%) and Remgro Limited, a JSE-listed company (effective 37.7%). The directors of Kagiso are: Nthobakae Angel, Johnson Njeke, Neil Morrison, Joyce Matlala, Afzal Patel, Hylton Appelbaum, Jan Dreyer, Bertina Engelbrecht, Dean Zwo Nevhuthalu, Bongwiwe Njobe, Alan Romanis, Kgotso Schoeman, Bishop Mazwi Tisani, Theo van Wyk and Thys Visser.

Kagiso is a pre-eminent empowerment business grouping in South Africa, formed in December 1993 by the Kagiso Trust as a vehicle for generating long-term sustainable financial support for the Kagiso Trust. Kagiso invests and manages capital for the Kagiso Trust, promotes the advancement of black executives and participates in the transformation of the South African economy. As a BEE pioneer, Kagiso has evolved over the past few years into a strategic investor and active shareholder. Kagiso seeks to invest in businesses over which it is able to exert its expertise and influence.

Kagiso Trust is a leading non-governmental organisation established in 1986 by Archbishop Desmond Tutu, the late Dr Beyers Naudè and other clergy of the South African Council of Churches to finance and manage community development grass roots projects. Kagiso Trust is the largest black-led independent development agency in South Africa with national broad-based beneficiaries, the majority of whom are rural black women. Kagiso Trust focuses on education, primarily funding and overseeing the implementation of education based programmes. Its current flagship project, the Beyers Naude Schools Development Programme ("BNSDP"), focuses on key development projects at selected schools including infrastructure upgrades, designing of appropriate training programmes, curriculum and class management, development of leadership skills and sport and cultural activity programmes. There are currently more than 21 000 learners and 1 475 educators benefitting from the BNSDP.

Kagiso Trust also administers the Eric Molobi Scholarship Programme ("EMSP") that funds learners from within BNSDP who show an aptitude for maths and science and who come from impoverished backgrounds. EMSP enables learners to attend university to obtain degrees in fields such as science and engineering. At present, there are 28 students in the EMSP.

The Trustees of the Kagiso Trust are: Bongwiwe Njobe (Chairperson), Nthobakae Angel, Rev Mazwi Tisani, Dean Zwo Nevhuthalu, Hylton Appelbaum, Madumezulu Girlie Silinda, Mankone Ntsaba, Zanele Mbeki and Thabiso Ratsomo.

3.4.2 Kurisani

Kurisani will acquire an effective equity interest of 2.60% of Adcock's enlarged issued share capital.

Kurisani, the investment arm of loveLife, is a broad-based empowerment trust which benefits loveLife and specifically the previously disadvantaged youth passing through its programmes. Its trustees are currently: Grace Matlhape, David Harrison, Thierry Dalais, Michael Sinclair, Sibuy Sibaca and Ayanda Sisulu.

loveLife is South Africa's national HIV/AIDS prevention campaign for young people and provides services and outreach programmes to protect and develop young people across South Africa. loveLife implements international best practice in behavioural change programmes. loveLife combines well-established public health techniques with innovative commercial marketing approaches to promote healthy living to young people. loveLife's programmes are implemented in partnership with the South African Government across 850 hubs, which include 500 Government clinics across South Africa and 130 community-based non-government organisations as well as 5 600 schools extending loveLife's reach into towns, villages and rural areas across the country. loveLife has management offices in 30 locations with 7 000 youth volunteers who implement loveLife's programmes annually and up to 100 000 youth participants per month passing through its programmes. loveLife has evolved into one of the most significant and relevant youth HIV/AIDS awareness and prevention efforts world-wide. Moreover, loveLife has developed into one of the largest youth development initiatives in South Africa.

3.4.3 Mookodi

Mookodi has been established as an investment vehicle whose beneficiaries are more than 100 black medical doctors and other medical professionals. Mookodi will acquire an effective equity interest of 1.02% of Adcock's enlarged issued share capital. The trustees of Mookodi are Fundiswa Roji and Dr Molefi Molefi.

3.4.4 Employees

The Employee Trust will acquire an effective equity interest of 3.25% of Adcock's enlarged issued share capital. Only qualifying employees will be eligible to participate in the Transaction. The Company has, in the interim, appointed 2 trustees, whilst the qualifying employees will appoint 3 trustees after the Transaction has been approved by ordinary shareholders and has become unconditional.

3.5 Transaction funding

The Transaction will be funded as follows:

- R93.75 million equity contribution by the Strategic Partners;
- upfront discount of R66 million to the BEE Participants;
- R0.65 million grant by Adcock to the Employee Trust; and
- the initial aggregate A notional outstanding and B notional outstanding is R1,161 million.

The total market value of the A ordinary shares and B ordinary shares to be acquired by BEE-Co and the Employee Trust, based on the 10-day VWAP of R50.91 per ordinary share on the JSE as at the close of trade on 19 November 2009 (which was the date when the MoU was signed), is R1,321 million.

3.6 Strategic Partners' participation

The key terms of the Strategic Partners' participation in Adcock are:

- the Strategic Partners' Transaction Term will be 10 years;
- the Strategic Partners will contribute equity of R93.75 million to BEE-Co, which will be used by BEE-Co to subscribe for 1 902 106 A ordinary shares at the Agreed Price;
- BEE-Co will subscribe for a further 1 756 090 A ordinary shares (i.e. its total equity allocation less the A ordinary shares subscribed for by way of the equity contribution of R93.75 million referred to above) at par value;
- the key terms of the A ordinary shares and the contractual terms applicable thereto are summarised in paragraph 3.2 above;
- for the first 7 years of the Strategic Partners' Transaction Term, BEE-Co will, save for a right to unbundle all its A ordinary shares (and compulsorily acquired ordinary shares) to its shareholders (with the prior written consent of Adcock, which shall not be unreasonably withheld or delayed), be locked-in and will not be entitled to trade its A ordinary shares (or compulsorily acquired ordinary shares) without the prior written approval of Adcock, which Adcock shall be entitled to grant or withhold at its sole discretion, but acting in good faith. In addition, no Strategic Partner may sell any of its ordinary shares in BEE-Co for the first 7 years of the Strategic Partners' Transaction Term, without the prior written approval of Adcock, which Adcock shall be entitled to grant or withhold at its sole discretion, but acting in good faith;

- thereafter, for the following 3 year period, BEE-Co will only be entitled to sell its shares in Adcock, and the Strategic Partners their shares in BEE-Co, to other BEE parties which have been approved by Adcock in accordance with the terms of the Relationship agreement;
- at the end of the Strategic Partners' Transaction Term, subject to the Listings Requirements and applicable statutory requirements, Adcock will be entitled to repurchase the BEE-Co repurchase shares from BEE-Co at par value. The number of BEE-Co repurchase shares will be calculated in terms of the BEE-Co Call Option formula, so as to give Adcock a required rate of return on the A notional outstanding equal to the notional rate;
- following the exercise by Adcock of the BEE-Co Call Option, the A ordinary shares will automatically convert into ordinary shares and those which have not been repurchased by Adcock shall be listed; and
- after the end of the Strategic Partners' Transaction term and the aforementioned repurchase, BEE-Co will be entitled to retain its remaining ordinary shares, which it will hold free of any restrictions.

3.6.1 Repurchase of A ordinary shares by Adcock

Subject only to compliance by Adcock with the Listings Requirements and applicable statutory requirements, Adcock (or its nominee) will on the BEE-Co Call Option Date:

- determine the VWAP per ordinary share for the 60 business days terminating on the business day immediately prior to the BEE-Co Call Option Date;
- calculate the number of BEE-Co repurchase shares which Adcock will repurchase in accordance with the BEE-Co Call Option formula;
- repurchase the BEE-Co repurchase shares at par value; and
- procure that the ordinary shares into which the A ordinary shares shall automatically convert and which have not been repurchased are listed on the JSE.

The number of BEE-Co repurchase shares shall be determined in accordance with the following formula (being the BEE-Co Call Option Formula):

$$N = \text{NO}/\text{FM}$$

where:

N = the number of BEE-Co repurchase shares, which shall not be more than the total number of A ordinary shares and compulsorily acquired ordinary shares held by BEE-Co on the BEE-Co Call Option Date;

NO = the A notional outstanding on the BEE-Co Call Option Date; and

FM = the VWAP per ordinary share (expressed in Rands and cents) for the 60 business days terminating on the business day immediately prior to the BEE-Co Call Option Date.

The BEE-Co repurchase shares shall comprise, in the first instance, A ordinary shares and, only to the extent that their number is exhausted, compulsorily acquired ordinary shares held by BEE-Co.

An announcement will be released on SENS in the event that the BEE-Co Call Option is exercised, including a statement as to the source of funds to be utilised.

3.7 Employee participation

The key aspects of the employee participation in Adcock are:

- 7 year tenure to the employee participation scheme;
- the Employee Trust will subscribe for 6 486 065 B ordinary shares at par value;
- the key terms of the B ordinary shares and the contractual terms applicable thereto are summarised in paragraph 3.3 above;
- qualifying employees will participate through the Employee Trust, which will issue units to them, commencing on the first allocation date. Each unit will notionally represent a *pro rata* interest in the residual Employee Trust assets;
- vesting of units will take place over 5 years, with 20% of allocated units vesting annually;
- qualifying employees will be subject to a further 1 year lock-in after the 5 year vesting period;

- the Employee Trust will pay for the par value of the B ordinary shares through the grant from Adcock which is referred to in paragraph 3.5;
- at the end of the Employee Transaction Term, Adcock will be entitled to repurchase the Employee Trust repurchase shares from the Employee Trust at par value. The number of such shares will be calculated in terms of the Employee Trust Call Option formula, so as to give Adcock a required rate of return on the notional funding provided by Adcock equal to the notional rate;
- following the exercise by Adcock of the Employee Trust Call Option, the B ordinary shares held by the Employee Trust will automatically convert into Adcock ordinary shares and those which have not been repurchased by Adcock shall be listed; and
- the Employee Trust will then distribute its ordinary shares (including any B ordinary shares which have converted into ordinary shares and which have not been repurchased), after taxes have been settled, to the Beneficiaries who will then be entitled to trade or retain their ordinary shares free of any restrictions.

3.7.1 Allocation and cancellation of units

Units will only be allocated to qualifying employees. The Trustees shall, on and with effect from the first allocation date, allocate such proportion of the units as may be advised by the Company to the Employee Trust in writing (which proportion is expected to be between 70% and 80% of the total units) to the qualifying employees as at that date at no cost to those employees. Each qualifying employee will be allocated the same number of units.

The remaining units shall be allocated by the Trustees to new employees who become employees after the first allocation date, with effect from each of the subsequent 4 anniversaries of the first allocation date, provided that they remain employees on the relevant anniversary of the first allocation date and in accordance with such written directions as may be provided by Adcock to the Employee Trust in writing from time to time, at no cost to those employees.

Qualifying employees will not be entitled to dispose of their units, but will lose their units or their right to have further units vest in them if they cease to be qualifying employees, save as provided for in the Employee Trust Deed and the Employee Trust Rules.

3.7.2 Repurchase of B ordinary shares by Adcock

Subject only to compliance by Adcock with the Listings Requirements and applicable statutory requirements, Adcock (or its nominee) will on the BEE-Co Call Option Date:

- determine the VWAP per ordinary share for the 60 business days terminating on the business day immediately prior to the Employee Trust Call Option Date;
- calculate the number of B ordinary shares (and ordinary shares, if applicable) which Adcock will repurchase in accordance with the Employee Trust Call Option formula;
- repurchase the Employee Trust repurchase shares at par; and
- procure that the ordinary shares into which the B ordinary shares shall automatically convert and which have not been repurchased by Adcock are listed on the JSE.

