

# Press release relating to proposed acquisition of up to 34.5% of Adcock Ingram Holdings Limited ("Adcock")

## **The Bidvest Group Limited**

Incorporated in the Republic of South Africa  
(Registration number 1946/021180/06)  
Share Code: BVT ISIN: ZAE000117321  
("Bidvest")

## **Community Investment Holdings Proprietary Limited**

Incorporated in the Republic of South Africa  
(Registration number 1995/007296/07)  
("CIH")

Bidvest and CIH have formed a Consortium ("the Consortium") and announced a cash offer to acquire up to 34.5% of the issued ordinary shares in Adcock (excluding treasury shares).

Bidvest currently owns approximately 4% of the issued ordinary shares in Adcock (excluding treasury shares). The Consortium is being led by Bidvest.

If the offer is accepted in full, the Consortium will hold 34.5% of the issued ordinary shares in Adcock. Adcock will maintain its primary listing on the JSE Limited with shareholders having a substantial residual direct participation in the performance and dividends of Adcock going forward.

CIH was founded by Dr Anna Mokgokong and Joe Madungandaba. It is the largest fully compliant BEE company operating in South Africa's pharmaceutical sector. The company is 100% black-owned with operations in South Africa and sub-Saharan Africa. CIH has a proven track record holding interests in the healthcare, technology & telecommunication, logistics, mining and power and energy sectors. Bidvest is a Level 3 BEE contributor and since the formation of the Bidvest/Dinatla (Bidvest's BEE shareholders) relationship in 2003, value in excess of R3 billion has been physically delivered to Dinatla stakeholders. Bidvest's empowerment credentials, together with the participation of CIH in the Consortium, will significantly add to the total BEE participation in Adcock.

CIH's Group Executive Chairperson, Dr Anna Mokgokong, commented, "CIH's participation in the pharmaceutical sector dates back as far as 1992 when CIH entered the pharmaceutical wholesale arena. It has since operated with the objective of growing and progressing these interests to establish a stronger national and African presence. The entry into Adcock provides a further platform off which to leverage to achieve these objectives. CIH is a Level 1 BEE contributor and, as regards its pharmaceutical interests in particular, has adopted a strategy of increasing efficiencies in local pharmaceutical production and job creation".

Bidvest CEO, Brian Joffe, commented, "Given CIH's strong pharmaceutical credentials and Bidvest's track record of value enhancing investments and strong empowerment credentials, we believe that the Consortium has the credentials to add value to Adcock, something which is clearly required".

The offer is unconditional and is open immediately. On acceptance, Adcock shareholders participating in the offer will immediately receive an upfront cash consideration of R70.00 per Adcock ordinary share. This is a significant direct investment by the Consortium of approximately R4 billion and will be funded by way of available cash resources.

The Consortium's composition of South African companies has a successful track record of over 40 years with uninterrupted growth and experience, and will allow Adcock to benefit from:

- A strong shareholder base;
- No immediate upfront requirement to increase the current gearing of Adcock;
- A further enhanced BEE status, particularly given CIH's strong pharmaceutical credentials and Bidvest's track record of value creation and strong empowerment credentials;
- Adcock's existing BEE structures will remain in place; and
- A continued primary listing on the JSE Limited with shareholders having a substantial residual direct participation in the performance and dividends of Adcock going forward.

Bidvest has a proven track record of successfully adopting this same model of acquiring meaningful shareholdings across a diverse spectrum of companies. This has enabled all stakeholders in these companies to benefit from consistent, significant value creation through Bidvest's direct and continued management involvement in these companies.

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