

NEW CLICKS HOLDINGS LIMITED



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Chief Executive

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Healthcare
Conference



Group strategy

- Continue transition of Clicks into a health and beauty specialist
- Build pre-eminence in healthcare supply and pharmacy management

Progress



- 132 stores with pharmacies (Dec '07)
- turnover
 - existing stores with pharmacies +19.7%
 - existing stores without pharmacies +8.1%
- categories
 - prescriptions +21.3%
 - over the counter +25.1%
 - front shop health +19.5%

- market shares
 - front shop healthcare 36% *
 - retail pharmaceutical market 9% **
- awareness
 - Clicks pharmacy 41%
 - Clicks clinic 19%

* per AC Nielsen

** size of retail pharmaceutical market supplied by IMS

- first choice
 - for health and beauty 27%
 - for OTC and scripts 16%
- 500 000 patients on centralised database
 - 58.7% of R_x sales from ClubCard holders
- conversion
 - 23% of customers shop pharmacy
 - 89% also bought from front shop

New store blueprint



Progress



- market shares
 - 49% of pharmaceutical wholesaling *
 - 26% of pharmaceutical wholesaling and distribution *
- diversifying business profile
 - independent pharmacy 46.6%
 - hospitals 26.2%
 - Clicks 17.9%
 - distribution 3.7%
 - doctors 4.6%
 - other 1.0%

* per IMS

Progress *(continued)*



- 280 Link pharmacies
- 50% sales growth (4 months to Dec '07)
- front shop volume rebates
- pharmacist purchasing card



Progress *(continued)*



Unresolved regulatory issues

- dispensing fee
- international benchmarking
- logistics fee
- virtual wholesalers

Business model sound

- target operating margins
 - Clicks 5.0% - 6.0% (2007 4.3%)
 - UPD 2.5% - 3.0% (2007 3.2%)
- corporate pharmacy
 - US 62%
 - UK 53%
- comparators
 - Alliance Boots
 - Shoppers Drug Mart
 - Walgreens
 - CVS

Key issues

- regulatory framework ➤ to be resolved
- affordability ➤ medicine costs
 ➤ patient compliance
 ➤ self medication
- accessibility ➤ broader medical scheme membership
- pharmacist availability ➤ pharmacy the gate keeper
- operating efficiency ➤ business imperative

The way forward



- vision
 - pharmacy in every store
- roll out
 - greenfield sites
 - pharmacist acquisition

The way forward



- professional pharmaceutical care
- generic substitution
- chronic reminder service

The way forward



- professional pharmaceutical care
- generic substitution
- chronic reminder service
- **new dispensing system**
- **clinic services**
- **promote self medication**
 - **more liberal regulations**

The way forward



The way forward



- develop Link banner group
 - promotions
 - own brand
 - ranging and formulary guidance
- building distribution capability
 - export
- supply chain efficiency

- working with universities
 - 164 interns applicants (Jan '08)
- healthcare academy
 - 513 pharmacy assistants in training
- continued professional development
 - pharmaceutical care
 - pharmacist conference
 - group opportunities

Summary

- Market leading brands
- Strategy clear
- Aligned to healthcare needs of South Africa