The number of Employee Trust repurchase shares shall be determined in accordance with the following formula (being the Employee Trust Call Option formula):

$$N = \text{NO}/\text{FM}$$

where:

N = the number of Employee Trust repurchase shares, which shall not be more than the total number of B ordinary shares and compulsorily acquired ordinary shares held by the Employee Trust on the Employee Trust Call Option Date;

NO = the B notional outstanding on the Employee Trust Call Option Date; and

FM = the VWAP per ordinary share (expressed in Rands and cents) for the 60 business days terminating on the business day immediately prior to the Employee Trust Call Option Date.

The Employee Trust repurchase shares shall comprise, in the first instance, B ordinary shares and, only to the extent that their number is exhausted, compulsorily acquired ordinary shares held by the Employee Trust.

An announcement will be released on SENS in the event that the Employee Trust Call Option is exercised, including a statement as to the source of funds to be utilised.

3.7.3 Vesting

Units allocated to qualifying employees will vest in the qualifying employees over a five-year term, commencing on the first anniversary of the date on which units were allocated to them. Units allocated to employees who become qualifying employees after the first allocation date will vest over shorter periods, so that all units will have vested by the fifth anniversary of the first allocation date. Vesting will cease in respect of those qualifying employees who cease to be qualifying employees prior to the end of the B lock-in period, save as provided for in the Employee Trust Deed and the Employee Trust Rules.

3.7.4 Termination of employment

The Employee Trust Deed and the Employee Trust Rules make detailed provision for the position of a Beneficiary in the event of death, disability, retrenchment or retirement as well as dismissal or resignation and a sale of business or disposal of a subsidiary of Adcock. The Employee Trust Rules also permit the restructuring of the Employee Trust, if agreed by Adcock, in the event of a transfer of control of Adcock.

3.7.5 Administration expenses

The Employee Trust shall be administered by the Trustees. The Trustees shall delegate the day-to-day administration of the Employee Trust to Adcock which shall perform such day-to-day administration on behalf of the Employee Trust free of charge. Adcock shall have the right to appoint agents, at the cost of Adcock, to assist Adcock with such day-to-day administration.

3.7.6 Appointment of Trustees

The Employee Trust will have 5 trustees, of whom 2 have been appointed by Adcock and 3 will be appointed by qualifying employees after the Transaction has been approved by ordinary shareholders and has become unconditional.

3.7.7 Voting, quorum and independence

The Employee Trust shall be entitled to exercise all voting rights attaching to all its B ordinary shares and compulsorily acquired ordinary shares until its ordinary shares remaining after the exercise of the Employee Trust Call Option are distributed to the Beneficiaries, at the end of the Employee Transaction Term.

The trustees of the Employee Trust shall meet as often as may be necessary but in any event no less frequently than twice every year. All resolutions of the trustees shall be adopted by a majority vote and each trustee shall be entitled to cast one vote. Adcock has appointed 2 initial trustees of the Employee Trust, who have undertaken to the JSE that they shall not formally meet in their capacity as the initial trustees of the Employee Trust before the date on which the 3 trustees have been appointed by the qualifying employees, save as may be required to deal with administrative matters in relation to the Employee Trust.

The quorum required at any meeting of trustees is a majority of the number of trustees then in office, provided that once the three trustees appointed by qualifying employees have been appointed, the quorum required at any meeting of trustees shall be a majority of the number of trustees appointed by qualifying employees who are then in office and any one of the trustees appointed by the Company who is then in office. A trustee shall remain in office until he becomes disqualified to be a trustee, is removed from office, or ceases to be employed by the Company as envisaged in the Employee Trust Deed.

3.8 Black shareholding in Adcock post the Transaction

Adcock appointed EmpowerLogic (Proprietary) Limited, an accredited empowerment verification agency, to conduct a preliminary scoring of its BEE ownership initiatives in accordance with the Codes. It is estimated that, post the implementation of the Transaction, Adcock will have effective black ownership of more than 25%, if mandated investments and foreign operations, as defined in the Codes, are excluded from Adcock's enlarged issued share capital. This will result in Adcock achieving a score in excess of 20 points in respect of the ownership element of the BEE scorecard per the Codes.

3.9 Effective date

The Transaction will be implemented with effect from the A Implementation Date (in respect of the A ordinary shares) and the B Implementation Date (in respect of the B ordinary shares). Both the A Implementation Date and the B Implementation Date are anticipated to occur on or about 22 April 2010.

3.10 Conditions precedent

The Transaction is subject to the fulfilment of the following conditions precedent:

- the approval of all the necessary resolutions by the requisite majority of votes at the general meeting; and
- registration by CIPRO of the special resolutions passed at the general meeting.

3.11 Transaction costs

The estimated Transaction costs are set out below:

Service	Service provider	Amount R'000
Merchant bank and transaction sponsor	Rand Merchant Bank	6 730
Legal adviser	Read Hope Phillips Thomas & Cadman Inc	1 500
Independent professional expert	Vunani Corporate Finance	220
Reporting accountants' report	Ernst & Young Inc	370
JSE documentation inspection	JSE	60
Communication adviser	Brunswick Group	350
Publishing and printing	Ince (Proprietary) Limited	500
Other	Various	270
Total (excluding VAT)		10 000
VAT		1 400
Total (including VAT)		11 400

3.12 Estimated economic costs

Adcock has estimated the economic cost of implementing the Transaction for Adcock and its ordinary shareholders to be approximately R370 million. This figure was calculated with reference to the requirements of IFRS, including IFRS 2 – Share-based Payments and AC 503 – Accounting for Black Economic Empowerment Transactions, and includes the Transaction costs as well as the grant to the Employee Trust.

IFRS 2 sets out the basis for calculating the economic cost shown above and the valuation uses the following key inputs or assumptions:

- the Black-Scholes model for valuing options;
- the actual or likely conversion dates attached to the A ordinary shares and the B ordinary shares; and
- using available open-market data, estimated expected future ordinary share prices as determined using option pricing models and an estimation of the future dividends at given dates.

These calculations derive an expected future cost associated with the Transaction that is then discounted to the present, resulting in the figure shown above.

3.13 Unaudited *pro forma* financial information illustrating the financial effects of the Transaction

The unaudited *pro forma* financial information has been prepared for illustrative purposes only and due to the nature thereof, may not fairly present Adcock's financial position, changes in equity, results of operations or cash flows after completion of the Transaction. The unaudited *pro forma* financial information is the responsibility of the directors and are based on the published results for the financial year ended 30 September 2009.

The purpose of the unaudited *pro forma* financial information is to illustrate the effects of the Transaction had the Transaction been implemented on the dates and on the assumptions set out below. It does not purport to be indicative of what the financial results would have been had the Transaction been implemented on a different date:

For the year ended 30 September 2009	Audited before the Transaction	Unaudited <i>pro forma</i> after the Transaction	Increase/ (decrease)
Basic earnings per ordinary share (cents)	451.7	281.7	(37.6%)
Headline earnings per ordinary share (cents)	450.0	279.9	(37.8%)
Fully diluted basic earnings per ordinary share (cents)	450.1	280.7	(37.6%)
Fully diluted headline earnings per share (cents)	448.4	279.0	(37.8%)
Net asset value per ordinary share (cents)	1 325.1	1 320.7	(0.3%)
Tangible net asset value per ordinary share (cents)	1 149.8	1 145.4	(0.4%)
Actual number of ordinary shares in issue	173 625 578	173 625 578	-
Weighted number of ordinary shares in issue	173 206 295	173 206 295	-
Weighted average number of fully diluted ordinary shares in issue	173 809 998	173 809 998	-

Ordinary shareholders are referred to Annexure 1 to this circular which contains detailed notes relating to the unaudited *pro forma* financial effects set out in the table above. The unaudited *pro forma* income statement and balance sheet of Adcock, following the Transaction, is set out in Annexure 1 to this circular. The independent reporting accountants' report on the unaudited *pro forma* financial information on the Transaction is set out in Annexure 2 to this circular.

3.14 Opinions and recommendations

Vunani Corporate Finance, the independent professional expert appointed by the board in terms of the Listings Requirements, has considered the terms and conditions of the Transaction and is of the opinion that such terms and conditions are fair to ordinary shareholders.

The independent professional expert's report is included as Annexure 3 to this circular.

The board has considered the terms and conditions of the Transaction and the opinion of the independent professional expert and is of the opinion that the Transaction is in the best interests of Adcock and its shareholders and recommends that ordinary shareholders vote in favour of the resolutions to be proposed at the general meeting.

3.15 Ordinary shareholders' approval

In order to implement the Transaction, Adcock is required to amend its Articles to create, and to set out the terms and conditions of, the A ordinary shares and the B ordinary shares. These proposed amendments are set out in special resolutions numbers 1 and 2 in the notice of general meeting attached to this circular. The creation of the A ordinary shares and the B ordinary shares and the concomitant amendments to the Articles require the approval of a special resolution by a 75% majority vote of ordinary shareholders in general meeting who are present in person or by proxy, excluding any parties and their associates participating in the Transaction.

The issue of A ordinary shares and B ordinary shares to the BEE Participants as envisaged in paragraphs 3.2 and 3.3 above, constitute specific issues of shares for cash in terms of the Listings Requirements. Such issues require the approval of an ordinary resolution by a 75% majority vote of shareholders in general meeting present in person or by proxy, excluding any parties and their associates participating in the Transaction.

The authority for a specific repurchase of shares requires the approval of a special resolution by a 75% majority vote of shareholders in general meeting present in person or by proxy, excluding any parties and their associates participating in the specific repurchase.

A notice convening the general meeting is included in this circular. The general meeting will be held in Midrand, Gauteng on Friday, 9 April 2010 at 09:00.

4. SALIENT INFORMATION ON ADCOCK

4.1 Background information on Adcock

Adcock was incorporated at Pretoria on 4 June 2007 as Newshelf 891 (Proprietary) Limited. The name was changed to Adcock Ingram Holdings (Proprietary) Limited on 11 February 2008 and the company converted to a public company, Adcock Ingram Holdings Limited, on 21 February 2008.

4.2 Prospects

Adcock is fortunate to be trading in an industry sector characterised by a limited percentage of discretionary spend.

4.2.1 Growth outlook

The Group's growth prospects are closely aligned with its ability to execute the following initiatives:

- (a) Optimise its existing branded portfolio by leveraging off its pharmacy competence platform into the rapidly growing fast moving consumer goods sector and moving into adjacent and new healthcare categories.
- (b) Pursue meaningful organic growth opportunities by:
 1. growing its profile as the multinational partner of choice in Africa;
 2. innovation in regard to its substantial portfolio of branded products;
 3. more actively targeting the public tender market;
 4. leveraging its proprietary portfolio of anti-retrovirals into a market which is set to grow exponentially;
 5. developing its industry leading footprint across sub-Saharan Africa;
 6. continuing to deliver world-class service.
- (c) Make acquisitions in selected markets, targeting local and adjacent category businesses; expansion into Africa and making selective international acquisitions which will enable the business to benefit from new intellectual property.
- (d) Develop exportable competencies by taking advantage of the Group's world-class formulation and manufacturing skills.
- (e) Implement meaningful transformation across the business with particular emphasis on ownership, socio-economic development, employment equity and preferential procurement.

