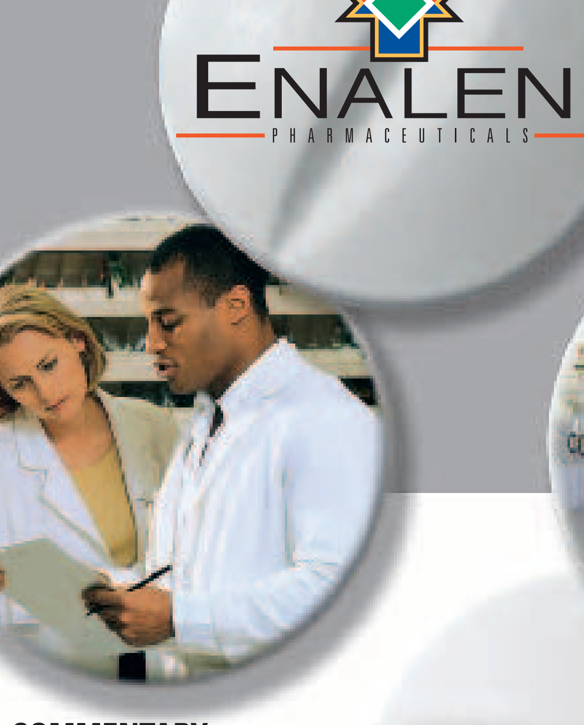
UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

- Revenue (continuing operations) increased 15% to R463,4 million
- PBIT (continuing operations) increased 24% to R108,4 million
- Basic EPS increased 29% to 14,7 cents
- Basic HEPS increased 14% to 14,4 cents
- Continuing operations: Basic EPS increased 37%
- Continuing operations: Basic HEPS increased 20%
- Total debt reduction of R76,9 million
- Factory upgrade due for ultimate completion October 2008
- Sixth largest South African pharmaceutical company

ENALENI PHARMACEUTICALS



CONSOLIDATED INCOME STATEMENTS

	Notes	Unaudited Six months 30 June 2008 R'000	Unaudited* Six months 30 June 2007 R'000	Audited Year ended 31 December 2007 R'000
Continuing operations				
Revenue		**463 433**	402 598	806 234
Gross profit	1	**223 116**	199 930	413 623
Other operating income		**3 602**	1 008	14 864
Operating expenses	2	**(118 289)**	(113 259)	(229 790)
Profit before financing costs and income tax		**108 429**	87 679	198 697
Finance costs		**(19 781)**	(24 650)	(54 182)
Finance income		**11 449**	7 698	20 516
Share of profit of associate (net of tax)		**–**	–	317
Profit before income tax		**100 097**	70 727	165 348
Income tax expense		**(35 061)**	(26 355)	(58 880)
Profit from continuing operations		**65 036**	44 372	106 468
Discontinued operations				
Profit from discontinued operations (net of tax)	3	**–**	2 962	26 348
Profit for the period		**65 036**	47 334	132 816
Attributable to:				
Equity holders of the parent		**64 622**	46 945	131 841
Minority interest		**414**	389	975
Profit for the period		**65 036**	47 334	132 816
Number of shares ('000)				
Weighted average (basic)		**439 550**	413 566	425 603
Weighted average (diluted)		**439 909**	415 454	426 550
Total				
Earnings per share (cents)				
Basic		**14,7**	11,4	31,0
Diluted		**14,7**	11,3	30,9
Continuing operations				
Earnings per share (cents)				
Basic		**14,7**	10,7	25,0
Diluted		**14,7**	10,7	24,9
Headline earnings				
Reconciliation of headline earnings				
Profit attributable to ordinary shareholders		**64 622**	46 945	131 841
Adjusted for:		**(1 130)**	5 031	(26 865)
Loss on disposals of property, plant and equipment		**183**	(55)	(188)
Gain on disposal of intangible assets		**(935)**	–	(8 236)
Gain on disposals of discontinued operations		**(378)**	–	(24 642)
Excess of assets acquired over purchase price		**–**	(74)	(74)
Impairment of property, plant and equipment		**–**	5 160	5 616
Impairment of intangible assets		**–**	–	976
Share of profit of associate		**–**	–	(317)
		63 492	51 976	104 976
Total				
Headline earnings per share (cents)				
Basic		**14,4**	12,6	24,7
Diluted		**14,4**	12,5	24,6
Continuing operations				
Headline earnings per share (cents)				
Basic		**14,4**	12,0	24,5
Diluted		**14,4**	11,9	24,5

* Comparative figures have been re-presented for continuing and discontinued operations as per IFRS 5 Non-current Assets Held for Sale.

NOTES

1. Gross profit

   The financing element relating to foreign purchases has been reallocated from cost of sales into finance costs in terms of IAS 39 Financial Instruments: Recognition and Measurement. The amount reallocated in June 2007 is R10,4 million (June 2008: R6,4 million).

2 Operating expenses

   Restructuring costs

   In the prior year, the board had approved plans to restructure the corporate office and relocate the head office of the Enaleni Pharmaceuticals Limited Group ("Enaleni") to Cape Town at the end of 2007. Restructuring charges of R6,6 million, primarily related to employee termination and relocation costs, had been recognised during the period ended 30 June 2007.

