



Annual General Meeting

19 November 2008

Chairman's Address

The Directors are pleased to report another year of solid growth and importantly another year of strategic development as Ascent Pharmahealth Limited (formerly Genepharm) progresses in its goal of becoming a leading multi-national business in generic pharmaceuticals and healthcare products in the Australian and Asian markets.

This past year the Company reported net sales of \$65.6 million.

The Company not only achieved a solid financial result, but also consolidated its operating costs and supply sources to ensure sustainable earnings growth in coming years based on leading products, best people and cost efficient infrastructure.

The Company throughout the 2008 financial year continued to grow its range of generic pharmaceuticals, consumer skincare and over-the-counter medicines while expanding its customer base of Australian pharmacists.

The Board has announced that the Company will issue its maiden dividend of 0.5 cents per share, payable in December 2008. The dividend is a major milestone in the Company's development and has been achieved in a relatively short period.

On 18 June 2008, the Company's shareholders voted overwhelmingly in support of the acquisition of the Strides Asia business which in turn saw Strides Arcolab Limited emerge as the majority shareholder in the expanded multi-national enterprise – Ascent Pharmahealth Limited. From 1 August 2008, Ascent's operations included sales of pharmaceuticals and complementary health products in Australia and leading Asian markets including; Singapore, Hong Kong, Thailand, Malaysia and Vietnam. The new markets, products and resources of the expanded operations not only bring significant profit growth to the Company but provide new growth opportunities for the

For personal use only

Company's existing products and scale for improved cost efficiencies across the total business.

Ascent now has an extensive regional reach and product depth, along with a highly experienced sales force and dependable back office operations. The Company has embarked on a strategy of organic growth through innovation and new business development.

The Company will also continue to remain open to further acquisition based growth opportunities however; the Company will continue to adopt a disciplined approach to acquisitions and will only proceed if a strong opportunity exists to enhance shareholder value.

The Australian generic pharmaceutical market has seen significant change in the past year and management anticipates that the effects of these changes will continue to be felt over the course of the next financial year, but continues to remain optimistic about the Company's prospects in this market due to its supply partnerships with cost effective pharmaceutical manufacturers and the outcome of internal cost management strategies.

The Board realised there is some concern re the Company's share price. All agree it is ridiculous but difficult to do anything about it in these tight financial times. Except to continue to build a strong sustainable business, so when there is a rational market the price should correct itself and reflect its true value.

On behalf of Ascent we thank you the Shareholders for your ongoing support. The Board would also like to acknowledge the performance and commitment of management and staff during the year. They clearly believe in the future and continuing development of the Company.

I thank you for your attention. I would now like to invite the Company's Managing Director, Dennis Bastas, to address the meeting.

For personal use only