The Group is well-positioned to execute the above initiatives, based on its existing key capabilities which it has successfully demonstrated over many years. These include:

- the ability to attract, retain and develop key people;
- a long-standing reputation for innovation in formulations and new product development;
- excellence in brand building, customer and channel management;
- cost leadership in manufacturing and distribution;
- long-standing international licensing relationships with industry leading principals; and
- extensive pharmacy, FMCG, hospital and doctor relationships.

4.2.2 Capital expenditure programme

The Group is continuing with its capital expenditure programme for regulatory upgrades and expansionary activities and it is expected that up to R555 million will be invested in fixed assets during the 2010 financial year, largely on Clayville's high-volume liquids facility and Aero-ton's regulatory upgrade, with the balance of capital commitments of approximately R400 million to be disbursed in subsequent years.

4.2.3 Challenges

The Group, being an industry leading player in the healthcare sector, is subject to the following key strategic challenges:

(a) Regulation

Adcock awaits the outcome of the NHI advisory committee to the Minister of Health during the course of 2010. Adcock also notes the issuance of the Government Gazette in late October 2009 detailing the mechanics of the SEP increase for 2010 and the amended dispensing fee for pharmacists.

Regulation in the healthcare sector globally continues to increase as the cost of healthcare remains a primary focus for many governments. The South African healthcare industry has followed many international regulatory trends, but also has its own peculiar dynamics. A significant step in the regulatory process was the introduction of SEP in 2004. The regulator has also proposed the introduction of International Benchmarking.

Uncertainty concerning the form which the proposed International Benchmarking will take in South Africa and when it will be introduced is a challenge for the Group and other industry players. The Group is actively engaging with the Pricing Unit of the Pricing Committee via the industry body (Pharmaceutical Industry Association of South Africa – “PIASA”) to negotiate an outcome which will assist in ensuring that the Group and the industry is in a position to continue to expand and have the capacity to invest for the long term.

(b) Competition

The South African market continues to attract new international and domestic competitors due to the favourable conditions and prospects that the country continues to enjoy. This increased competition is likely to compress margins for the entire industry, however the Group is well-positioned to protect and grow market share as a result of its substantial portfolio of products, household brands and strong management team.

Although the challenges which the Group faces are substantial, the underlying dynamics of the healthcare sector continue to offer industry players an overall attractive outlook. The key industry dynamics are as follows:

1. increased access to medical schemes (Government Employee and Low Income Medical Schemes);
2. economic growth and the emergence of a sizeable black middle class;
3. ageing population;
4. under-diagnosis of many diseases;
5. private and public hospital infrastructure expansion;
6. substantial funding being made available to combat HIV/AIDS; and
7. a move away from traditional remedies to western medicines.

4.3 Share capital and premium

The table below shows, at the last practicable date, the authorised and issued share capital of Adcock, before and after the implementation of the Transaction:

	Rand
Before implementation of the Transaction	
Authorised share capital	
250 000 000 ordinary shares of R0.10 each	25 000
Issued share capital	
173 820 578 ordinary shares of R0.10 each	17 382
Share premium	
	1 205 202
After implementation of the Transaction	
Authorised share capital	
250 000 000 ordinary shares of R0.10 each	25 000
19 458 196 A ordinary shares of R0.10 each	1 946
6 486 065 B ordinary shares of R0.10 each	649
Issued share capital	
173 820 578 ordinary shares of R0.10 each	17 382
19 458 196 A ordinary shares of R0.10 each	1 946
6 486 065 B ordinary shares of R0.10 each	649
Share premium	
	1 297 016

4.4 Major ordinary shareholders

At the last practicable date, ordinary shareholders who, insofar as was known to Adcock, were interested in 5% or more of the issued share capital of Adcock are as follows:

	Number of ordinary shares	
Government Employee Pension Fund	22 330 847	12.9%

4.5 Trading history of ordinary shares

The trading history of the ordinary shares of the Company is included as Annexure 5 to this circular.

5. DETAILS RELATING TO DIRECTORS

5.1 Directors' details

Name and age	Designation	Business address
K D K Mokhele (54)	Chairman (Independent non-executive)	1 New Road, Midrand, 1685
T Lesoli (59)	Independent non-executive	1 New Road, Midrand, 1685
E K Diack (52)	Independent non-executive	1 New Road, Midrand, 1685
A M Thompson (52)	Independent non-executive	1 New Road, Midrand, 1685
R I Stewart (57)	Independent non-executive	1 New Road, Midrand, 1685
C D Raphiri (46)	Independent non-executive	1 New Road, Midrand, 1685
L E Schönknecht (56)	Independent non-executive	1 New Road, Midrand, 1685
A G Hall (47)	Chief Financial Officer	1 New Road, Midrand, 1685
J J Louw (40)	Chief Executive Officer	1 New Road, Midrand, 1685

A brief résumé of each of the Company's directors is included in Annexure 4 to this circular.

5.2 Directors' interests in ordinary shares

On the last practicable date, the directors held the following interests in the ordinary share capital of Adcock:

	Direct beneficial	Indirect beneficial	Associates' interests	Total
Executive directors				
J J Louw *	39 300	–	–	39 300
A G Hall	100	–	–	100
	39 400	–	–	39 400

* These shares are subject to loans

There have been no changes in the directors' interests in ordinary shares between 30 September 2009 and the last practicable date.

5.3 Directors' remuneration

There will be no variation in the remuneration receivable by any of the directors as a consequence of the implementation of the Transaction. The directors earned the following remuneration at the end of the last reported financial year, being 30 September 2009:

Emoluments	Salary/ Director's fees R'000	Contributions to defined contribution plan R'000	Gross remuneration R'000	Annual bonus R'000	Accounting IFRS charge in respect of share-based payments R'000	Total remuneration R'000
Executive directors						
J J Louw	2 249	405	2 654	446	3 454	6 554
A G Hall	2 020	315	2 335	421	1 170	3 926
	4 269	720	4 989	867	4 624	10 480

Emoluments	Salary/ Directors' fees R'000	Contributions to defined contribution plan R'000	Gross remuneration R'000	Annual bonus R'000	Accounting IFRS charge in respect of share-based payments R'000	Total remuneration R'000
Non-executive directors						
E K Diack	311	–	311	–	–	311
T Lesoli	201	–	201	–	–	201
K D K Mokhele	500	–	500	–	–	500
G N Padayachee*	63	–	63	–	–	63
C D Raphiri	185	–	185	–	–	185
L E Schönknecht	226	–	226	–	–	226
R I Stewart	276	–	276	–	–	276
A M Thompson	241	–	241	–	–	241
	2 003	–	2 003	–	–	2 003
Total executive and non-executive	6 272	720	6 992	867	4 624	12 483

* Resigned 1 December 2008

5.4 Directors' interests in the Transaction

No director has any beneficial interest, directly or indirectly, in any transaction (including the Transaction) effected by the Company during the current or immediately preceding financial year which was or is unusual in nature or which was or is material to the business of the Company. No director has any interest in transactions effected by the Company during an earlier financial year which remain in any respect outstanding or unperformed.

6. LITIGATION

The directors are not aware of any legal or arbitration proceedings, pending or threatened, that may have or have had a material effect on the financial position of the Group in the 12 months preceding the date of this circular.

7. CORPORATE GOVERNANCE

Adcock is committed to and fully complies with the principles of good corporate governance as set out in the King Reports on Corporate Governance for South Africa and the Listings Requirements, and aims to infuse the core governance principles of transparency, integrity, accountability, fairness and responsibility into all aspects of its operations.

7.1 Board

7.1.1 Board structure and composition

Adcock is led by a diverse board of nine directors, seven of whom are independent non-executives. There is a formal process for the appointment of directors to the board. Criteria used in the selection of the directors of the Company include leadership qualities, depth of experience, skills, independence, personal integrity beyond reproach and business acumen. The board is led by a chairman who is an independent non-executive director. A clear separation of powers exists between the chairman of the board and the chief executive officer.

The board and its committees are governed by a board charter which sets out, *inter alia*, the principles and process in terms of which directors are appointed, the duties and responsibilities of the board and how issues such as dealing in the Company's securities and conflicts of interest are to be dealt with. The board charter has recently been reviewed to incorporate the principles of the King III Report wherever appropriate. The meetings of the board and board committees are scheduled annually in advance.

All directors of Adcock have access to the advice and services of the Group company secretary and, at their discretion may, at the Group's expense, seek independent professional advice concerning its affairs.

7.1.2 Duties of the board

The board is ultimately responsible to shareholders for the performance of the Group. The board broadly gives strategic direction to the Group, approves and regularly reviews business plans, budgets and policies, appoints the chief executive and ensures that power and authorities delegated to management are clearly and comprehensively documented and regularly reviewed and that the governance framework of the Group remains appropriate and relevant. The board retains control over the Group, monitors risk and oversees the implementation of approved strategies through a structured approach to reporting and accountability.

7.1.3 Board committees

Four dedicated board committees, with specific terms of reference, allow the board to focus specially on the following areas:

- audit;
- risk;
- transformation; and
- human resources, remuneration and nominations.

All four committees are chaired by independent non-executive directors.

7.1.4 Audit committee

The audit committee is made up of three independent non-executive directors being Mr Eric Diack (chairman), Dr Roger Stewart (who chairs the risk committee) and Mr Andrew Thompson. Adcock's chief executive and chief financial officers and the external and internal auditors attend meetings of the committee by invitation. All members and invitees of the audit committee have unrestricted access to the chairman of the committee.

The responsibilities of the audit committee, which are set out in the committee's terms of reference, include the review of the company's financial statements and the recommendation of their approval to the board; reviewing the accounting policies of the Company; overseeing the development and implementation of processes to achieve compliance with all applicable legal and regulatory requirements; communicating with the internal and external auditors, determining auditors' remuneration and the scope of internal and external auditors and generally providing assurances to the board as to the integrity and appropriateness of the financial management systems in place in the Company.

7.1.5 Risk and sustainability committee

The risk committee (reconstituted as the risk and sustainability committee from 1 October 2009) is made up of three independent non-executive directors being Dr Roger Stewart (chairman), Mr Leon Schönknecht and Mr Eric Diack (who chairs the audit committee). Adcock's chief executive and chief financial officers, representatives of the external and internal auditors, relevant representatives of management and the Company's insurance advisers, attend meetings of the committee by invitation from time to time.

The board's policy on risk management encompasses all significant business risks to the Company which could undermine the achievement of business objectives. The primary role of the risk committee is to ensure the existence of an appropriate and effective control environment and clear parameters within which risk is managed throughout the Group and to oversee issues relating to sustainability. The committee is charged with the responsibility, *inter alia*, to oversee the conduct of a business risk assessment aimed at identifying the most significant commercial, financial, compliance and sustainability risks, and putting in place steps to mitigate these. It further assists the board in setting the risk strategy and risk policies and in determining the Company's appetite or tolerance for risk.

7.1.6 Human resources, remuneration and nominations committee

The human resources, remuneration and nominations committee currently comprises three directors, namely Mr Leon Schönknecht (chairman), Dr Khotso Mokhele (chairman of the board) and Mr Clifford Raphiri.

The committee assists the board, *inter alia*, in the determination of remuneration and performance measures of executive and senior management, determines the remuneration philosophy of the Company, assists the board in the determination of appropriate human capital management policies and reviews the terms and conditions of key executive service agreements at least annually. The committee also oversees the annual performance evaluations

of the board, ensures that the board is appropriately constituted with regard to the skills, experience and diversity of its members, and makes recommendations on succession, training and removal of directors where necessary.

The constitution of this committee does comply with the King Code, in that it is chaired by an independent non-executive member of the board.

7.1.7 Transformation committee

In contrast to the other board committees which are wholly non-executive in their constitution, the transformation committee consists of both non-executive and executive directors. Relevant members of management attend meetings of the committee by invitation. The committee is currently chaired by Dr Tlalane Lesoli. Its members are Dr Khotso Mokhele, Mr Andrew Thompson, Dr Jonathan Louw (CEO) and Mr Andy Hall (CFO).

This committee is responsible for guiding, monitoring, reviewing and evaluating Adcock's progress in respect of transformation with the objective of ensuring that Adcock's equity ownership and the demographic profile of its employees are representative in the South African context.

The committee is also responsible for the establishment and implementation of a measurement and monitoring framework and for the Company's transformation plan. It furthermore reviews and monitors the Company's procurement policies to encourage procurement practices that are equitable and supportive of the objective of black economic empowerment, where possible.

7.2 Values and ethics

Ethics is the cornerstone of Adcock's business, and an unequivocal commitment to ethical values, fairness, transparency and integrity underline all facets of the Company's operations. Adcock is committed to:

- achieving the highest standards of transparency, accountability and integrity in the running of its business, in its dealings with stakeholders and the community at large;
- providing stakeholders and the financial investment community with clear, meaningful and timely information about Adcock's operations and results;
- conducting its business on the basis of fair commercial and competitive practices;
- building business relationships with suppliers and customers who endorse ethical business practices;
- actively pursuing transformation and ensuring employment practices which are non-discriminatory and which seek to maximise the potential of all its employees through training and skills development;
- pro-actively accepting responsibility for and managing the environmental and sustainability issues associated with its business.

Adcock's corporate values are aimed at building and maintaining a culture which promotes teamwork, commitment, professionalism, integrity and a focus on business ethics, creative thinking and open and honest communication.

The board is responsible for setting the ethical "tone at the top" and is in the process of reviewing the Company's code of ethics to help ensure that business is conducted at all levels in the Group in a manner that is beyond reproach. The new code of ethics will provide clear guidance on acceptable business practices and ethical standards by which the Company's employees, suppliers and business partners will be expected to conduct themselves in their business relationships with or on behalf of the Company. Once the revised code of ethics is adopted by the board in early 2010, a comprehensive training programme will be rolled out to all employees. As is the case with the existing code of ethics, the new code of ethics will provide for appropriate and consistent disciplinary action to be taken in the event of any incidence of non-compliance.

7.2.1 Dealing in ordinary shares

A Securities Trading Policy is in place and applies to all Adcock management, staff and directors. The policy regulates the trading of shares by any member of the Company and aims to ensure that matters of good corporate governance are observed.

7.2.2 Party political support

Adcock does not support financially or in any other manner, any political party.

7.2.3 Accountability

The directors are responsible for the integrity of the annual financial statements of the Company and consolidated subsidiaries and the objectivity of other information presented in the Adcock annual report.

The fulfilment of this responsibility is discharged through the establishment and maintenance of sound management and accounting systems, the maintenance of an organisation structure which provides for the delegation of authority and clear established responsibility, together with the constant communication and review of operational performance measured against approved plans and budgets.

Management and employees operate in terms of a code of ethics approved by the board. The code requires compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business. The annual financial statements, prepared in terms of IFRS and the Companies Act, are examined by Adcock's auditors in conformity with International Standards of Auditing.

An audit committee of the board, composed entirely of independent non-executive directors, meets periodically with Adcock's auditors and management to discuss internal accounting controls, auditing and financial reporting matters. The auditors have unrestricted access to the audit committee.

8. MATERIAL CONTRACTS

Baxter relationship and option agreement

In July 2008, the Company entered into an option agreement with Baxter Healthcare S.A. ("Baxter") in terms of which the Company granted Baxter a call option to purchase 50% plus 1 share of the share capital of AICC held by Adcock for its fair market value, which will be agreed between the parties or determined by an independent third party, and Baxter granted Adcock a put option to sell the remaining shares in AICC to Baxter on the same terms, if Baxter exercises its call option.

Competition Commission consent order agreement

On 9 May 2008, Tiger Brands Limited, AICC and the Competition Commission concluded a consent order agreement in terms of which AICC admitted to the allegations put to it by the Competition Commission and gave certain undertakings, made certain confirmations and agreed to an administrative penalty of R53 502 800. The consent order agreement was confirmed by the Competition Tribunal on 2 June 2008 and is in full and final settlement of all proceedings.

Except for the above contracts and the Transaction Agreements, there have been no material contracts entered into by the Group, other than in the ordinary course of business, within the two years prior to the date of this circular.

9. MATERIAL CHANGES

There has been no material change in the financial or trading position of Adcock since the publication of the audited annual results for the year ended 30 September 2009.

10. DIRECTORS' RESPONSIBILITY

The directors, whose names appear in paragraph 5.1 above, collectively and individually, accept full responsibility for the accuracy of the information given in this circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement in this circular false or misleading, all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law and the Listings Requirements.

11. CONSENTS

The merchant bank and transaction sponsor, legal adviser to Adcock, independent professional expert, sponsor and reporting accountants to Adcock, have all provided their written consents to their names being published in this circular and have not withdrawn their consents prior to the publication of this circular. The reporting accountants and independent professional expert have provided their written consents to their names and reports being included in this circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this circular.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the registered office of Adcock from Wednesday, 17 March 2010, up to and including Friday, 9 April 2010:

- the Articles of Adcock, including the proposed amendments detailed in special resolution number 2 contained in the notice of general meeting attached to and forming part of this circular;
- the Memoranda of Association of Adcock and its subsidiaries;
- a signed copy of this circular;
- the audited annual financial statements of Adcock for the years ended 30 September 2007, 30 September 2008 and 30 September 2009;
- copies of the Transaction Agreements;
- the report of the reporting accountants on the unaudited *pro forma* financial effects;
- the independent professional expert's report issued by Vunani Corporate Finance; and
- consent letters from the merchant bank and transaction sponsor, legal adviser to Adcock, independent professional expert, sponsor and reporting accountants to Adcock.

By order of the board

R Naidoo
Company Secretary

17 March 2010

Registered office

1 New Road
Midrand
Gauteng
1685

UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

The unaudited *pro forma* financial information illustrates the impact of the Transaction on the most recently published annual results as at 30 September 2009 assuming that the Transaction was implemented with effect from 1 October 2008 for the calculation of the income statement adjustments. It is assumed that the Transaction was implemented with effect from 30 September 2009 for the calculation of the balance sheet adjustments. No adjustments have been made in respect of post balance sheet date events.

The unaudited *pro forma* financial information has been prepared for illustrative purposes only and is the responsibility of the directors. Due to the nature of the unaudited *pro forma* financial information, it may not fairly present Adcock's financial position, changes in equity, results of operations or cash flows after completion of the Transaction.

INCOME STATEMENT

R'000	Year ended 30 September 2009	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Unaudited <i>pro forma</i> for the year ended 30 September 2009
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 7
Revenue	4 115 265							4 115 265
Turnover	4 005 153							4 005 153
Operating profit	1 044 829	(11 400)						1 033 429
Abnormal items ^s	-		(649)	(286 800)				(287 449)
Operating profit after abnormal items	1 044 829	(11 400)	(649)	(286 800)				745 980
Finance income	100 493					6 094		106 587
Finance costs	(118 224)							(118 224)
Dividend income	9 619							9 619
Profit before taxation	1 036 717	(11 400)	(649)	(286 800)		6 094		743 962
Taxation	(246 835)				-	(1 706)		(248 541)
Net profit for the year	789 882	(11 400)	(649)	(286 800)		4 388		495 421
<i>Attributable to:</i>								
Equity holders of the Company	782 396	(11 400)	(649)	(286 800)		4 388		487 935
Minority interest	7 486	-	-	-		7 486		
	789 882	(11 400)	(649)	(286 800)		4 388		495 421
Weighted average shares in issue	173 206 295							173 206 295
Weighted average diluted number of shares	173 809 998							173 809 998
Basic earnings per ordinary share (cents)	451.7							281.7
Diluted basic earnings per ordinary share (cents)	450.1							280.7
Headline earnings per ordinary share (cents)	450.0							279.9
Diluted headline earnings per ordinary share (cents)	448.4							279.0

BALANCE SHEET

R'000	Year ended 30 September 2009						Unaudited <i>pro forma</i> for the year ended 30 September 2009
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7
ASSETS							
Property, plant and equipment	599 746						599 746
Deferred tax	20 030						20 030
Investments	138 037						138 037
Investments in associate	12 200						12 200
Intangible assets	304 240						304 240
Non-current assets	1 074 253	-	-	-	-	-	1 074 253
Inventories	583 704						583 704
Trade and other receivables	1 036 605						1 036 605
Cash and cash equivalents	692 938		(649)		4 388	93 750	790 427
Current assets	2 313 247	-	(649)	-	4 388	93 750	2 410 736
Total assets	3 387 500	-	(649)	-	4 388	93 750	3 484 989
EQUITY AND LIABILITIES							
Capital and reserves							
Ordinary share capital and reserves	1 221 217					94 399	1 315 616
Ordinary shares held by empowerment trusts	-					(94 399)	(94 399)
Non-distributable reserves	77 494			286 800			364 294
Retained income	1 001 942	(11 400)	(649)	(286 800)	4 388		707 481
Total shareholders' funds	2 300 653	(11 400)	(649)	-	4 388	-	2 292 992
Minority interests	24 943					93 750	118 693
Total equity	2 325 596	(11 400)	(649)	-	4 388	93 750	2 411 685
Long-term liabilities	117 076						117 076
Post-retirement medical liability	14 298						14 298
Deferred tax	6 683						6 683
Non-current liabilities	138 057	-	-	-	-	-	138 057
Bank overdraft	221						221
Trade and other payables	630 743	11 400	-	-	-	-	642 143
Short-term borrowings	194 405						194 405
Provisions	68 752						68 752
Taxation payable	29 726						29 726
Current liabilities	923 847	11 400	-	-	-	-	935 247
Total equity and liabilities	3 387 500	-	(649)	-	4 388	93 750	3 484 989
Issued number of shares	173 625 578						173 625 578
Net asset value per share (cents)	1 325.1						1 320.7
Tangible net asset value per share (cents)	1 149.8						1 145.4

Notes:

1. Financial information extracted from the audited consolidated income statement for the year ended 30 September 2009 and the consolidated balance sheet as at that date. It is assumed that the Transaction was implemented with effect from 1 October 2008 for the calculation of the income statement adjustments. It is assumed that the Transaction was implemented with effect from 30 September 2009 for the calculation of the balance sheet adjustments.
2. Once-off costs amounting to R11.4 million will be incurred to implement the BEE transaction.
3. This once-off expense of R648 610 relates to the grant to be made to the Employee Trust to fund the subscription for the B ordinary shares.
4. This adjustment represents the share-based payment charge relating to the Strategic Partners (R269 million) and the Employee Trust (R17.8 million). The charge relating to the Strategic Partners will be expensed upfront. The IFRS 2 charge relating to the Employee Trust in total amounts to R89 million and is calculated by using the following assumptions:
 - 6 486 065 B ordinary shares are allocated on 1 October 2008;
 - 20% vest on 1 October 2009, 20% vest on 1 October 2010, 20% vest on 1 October 2011, 20% vest on 1 October 2012 and 20% vest on 1 October 2013; and
 - an amount of R17.8 million relating to the current period has been expensed and the balance of R71.2 million will be expensed over the remaining term of the Transaction based on the vesting conditions set out above.
5. The equity contributions to be made by the Strategic Partners will increase Adcock's cash reserves by an amount of R93.75 million. The interest impact of this increase in cash reserves is based on an average deposit rate of 6.5% and an income tax charge of 28% on the interest income. This adjustment reflects the approximate interest impact in the 2009 year had the equity contribution taken place at the beginning of the period.
6. The A ordinary shares and B ordinary shares to be issued to the BEE Participants in the Transaction will be classified as treasury shares for accounting purposes as Adcock is deemed to "control" BEE-Co and the Employee Trust. The number of shares in issue after the implementation of the Transaction amounts to 199 565 578, of which 25 944 261 shares will be regarded as treasury shares. Cash and cash equivalents will increase by R93.75 million, being the equity contributions to be made by the Strategic Partners.
7. The additional shares to be issued in terms of the Transaction will not result in an increased dividend as it is the Company's policy to cover the dividend 3 x by earnings.
8. Abnormal items are items of income and expenditure which are not directly attributable to normal operations or where their size or nature are such that additional disclosure is considered appropriate. The abnormal items include the once-off grant to be made to the Mpho Ea Bophelo Trust, the once-off share-based payment charge relating to the Strategic Partners and the annual share-based payment charge related to the Employee Trust.

REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

“The Directors
Adcock Ingram Holdings Limited
1 New Road
Midrand
Gauteng, 1685

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF ADCOCK INGRAM HOLDINGS LIMITED

INTRODUCTION

We performed our limited assurance engagement in respect of the unaudited *pro forma* financial information set out in Annexure 1 and paragraph 3.13 of the circular dated on or about 17 March 2010 issued in connection with the proposed Black Economic Empowerment transaction. The unaudited *pro forma* financial information has been prepared in accordance with the JSE Limited (“JSE”) Listings Requirements, for illustrative purposes only, to provide information about how the transaction might have affected the reported historical information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

RESPONSIBILITIES

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that:

- the unaudited *pro forma* financial information has been properly compiled on the basis stated;
- the basis is consistent with the accounting policies of Adcock Ingram Holdings Limited;
- the unaudited *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular of Adcock Ingram Holdings Limited shareholders. We conducted our assurance engagement in accordance with the International Standard of Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on *Pro Forma* Financial Information issued by SAICA. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

SOURCES OF INFORMATION AND WORK PERFORMED

Our procedures consisted primarily of:

- comparing the unadjusted financial information with the source documents;
- considering the *pro forma* adjustments in light of the accounting policies of Adcock Ingram Holdings Limited; and
- considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of Adcock Ingram Holdings Limited in respect of the transaction.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Adcock Ingram Holdings Limited and other information from various public, financial and industry sources. While our work performed has involved an analysis of the historical published financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

CONCLUSION

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of Sections 8.17 and 8.30 of the JSE Listings Requirements:

- the unaudited *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Adcock Ingram Holdings Limited;
- the adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed.

ERNST & YOUNG INC. Registered Auditor

10 March 2010
Johannesburg

Jane Oliva
Director”

INDEPENDENT PROFESSIONAL EXPERT'S REPORT

Adcock Ingram Holdings Limited
1 New Road
Midrand
Gauteng
1685

10 March 2010

ATTENTION: THE DIRECTORS AND SHAREHOLDERS

Sirs/Mesdames

INDEPENDENT PROFESSIONAL EXPERT ADVICE IN RESPECT OF THE TRANSACTION

1. INTRODUCTION

The definitions outlined in the "Definitions and interpretation" section of the circular of which this letter forms a part, have been used throughout this letter.

On 24 November 2009, Adcock announced details of the Transaction which, if implemented, would result in the introduction of BEE equity participation totalling 13% of the enlarged issued share capital of Adcock by way of Kagiso, Kurisani and Mookodi (the Strategic Partners) subscribing for A ordinary shares which will represent a combined interest of 9.75% in Adcock and the Employee Trust subscribing for B ordinary shares which will represent an interest of 3.25% in Adcock.

We understand that an independent fairness opinion is required as the Transaction involves the issue of unlisted voting securities in terms of a special dispensation granted by the JSE to waive the restrictions outlined in paragraph 4.24 of its Listings Requirements, which dispensation is conditional upon Adcock obtaining the appropriate fairness opinion.

2. DEFINITION OF FAIR

Fairness is primarily based on quantitative factors, whilst reasonableness includes the qualitative issues surrounding the Transaction.

In terms of Schedule 5 of the Listings Requirements the Transaction will generally be considered fair if the value and/or benefits received by ordinary shareholders in terms thereof are considered to be equal to or greater than the value surrendered by such parties.

It is nevertheless conceivable that, under certain circumstances, the Transaction could be considered reasonable, because of the various qualitative factors surrounding that particular transaction, despite an opinion that such was not fair.

3. PROCEDURES PERFORMED AND SOURCES OF INFORMATION

We have performed, amongst others, the following procedures:

- reviewed general market data, including economic, Governmental and legislative aspects which have an impact on Adcock;
- obtained an understanding of Adcock's investments, their prospects, as well as the industries in which they operate;
 - discussions with the management of Adcock;
 - an analysis of historical financial and other information in respect of Adcock;
 - a review of reports and/or comments on Adcock by independent investment analysts and other market commentators during the past year; and
 - a review of other publicly available information;

- examined the Transaction Agreements and considered the terms and conditions contained in those documents as well as the commercial issues relating to the Transaction;
- determined an appropriate spot price for ordinary shares to be used as an input into the (option) valuation of the A ordinary shares and B ordinary shares through:
 - an analysis of the trading prices, volumes and volatility of ordinary shares on the JSE since its listing;
 - the calculation of implied financial ratios and/or multiples based on the market price of ordinary shares and comparing these to the ratios and/or multiples of comparable entities;
 - an analysis of the recent views expressed by independent investment analysts;
- performed independent valuations of the A ordinary shares and B ordinary shares using a modified binomial option valuation model. The key assumptions/value drivers in terms of which are the expected volatility of ordinary shares (considered an external value driver) and the expected dividends over the life of the A ordinary shares and B ordinary shares (considered an internal value driver). In addition, we conducted appropriate sensitivity analyses given a reasonable range of key assumptions on each of the results outlined above;
- assessed Adcock management's quantification of the expected benefits to Adcock of increased BEE shareholding (through detailed divisional forecasts of increased revenue expected as a result of the Transaction) as well as considering management's assessment of the potential negative impact of Adcock not having entered into the Transaction. Management were able to identify actual contracts/tenders/revenue streams that are at risk without the Transaction and also where Adcock is expected to gain additional sales as a result of the Transaction – the expected benefit of these are regarded as being greater than the estimated economic cost of the Transaction; and
- examined the rationale for and extent of the facilitation components negotiated as part of the salient terms of the Transaction and which result in an economic cost to Adcock – both in relation to the expected benefits of increased BEE shareholding as well as comparable transactions within the broader universe of BEE transactions recently concluded in South Africa.

4. OTHER CONSIDERATIONS

A reality of the South African business environment is that the conclusion of a favourable BEE transaction has become an imperative for most companies wishing to continue operating successfully in South Africa. This reality is even more important for a group positioned as Adcock is and as such it strains the normal commercial balances within the negotiation process.

Of all the potential BEE partners considered by the board during the search for appropriate BEE partners, the board is of the opinion that the most suitable BEE candidates for Adcock are the BEE Participants, primarily based on:

- the standing, profile and beneficiaries/projects of the Strategic Partners and the number of broad based groupings included within them;
- the inclusion of a wide group of employees which, in addition to addressing reparation, should assist in their retention as well as in the attraction and retention of future employees.

The A ordinary shares are effectively locked in for a period of ten years from the A Implementation Date and the B ordinary shares for a period of seven years from the B Implementation Date. Such extended lock-in periods, whilst providing certainty to Adcock as to its BEE shareholding, significantly decrease the fair value of the A ordinary shares and B ordinary shares when compared to the fair value of an unrestricted ordinary share, owing to the restricted transferability of such shares.

The compulsory reinvestment of 85% of dividends received by the A ordinary shares and all dividends received by the B ordinary shares through the purchase of ordinary shares at market value (which ordinary shares are also locked-in on the same bases as the A ordinary shares and B ordinary shares), further decreases the fair values of these shares when compared to the fair value of an ordinary share.

The Transaction will also provide a significant upfront cash injection of R93.75 million into Adcock.

5. LIMITING CONDITIONS

We have relied upon the accuracy of the information used by us in deriving our opinion albeit that where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to independent third party/ies, historic precedent or our own knowledge and understanding. While our work has involved an analysis of annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted

in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of Adcock or its underlying investments.

The opinion expressed below is necessarily based upon the information available to us, and the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have assumed that all conditions precedent in the Transaction Agreements, including any material regulatory and/or other approvals required in connection with the proposed Transaction have been or will be properly fulfilled/obtained. Subsequent developments may affect the opinion expressed below, however, we are under no obligation to update, revise or re-affirm such.

6. OPINION

We have considered the terms and conditions of the Transaction and based upon and subject to the conditions set out below, are of the opinion that such are fair to ordinary shareholders.

This opinion does not purport to cater for each ordinary shareholder's circumstances but rather those of the general body of ordinary shareholders taken as a whole. Each ordinary shareholder's decision will be influenced by such ordinary shareholder's particular circumstances and accordingly ordinary shareholders should consult with an independent adviser if they are in any doubt as to the merits or otherwise of the Transaction.

7. USE OF THIS OPINION

This opinion is provided solely for the use of the board and the ordinary shareholders in connection with and for the purpose of their consideration of the Transaction. This opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time nor shall any public references to Vunani Corporate Finance or Vunani Capital (Proprietary) Limited be made by Adcock or any of its affiliates, without our prior written consent.

8. INDEPENDENCE

We have been retained by Adcock as an independent professional expert to the board and ordinary shareholders in connection with the Transaction and we will receive a fixed fee for the services provided in connection herewith, which fee is payable in cash upon delivery of this opinion. We confirm that, other than the aforementioned, we have no interest, direct or indirect, beneficial or non-beneficial, in Adcock or in the success or failure of the Transaction which forms the subject matter hereof.

Yours faithfully

S J GREEFF

Executive

Vunani Corporate Finance

(trading as a division of Vunani Capital (Proprietary) Limited)

Vunani House Block C

Athol Ridge Office Park

151 Katherine Street

Sandown, Sandton, 2196"

BRIEF RESUMÉ FOR EACH OF THE COMPANY'S DIRECTORS

K D K MOKHELE (54)*Independent Non-executive Chairman**PhD Microbiology, MSc Food Science, BSc Agriculture*

Khotso Mokhele was the founder president of the National Research Foundation and served as its CEO from 1999 to 2006. He has been the chairman of the National Skills Authority, acting as an adviser to the Minister of Labour and chairman of the Premier's Economic Advisory Council for the Free State Province. In addition to his non-executive chairmanship of Adcock, Khotso serves in a non-executive capacity on the boards of Impala Platinum Holdings (chairman), Tiger Brands Limited and Zimplat Holdings as well as on the board of trustees of the Hans Merensky Foundation.

T LESOLI (59)*Independent Non-executive director**MB BS, Dip of Child Health*

Tlalane Lesoli is a medical doctor and is a registered practitioner with the South African Medical and Dental Council and the British General Medical Council. She has served as a medical director for the Transmed Medical Fund and co-founded and managed a health products company, Mother Earth Distributors. Tlalane is a non-executive director on various other boards, including Woman Investment Africa Network. She chairs the transformation committee of Adcock.

E K DIACK (52)*Independent Non-executive director**BAcc, CA(SA), AMP (Harvard), AMP (UCT)*

Eric Diack is a Chartered Accountant and was previously the CEO of Anglo American Ferrous and Industries Division. In addition to his directorship of Adcock Ingram Eric serves as a non-executive director of ArcelorMittal, Ayavuna Appliance Holdings, Ayavuna Appliance Investments and Deplian Investments. He has previously been a director on the boards of ten listed companies as well as numerous major unlisted companies. He is the chairman of the Adcock audit committee.

A M THOMPSON (52)*Independent Non-executive director**BSc (Civil Engineering), MBA*

Andrew Thompson spent much of his career in the Mondi Group where he joined as group Fibre Resources Manager in 1987. He rose quickly through the ranks to become Group CEO in 1999 and executive chairman in 2003. Between 1996 to 2004, he represented the Mondi Group's interests on the boards of some 20 subsidiary and associated companies. Andrew currently serves on the board of Mondi Packaging South Africa and is a Trustee of WWF (SA).

R I STEWART (57)*Independent Non-executive director**PhD (Med), MB, ChB, Grad Dip Comp Dir*

Roger Stewart serves as associate professor of physiology at the University of Stellenbosch and a fellow of the American College of Chest Physicians. He was formerly a group executive at the South African Medical Research Council. Roger was also responsible for local and international products and business development for the SA Druggists Group. He also serves on the boards of a number of private companies in Southern Africa and Europe.

C D RAPHIRI (46)*Independent Non-executive director**BSc Mechanical Engineering, Graduate Diploma in Engineering, MBA*

Clifford Raphiri began his career as a consulting engineer with Andersen Consulting. After a stint at Metal Box (now Bevcan) as a project engineer, he went on to join SA Breweries (SAB) as a quality assurance technologist and has served in various manufacturing leadership positions. Clifford is currently employed as the manufacturing and technical director of SAB and serves on the boards of various SAB Limited subsidiaries.

L E SCHÖNKNECHT (56)

*Independent Non-executive director
BCompt (Hons), CA(SA)*

Leon Schönknecht is a Chartered Accountant who previously held the position of CEO of United Pharmaceutical Distributors (UPD). He was later appointed managing director of New Teltron (Pty) Limited as well as non-executive chairman of UPD and a director of the Premier Group. Leon remains the managing director of New Teltron (Pty) Limited.

Executive directors**A G HALL (47)**

*Chief Financial Officer
CA(SA), BPharm*

Andy Hall joined Adcock in October 2007 as the chief financial officer from his previous position as chief financial officer of another listed pharmaceutical company in South Africa. Prior to that, Andy was the partner in charge of health sciences at Ernst & Young where he spent 13 years. Before joining Ernst & Young he was involved in retail pharmacy for 2 years and in sales and marketing with Pfizer for 5 years.

J J LOUW (40)

*Chief Executive Officer
MB, ChB, MBA*

Jonathan Louw practised as an anaesthetist at St Mary's Hospital in London in the 1990s before leaving full-time medical practice to join the pharmaceutical industry in 1999. He initially worked for AstraZeneca in South Africa. He later joined Adcock Ingram Holdings in 2001, as the new business development executive, overseeing geographic expansion and spearheading acquisitions and new product development. Jonathan took over the management of the pharmaceutical business in late 2002, restructuring the business and integrating various acquisitions. He is currently the chief executive officer of Adcock and the president of the Pharmaceutical Industry Association of South Africa.

TRADING HISTORY OF ORDINARY SHARES ON THE JSE

The recent trading history of ordinary shares on the JSE is set out below:

1. QUARTERLY TRADING HISTORY:

The high, low and closing price of ordinary shares on the JSE and the aggregated quarterly volumes traded from September 2008 to March 2009 are set out below:

Quarter ended	High (cents)	Low (cents)	Close (cents)	Volume of shares
30 September 2008	3 799	3 000	3 370	60 743 700
31 December 2008	4 200	3 025	3 900	32 608 200
31 March 2009	4 199	3 277	3 600	29 998 214

2. MONTHLY TRADING HISTORY:

The high, low and closing price of ordinary shares on the JSE and the aggregated monthly volumes traded from February 2009 to January 2010 are set out below:

Month ended	High (cents)	Low (cents)	Close (cents)	Volume of shares
28 February 2009	4 190	3 601	3 826	8 169 822
31 March 2009	4 000	3 277	3 600	11 155 459
30 April 2009	4 200	3 500	4 200	8 582 873
31 May 2009	4 450	3 911	4 200	9 638 821
30 June 2009	4 425	4 035	4 264	11 692 414
31 July 2009	4 986	4 236	4 600	5 685 924
31 August 2009	4 895	4 500	4 639	6 192 706
30 September 2009	4 880	4 519	4 800	21 152 372
31 October 2009	5 400	4 551	5 340	12 648 338
30 November 2009	5 415	4 914	5 114	6 698 478
31 December 2009	5 449	4 600	5 420	7 878 133
31 January 2010	5 634	5 200	5 365	8 103 081

3. DAILY TRADING HISTORY:

The high, low, closing price and daily trading volumes of ordinary shares on the JSE for each trading day from 1 February 2010 to the last practicable date are set out below:

Date	High (cents)	Low (cents)	Close (cents)	Volume of shares
1 February 2010	5 475	5 301	5 340	192 280
2 February 2010	5 474	5 350	5 416	119 135
3 February 2010	5 490	5 408	5 451	237 481
4 February 2010	5 537	5 428	5 537	111 587
5 February 2010	5 550	5 420	5 440	353 844
8 February 2010	5 500	5 353	5 500	169 902
9 February 2010	5 558	5 400	5 500	661 869
10 February 2010	5 530	5 405	5 526	308 704
11 February 2010	5 501	5 401	5 450	285 442
12 February 2010	5 540	5 465	5 465	150 723
15 February 2010	5 545	5 470	5 524	613 775
16 February 2010	5 584	5 464	5 550	278 484
17 February 2010	5 570	5 463	5 550	135 448
18 February 2010	5 550	5 525	5 550	212 957

Date	High (cents)	Low (cents)	Close (cents)	Volume of shares
19 February 2010	5 545	5 449	5 481	192 562
22 February 2010	5 500	5 460	5 472	105 284
23 February 2010	5 513	5 450	5 490	152 195
24 February 2010	5 501	5 438	5 445	280 743
25 February 2010	5 548	5 445	5 460	78 135
26 February 2010	5 545	5 411	5 450	318 802
1 March 2010	5 557	5 450	5 470	666 584
2 March 2010	5 524	5 475	5 500	882 747
3 March 2010	5 801	5 500	5 601	541 158
4 March 2010	5 650	5 550	5 630	276 615
5 March 2010	5 630	5 565	5 600	207 513
8 March 2010	5 710	5 610	5 680	426 661
9 March 2010	5 700	5 600	5 600	82 139

Source: I-Net Bridge



Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2007/016236/06)

Share code: AIP ISIN: ZAE000123436

("Adcock" or "the Company")

NOTICE OF GENERAL MEETING OF ORDINARY SHAREHOLDERS

Notice is hereby given that a general meeting of ordinary shareholders of Adcock will be held at 09:00 on Friday, 9 April 2010 at the Company's registered office, 1 New Road, Midrand, Gauteng, for the purposes of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions set out in this notice of general meeting.

SPECIAL RESOLUTION NUMBER 1

Amendment of authorised share capital

In terms of section 75(1)(a) of the Companies Act, 61 of 1973, as amended, and article 8.1 of the articles of association of the Company, and with effect from the date of registration of this special resolution, the authorised share capital of the Company is hereby amended by the creation of:

- 19 458 196 automatically convertible A ordinary shares with a par value of R0.10 each, having the rights and privileges and being subject to the terms and conditions referred to in special resolution number 2 below; and
- 6 486 065 automatically convertible B ordinary shares with a par value of R0.10 each, having the rights and privileges and being subject to the terms and conditions referred to in special resolution number 2 below.

Reason for and effect of special resolution number 1

The reason for and effect of special resolution number 1 is to increase the authorised share capital of the Company by the creation of: (i) 19 458 196 automatically convertible A ordinary shares with a par value of R0.10 each and (ii) 6 486 065 automatically convertible B ordinary shares with a par value of R0.10 each.

SPECIAL RESOLUTION NUMBER 2

Amendment of Articles

Subject to the adoption of special resolution number 1 above, in terms of section 62 of the Companies Act, 61 of 1973, as amended, and with effect from the date of registration of this special resolution, the articles of association of the Company are hereby amended by the insertion of the following new articles 42, 43 and 44:

"42 DEFINITIONS

For the purposes of this article 42 and articles 43 and 44, unless inconsistent with or otherwise indicated by the context:

- 42.1 "A acquired ordinary shares" means the ordinary shares acquired by BEE-Co as required by the A ordinary shares subscription agreement;
- 42.2 "A call option" means the call option conferred on the Company in terms of the A ordinary shares subscription agreement to acquire the A repurchase shares on and with effect from the A call option exercise date;
- 42.3 "A call option exercise date" means the first business day after the expiry of the A lock-in period;
- 42.4 "A effective date" means the date on which the A ordinary shares are issued to BEE-Co in terms of the A ordinary shares subscription agreement;
- 42.5 "A lock-in period" means the period commencing on the A effective date and terminating on the 10th anniversary of the A effective date (both dates included);

- 42.6 “A notional outstanding” has the meaning attributed to that term in the A ordinary shares subscription agreement;
- 42.7 “A ordinary shareholder/s” means the lawful holder/s of the A ordinary shares;
- 42.8 “A ordinary shares” means the 19 458 196 automatically convertible A ordinary shares with a par value of R0.10 each in the Company which have the rights, terms and privileges and which are subject to the terms and conditions referred to in article 43 and which shall, after the new Act effective date, constitute a separate class of shares with rights and privileges and subject to terms and conditions equivalent to those attaching to such A ordinary shares immediately prior to the new Act effective date;
- 42.9 “A ordinary shares subscription agreement” means the written agreement entitled “subscription and call option agreement” concluded on or about 17 February 2010 between the Company and BEE-Co, as amended from time to time;
- 42.10 “A release date” means the first business day after the date on which the A repurchase shares are transferred to the Company pursuant to the exercise of the A call option, unless the Company has advised the A ordinary shareholder/s in writing, prior to the expiry of the A lock-in period, that it does not intend to exercise the A call option, in which event the A release date shall be the first business day after the expiry of the A lock-in period;
- 42.11 “A repurchase shares” means the number of A ordinary shares (and A acquired ordinary shares, if applicable), which the Company is entitled to repurchase from the A ordinary shareholder/s on exercise of the A call option, as determined in accordance with the applicable provisions of the A ordinary shares subscription agreement;
- 42.12 “B acquired ordinary shares” means the ordinary shares acquired by ESOP as required by the B ordinary shares subscription agreement;
- 42.13 “B call option” means the call option conferred on the Company in terms of the B ordinary shares subscription agreement to acquire the B repurchase shares from ESOP on and with effect from the B call option exercise date;
- 42.14 “B call option exercise date” means the first business day after the expiry of the B lock-in period;
- 42.15 “B effective date” means the date on which the B ordinary shares are issued to ESOP in terms of the B ordinary shares subscription agreement;
- 42.16 “B lock-in period” means the period commencing on the B effective date and terminating on the 7th anniversary of the B effective date (both dates included);
- 42.17 “B notional outstanding” has the meaning attributed to that term in the B ordinary shares subscription agreement;
- 42.18 “B ordinary shareholder/s” means the lawful holder/s of any of the B ordinary shares;
- 42.19 “B ordinary shares” means the 6,486,065 automatically convertible B ordinary shares with a par value of R0.10 each in the Company which have the rights, terms and privileges and which are subject to the terms and conditions referred to in article 44 and which shall, after the new Act effective date, constitute a separate class of shares with rights and privileges and subject to terms and conditions equivalent to those attaching to such B ordinary shares immediately prior to the new Act effective date;
- 42.20 “B ordinary shares subscription agreement” means the written agreement entitled “subscription and call option agreement” concluded on or about 17 February 2010 between the Company and ESOP, as amended from time to time;
- 42.21 “B release date” means the first business day after the date on which the B repurchase shares are transferred to the Company pursuant to the exercise of the B call option, unless the Company has advised ESOP in writing, prior to the expiry of the B lock-in period, that it does not intend to exercise the B call option, in which event the B release date shall be the first business day after the expiry of the B lock-in period;
- 42.22 “B repurchase shares” means the number of B ordinary shares (and B acquired ordinary shares, if applicable), which the Company is entitled to repurchase from the B ordinary shareholder/s on exercise of the B call option, as determined in accordance with the applicable provisions of the B ordinary shares subscription agreement;
- 42.23 “BEE-Co” means Blue Falcon 69 Trading (Proprietary) Limited, a private company incorporated in accordance with the laws of the Republic of South Africa, with registration number 2009/016091/07;

- 42.24 “business day” means any day other than a Saturday, Sunday or declared public holiday in the Republic of South Africa;
- 42.25 “ESOP” means the Mpho Ea Bophelo Trust, Master’s reference number IT330/2010;
- 42.26 “JSE” means the securities exchange, licensed under the Securities Services Act, 36 of 2004, as amended, operated by JSE Limited, registration number 2005/022939/06, or its successor-in-title;
- 42.27 “ordinary shares” means the ordinary shares in the issued share capital of the Company with a par value of R0.10 each;
- 42.28 “new Act” means the Companies Act, 71 of 2008, as amended or substituted from time to time;
- 42.29 “new Act effective date” means the first date on which the new Act (or any part thereof) comes into operation;
- 42.30 “relationship agreement” means the written agreement entitled “relationship agreement” concluded on or about 17 February 2010 between the Company, BEE-Co, Kagiso Strategic Investments III (Proprietary) Limited, the trustees for the time being of the Kurisani Youth Development Trust, the trustees for the time being of the Mookodi Pharma Trust, and Mookodi Technologies (Proprietary) Limited, as amended from time to time; and
- 42.31 “special dividend” means any dividend of the Company which is described by the Company as a special or extraordinary dividend or in any analogous manner and/or which is otherwise not a dividend declared in accordance with the Company’s ordinary dividend policy, but excluding any dividend *in specie*.

43. TERMS AND CONDITIONS OF THE A ORDINARY SHARES

- 43.1 Notwithstanding anything to the contrary contained in the Articles, the A ordinary shares shall rank *pari passu* with the ordinary shares, save that:
 - 43.1.1 A ordinary shareholders shall not participate in any special dividends declared or paid by the Company, unless the A notional outstanding becomes zero at any time prior to the A release date, in which event the A ordinary shares shall be entitled to participate in all special dividends declared or paid by the Company *pari passu* with the ordinary shares from the date that the A notional outstanding becomes zero; provided that in respect of a special dividend paid on the date on which the A notional outstanding becomes zero, the A ordinary shares shall only be entitled to participate in that portion of that special dividend which is in excess of an amount equal to the amount of that special dividend which reduced the A notional outstanding to zero;
 - 43.1.2 A ordinary shares shall remain certificated and shall not be listed on any stock exchange;
 - 43.1.3 for so long as the ordinary shares are listed on the JSE, the rights attaching to the A ordinary shares may not be amended in any material respect without the prior written approval of the JSE and will not be counted for categorisation purposes in terms of section 9 of the Listings Requirements of the JSE;
 - 43.1.4 on the A release date, the A ordinary shares shall automatically convert on a one for one basis into ordinary shares;
 - 43.1.5 this article 43 may only be amended or deleted by way of: (i) a special resolution of shareholders duly adopted at a meeting of shareholders convened in terms of the Articles, which is approved by shareholders holding no less than 75% of the shares held by shareholders who are present and who vote at that meeting, either in person or by proxy and (ii) a resolution of the A ordinary shareholders duly adopted at a meeting of A ordinary shareholders convened in terms of the Articles (which may be held immediately prior to or after the meeting referred to in (i) or at any other time within 30 days of such meeting), which is approved by A ordinary shareholders holding no less than 75% of those A ordinary shares held by A ordinary shareholders who are present and who vote at that meeting, either in person or by proxy;
 - 43.1.6 no meeting may be convened for the purposes of proposing a resolution contemplated in article 43.1.5 to be taken by the relevant shareholders unless the convening of such meeting is approved by A ordinary shareholders holding no less than 90% of the A ordinary shares.
- 43.2 In the event of any conflict between the provisions of this article 43 and any other article, the provisions of this article 43 shall prevail.

44. TERMS AND CONDITIONS OF THE B ORDINARY SHARES

- 44.1 Notwithstanding anything to the contrary contained in the Articles, the B ordinary shares shall rank *pari passu* with the ordinary shares, save that:
- 44.1.1 B ordinary shareholders shall not be entitled to any special dividends declared or paid by the Company, unless the B notional outstanding becomes zero at any time prior to the B release date, in which event the B ordinary shares shall be entitled to participate in all special dividends declared or paid by the Company *pari passu* with the ordinary shares from the date that the B notional outstanding becomes zero; provided that in respect of a special dividend paid on the date on which the B notional outstanding becomes zero, the B ordinary shares shall only be entitled to participate in that portion of that special dividend which is in excess of an amount equal to the amount of that special dividend which notionally reduced the B notional outstanding to zero;
- 44.1.2 B ordinary shares shall remain certificated and shall not be listed on any stock exchange;
- 44.1.3 for so long as the ordinary shares are listed on the JSE, the rights attaching to the B ordinary shares may not be amended in any material respect without the prior written approval of the JSE and will not be counted for categorisation purposes in terms of Section 9 of the Listings Requirements of the JSE;
- 44.1.4 on the B release date, the B ordinary shares shall automatically convert on a one-for-one basis into ordinary shares;
- 44.1.5 this article 44 may only be amended or deleted by way of: (i) a special resolution of shareholders duly adopted at a meeting of those shareholders convened in terms of the Articles (which may be held immediately prior to or after the meeting referred to or (ii) or at any other time within 30 days of such meeting), which is approved by shareholders holding no less than 75% of the shares held by shareholders who are present and who vote at that meeting, either in person or by proxy and (ii) a resolution of the B ordinary shareholders duly adopted at a meeting of B ordinary shareholders convened in terms of the Articles, which is approved by B ordinary shareholders holding no less than 75% of those B ordinary shares held by B ordinary shareholders who are present and who vote at that meeting, either in person or by proxy;
- 44.1.6 no meeting may be convened for the purposes of proposing a resolution contemplated in article 44.1.5 to be taken by the relevant shareholders unless the convening of such meeting is approved by B ordinary shareholders holding no less than 90% of the B ordinary shares.
- 44.2 In the event of any conflict between the provisions of this article 44 and any other article, the provisions of this article 44 shall prevail.”

Reason for and effect of special resolution number 2

The reason for and effect of special resolution number 2 is to amend the articles of association of the Company to include articles which specify the rights, terms, privileges and conditions of the A ordinary shares and B ordinary shares created in terms of special resolution number 1.

SPECIAL RESOLUTION NUMBER 3

Authority for specific repurchases

- 3.1 In terms of article 36 of the articles of association of the Company, but subject to: (a) the adoption of special resolution number 1 and special resolution number 2 above and ordinary resolution number 1 and ordinary resolution number 2 below and the issue of the A ordinary shares and the B ordinary shares to BEE-Co and ESOP, respectively, in terms of the A ordinary shares subscription agreement and the B ordinary shares subscription agreement; (b) the directors of the Company confirming by way of resolution at the relevant time that there are no reasonable grounds to believe that the circumstances contemplated in section 85(4) of the Companies Act, 61 of 1973, as amended (“Companies Act”) exist (if the Companies Act is in force at the relevant time); or (c) that the Company will satisfy the solvency and liquidity test (set out in section 4 of the Companies Act, 71 of 2008 (“new Companies Act”)) immediately after the relevant A ordinary shares (and A acquired ordinary shares, if applicable) or B ordinary shares (and B acquired ordinary shares, if applicable), are repurchased (if the new Companies Act is in force at the relevant time); and (d) if the Company’s ordinary shares are listed on the JSE at the relevant time, the directors of the Company complying with the applicable Rules of the JSE Listings Requirements at the relevant time; and/or (e) any other statutory or regulatory requirement that may be applicable at the relevant time being complied with, the Company is hereby authorised by way of a specific approval contemplated in section 85(2) of the Companies Act and Rule 5.69 of the JSE Listings Requirements, to:

- 3.1.1 acquire A ordinary shares and A acquired ordinary shares from BEE-Co (and its permitted successor(s)-in-title) in terms of the relationship agreement and the A ordinary shares subscription agreement;
- 3.1.2 acquire B ordinary shares and B acquired ordinary shares from ESOP in terms of the B ordinary shares subscription agreement;
- 3.1.3 without derogating from the generality of special resolutions 3.1.1 and 3.1.2 above, acquire from:
- BEE-Co (or its permitted successor(s)-in-title, as the case may be), in the event that BEE-Co (or such permitted successor(s)-in-title) offers to sell A ordinary shares and/or A acquired ordinary shares in accordance with the provisions of clause 7 of the relationship agreement, the shares so offered for sale at the purchase price offered to BEE-Co (or such permitted successor(s)-in-title) by any *bona fide* third party purchaser who would, if approved by the Company as contemplated in the relationship agreement, be an eligible purchaser as defined in the relationship agreement, and if there is at that time no such *bona fide* third party purchaser, at a purchase price equal to the fair market value of the shares offered for sale, as defined in the relationship agreement, and on the other applicable terms and conditions of the relationship agreement;
 - BEE-Co (or its permitted successor(s)-in-title, as the case may be), in the event that BEE-Co (or such permitted successor(s)-in-title) is subject to a trigger event referred to in clause 12 of the relationship agreement, all its A ordinary shares and all its A acquired ordinary shares for a purchase price equal to the fair market value thereof, or 50% of the fair market value thereof, as the case may be, as determined in accordance with the provisions of clause 12 of the relationship agreement, and on the other applicable terms and conditions of the relationship agreement;
 - BEE-Co (and/or its permitted successor(s)-in-title, as the case may be) with effect from the A call option exercise date, the A repurchase shares, for a purchase price equal to the aggregate par value of the A repurchase shares and on the other applicable terms and conditions of the A ordinary shares subscription agreement; and
 - ESOP (and/or its permitted successor(s)-in-title, as the case may be) with effect from the B call option exercise date, the B repurchase shares, for a purchase price equal to the aggregate par value of the B repurchase shares and on the other applicable terms and conditions of the B ordinary shares subscription agreement.

For purposes of this special resolution number 3, unless inconsistent with or otherwise indicated by the context:

- “A acquired ordinary shares” means the ordinary shares acquired by BEE-Co as required by the A ordinary shares subscription agreement;
- “A call option” means the call option granted by BEE-Co to the Company in terms of the A ordinary shares subscription agreement to acquire the A repurchase shares from BEE-Co (or its successor/s-in-title);
- “A call option exercise date” means the first business day after the expiry of the A lock-in period;
- “A call option exercise formula” means the formula and other terms set out in the A ordinary shares subscription agreement which determine the number of A repurchase shares;
- “A effective date” means the date on which the A ordinary shares are issued to BEE-Co in terms of the A ordinary shares subscription agreement;
- “A lock-in period” means the period commencing on the A effective date and terminating on the 10th anniversary of the A effective date (both dates included);
- “A ordinary shares subscription agreement” means the written agreement entitled “subscription and call option agreement” concluded on or about 17 February 2010 between the Company and BEE-Co, as amended from time to time;
- “A repurchase shares” means the number of A ordinary shares (and A acquired ordinary shares, if applicable), which the Company is entitled to repurchase from BEE-Co (or its successors-in-title) on exercise of the A call option, as determined in accordance with the A call option exercise formula;
- “B acquired ordinary shares” means the ordinary shares acquired by the B ordinary shareholders as required by the B ordinary shares subscription agreement;

- “B call option” means the call option granted by ESOP to the Company in terms of the B ordinary shares subscription agreement to acquire the B repurchase shares from ESOP;
- “B call option exercise date” means the first business day after the expiry of the A lock-in period;
- “B call option exercise formula” means the formula and other terms set out in the B ordinary shares subscription agreement which determine the number of B repurchase shares;
- “B effective date” means the date on which the B ordinary shares are issued to ESOP in terms of the B ordinary shares subscription agreement;
- “B lock-in period” means the period commencing on the B effective date and terminating on the 7th anniversary of the B effective date (both dates included);
- “B ordinary shares subscription agreement” means the written agreement entitled “subscription and call option agreement” concluded on or about 17 February 2010 between the Company and ESOP, as amended from time to time;
- “B repurchase shares” means the number of B ordinary shares (and B acquired ordinary shares, if applicable), which the Company is entitled to repurchase from ESOP on exercise of the B call option, as determined in accordance with the B call option exercise formula;
- “BEE-Co” means Blue Falcon 69 Trading (Proprietary) Limited, a private company incorporated in accordance with the laws of the Republic, with registration number 2009/016091/07;
- “ESOP” means the Mpho Ea Bophelo Trust, Master’s reference number IT 330/2010;
- “JSE” means the securities exchange, licensed under the Securities Services Act, 36 of 2004, as amended, operated by JSE Limited (registration number 2005/022939/06) , or its successor-in-title;
- “JSE Listings Requirements” means the Listings Requirement of the JSE, as amended; and
- “relationship agreement” means the written agreement entitled “relationship agreement” concluded on or about 17 February 2010 between the Company, BEE-Co, Kagiso Strategic Investments III (Proprietary) Limited, the trustees for the time being of the Kurisani Youth Development Trust, the trustees for the time being of the Mookodi Pharma Trust, and Mookodi Technologies (Proprietary) Limited as amended from time to time.

Reason for and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to authorise the Company by way of a specific authority to acquire its own issued shares in the circumstances and on the terms and conditions referred to in the resolution.

ORDINARY RESOLUTION NUMBER 1

Specific issue of shares for cash

Subject to the adoption of special resolution number 1, special resolution number 2 and special resolution number 3 above, all authorised but unissued A ordinary shares are hereby placed under the control of the board of directors of the Company to be dealt with by the board of directors of the Company in accordance with the provisions of the relationship agreement and the A ordinary shares subscription agreement (as respectively defined in special resolution number 3) and the directors are hereby specifically authorised to issue the A ordinary shares to BEE-Co for cash at an aggregate subscription price of R93 750 000 and in accordance with the other applicable terms of the A ordinary shares subscription agreement.

Reason for and effect of ordinary resolution number 1

The reason for and effect of ordinary resolution number 1 is to authorise the specific issue of the A ordinary shares to BEE-Co as required by section 221 of the Companies Act and Section 5.51 of the JSE Listings Requirements and to place the control of the A ordinary shares under the control of the directors.

ORDINARY RESOLUTION NUMBER 2

Specific issue of shares for cash

Subject to the adoption of special resolution number 1, special resolution number 2, special resolution number 3 and ordinary resolution number 1 above, all authorised but unissued B ordinary shares are hereby placed under the control of the board of directors of the Company to be dealt with by the board of directors of the Company in accordance with the provisions of the B ordinary shares subscription agreement (as defined in special resolution number 3) and the directors are hereby specifically authorised to issue the B ordinary

shares for cash to ESOP at an aggregate subscription price equal to their par value out of the proceeds of a grant made by the Company to ESOP and in accordance with the other applicable terms of the B ordinary shares subscription agreement.

Reason for and effect of ordinary resolution number 2

The reason for and effect of ordinary resolution number 2 is to authorise the specific issue of the B ordinary shares to ESOP as required by section 221 of the Companies Act and Section 5.51 of the JSE Listings Requirements and to place the control of the B ordinary shares under the control of the directors.

ORDINARY RESOLUTION NUMBER 3

Authority to give effect to the above resolutions

Subject to the adoption of special resolution number 1, special resolution number 2, special resolution number 3, ordinary resolution number 1 and ordinary resolution number 2 above, the Group company secretary, or failing her, any director of the Company is hereby authorised to take all such steps and sign all such documents on behalf of the Company as may reasonably be required to give effect to the special resolutions and the ordinary resolutions set out above.

Reason for and effect of ordinary resolution number 3

The reason for and effect of ordinary resolution number 3 is to authorise the Group company secretary or the directors to do what is necessary to implement the special resolutions and the ordinary resolutions set out above.

VOTING AND PROXIES

On a show of hands every ordinary shareholder present in person or by proxy (with the exception of the ordinary shares held by the Adcock Ingram Holdings Limited Employee Share Trust and ordinary shares held by any parties and their associates participating in the specific issue) and, if an ordinary shareholder is a body corporate, its representatives shall have one vote irrespective of the number of ordinary shares he/she holds or represents, and on a poll every ordinary shareholder present in person or by proxy and if the person is a body corporate, its representative, shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the ordinary shares held by him/her bears to the aggregate amount of the nominal value of all the ordinary shares issued by the Company.

Each ordinary shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and on a poll, to vote in his/her stead. A form of proxy (yellow) is attached for completion by holders of certificated ordinary shares and holders of dematerialised ordinary shares with "own name" registration who are unable to attend the general meeting in person and who wish to vote at the general meeting. Forms of proxy must be lodged with the transfer secretaries of the Company, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 or be posted to them at PO Box 61051, Marshalltown, 2107 to be received by them not later than 09:00 on Wednesday, 7 April 2010.

Holders of certificated ordinary shares and/or dematerialised ordinary shares with "own name" registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the general meeting to the exclusion of their appointed proxy should such shareholder wish to do so. Ordinary holders of dematerialised shares, other than "own name" registration, must inform their CSDP or broker of their intention to attend the general meeting and obtain the necessary Letter of Representation from their CSDP or broker to attend the general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the general meeting in person. This must be done in terms of the agreement entered into between such shareholder and the CSDP or broker concerned.

By order of the board

R Naidoo

Company Secretary

17 March 2010

Midrand

Principal place of business

1 New Road

Midrand

Gauteng

1685

(Private Bag X69, Bryanston, 2021)



Adcock Ingram Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2007/016236/06)

Share code: AIP ISIN: ZAE000123436

("Adcock" or "the Company")

FORM OF PROXY

For use at the general meeting of ordinary shareholders of Adcock on Friday, 9 April 2010 at 09:00 at 1 New Road, Midrand, Gauteng for the purposes of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions set out in this notice of general meeting.

Only for use by ordinary shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration or who are nominees of Central Securities Depository Participants ("CSDP") or brokers on the sub-register of the Company.

Ordinary shareholders who have dematerialised their shares with a CSDP or broker, other than "own name" registration, must arrange with the CSDP or broker concerned to provide them with the necessary Letter of Representation to attend the general meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between such shareholder and the CSDP or broker concerned.

I/We (BLOCK LETTERS)

of (address) (BLOCK LETTERS)

Telephone (work) ()

Telephone (home) ()

Mobile number ()

being a holder(s) of ordinary shares in the Company appoint; and/or (see note 1);

1. _____ or failing him/her/her,

2. _____ or failing him/her/her,

3. the chairman of the general meeting,

as my/our proxy to act for me/us at the general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the special and ordinary resolutions or to abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 3):

	Insert an 'X' or the number of ordinary shares you wish to vote		
	In favour of	Against	Abstain
Special resolution number 1 Amendment of authorised share capital			
Special resolution number 2 Amendment of Articles			
Special resolution number 3 Authority for specific repurchase			
Ordinary resolution number 1 Specific issue of shares for cash			
Ordinary resolution number 2 Specific issue of shares for cash			
Ordinary resolution number 3 Authority to give effect to the above resolutions			

Signed at

on

2010

Signature/s

Assisted by me (where applicable)

Please read the notes overleaf.

Notes:

1. An ordinary shareholder is entitled to appoint one or more proxies (none of whom need be an ordinary shareholder of the Company) to attend, speak and vote or abstain from voting in the place of that ordinary shareholder at the general meeting.
2. An ordinary shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space provided, with or without deleting the words "the chairman of the general meeting". The person whose name appears first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. An ordinary shareholder's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate box. Failure to comply with the above will be deemed to authorise the chairman of the general meeting, if the chairman is the authorised proxy, to vote in favour of resolutions at the general meeting, or any other proxy to vote or abstain from voting at the general meeting as he deems fit, in respect of the ordinary shareholder's total holding.
4. The completion and lodging of this form of proxy will not preclude an ordinary shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such ordinary shareholder wish to do so.
5. In case of joint holders, the vote of the most senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, for which purpose seniority will be determined by the order in which the names appear on the Company's register of ordinary shareholders in respect of the joint holding.
6. If an ordinary shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
7. The chairman of the general meeting may reject or accept any form of proxy which is completed and/or received, otherwise than in accordance with these notes.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairman of the general meeting.
9. Any alternation or correction to this form of proxy must be initialled by the signatory/ies, other than the deletion of alternatives.
10. Forms of proxy must be lodged with or posted to the Company, c/o Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 09:00 on Wednesday, 7 April 2010.