   Impairment of plant and machinery

   Included in operating expenses for the period ended 30 June 2007, is an impairment charge of R7,3 million. Newer assets being integrated into the upgraded manufacturing facility had led to some assets being rendered redundant resulting in the impairment of certain plant and machinery.

3. Profit from discontinued operations (net of tax)

   Included in profit from discontinued operations for the year ended 31 December 2007, are profits on the disposal of the Consumer and Vitality division net of the applicable taxes.

CONSOLIDATED BALANCE SHEETS

	Unaudited 30 June 2008 R'000	Unaudited 30 June 2007 R'000	Audited 31 December 2007 R'000
ASSETS			
Non-current assets	**1 578 337**	1 468 122	1 491 865
Property, plant and equipment	**196 424**	44 917	130 909
Intangible assets	**1 374 610**	1 403 911	1 355 431
Other investments	**7**	5 071	328
Deferred tax assets	**7 296**	14 223	5 197
Current assets	**470 953**	473 042	445 274
Inventories	**119 390**	111 689	85 356
Income tax receivable	**1 117**	1 378	1 186
Trade and other receivables	**197 589**	207 764	156 078
Loans receivable	**2 682**	4 825	42 234
Cash and cash equivalents	**150 175**	147 386	160 420
Total assets	**2 049 290**	1 941 164	1 937 139
EQUITY AND LIABILITIES			
Capital and reserves	**1 336 734**	1 176 658	1 270 222
Minority interest	**566**	170	152
Total equity	**1 337 300**	1 176 828	1 270 374
Non-current liabilities	**378 377**	491 861	448 356
Loans and borrowings	**369 843**	487 025	442 678
Deferred tax liabilities	**8 534**	4 836	5 678
Current liabilities	**333 613**	272 475	218 409
Bank overdraft	**–**	3 776	771
Loans and borrowings	**992**	17 628	5 072
Income tax payable	**57 613**	12 328	25 126
Trade and other payables	**275 008**	238 743	187 440
Total liabilities	**711 990**	764 336	666 765
Total equity and liabilities	**2 049 290**	1 941 164	1 937 139

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Unaudited Six months 30 June 2008 R'000	Unaudited Six months 30 June 2007 R'000	Audited Year ended 31 December 2007 R'000
Cash flows from operating activities	**114 608**	25 114	102 423
Cash flows from investing activities	**(47 564)**	(31 161)	(36 247)
Cash flows from financing activities	**(76 518)**	(29 453)	(85 637)
Net decrease in cash and cash equivalents	**(9 474)**	(35 500)	(19 461)
Cash and cash equivalents at beginning of the period	**159 649**	179 110	179 110
Cash and cash equivalents at end of the period	**150 175**	143 610	159 649

CONDENSED SEGMENTAL REPORT#

	Unaudited Six months 30 June 2008 R'000	Unaudited Six months 30 June 2007 R'000	Audited Year ended 31 December 2007 R'000
Segment revenue			
Pharmaceutical	**463 433**	402 598	806 234
Non-factory	**437 754**	338 588	720 974
Factory	**25 679**	64 010	85 260
Head office	**–**	–	–
Consumer and vitality	**–**	76 616	134 506
Total	**463 433**	479 214	940 740
Segment result			
Pharmaceutical	**108 429**	87 679	198 697
Non-factory	**126 880**	113 831	232 094
Factory	**(15 971)**	(11 788)	(18 612)
Head office	**(2 480)**	(14 364)	(14 785)
Consumer and vitality	**–**	5 138	39 383
Total	**108 429**	92 817	238 080

\# The basis of segmentation since the year ended December 2007 has changed, as the chief operating decision maker reviews the segments on a factory versus non-factory basis. In the previous financial year, the business was reviewed by the chief operating decision maker on a pharmaceutical versus consumer and vitality basis. Towards the end of the previous financial year, the businesses belonging to the consumer and vitality segment were sold.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						
	Share capital R'000	Share premium R'000	Treasury shares R'000	Retained earnings R'000	Total R'000	Minority interest R'000	Total equity R'000
Balance at 1 January 2007	409	890 728	(18 873)	125 557	997 821	(213)	997 608
Total recognised income and expenditure (profit for the year)	–	–	–	131 841	131 841	975	132 816
Issue of share capital	34	130 183	–	–	130 217	–	130 217
Share issue expenses	–	(1 615)	–	–	(1 615)	–	(1 615)
Shares issued from share incentive trust	–	–	10 166	–	10 166	–	10 166
IFRS 2 Share-based Payments	–	–	–	1 792	1 792	–	1 792
Acquisition of minority interest	–	–	–	–	–	(6)	(6)
Disposal of minority interest	–	–	–	–	–	(604)	(604)
Balance at 1 January 2008	**443**	**1 019 296**	**(8 707)**	**259 190**	**1 270 222**	**152**	**1 270 374**
Total recognised income and expenditure (profit for the period)	**–**	**–**	**–**	**64 622**	**64 622**	**414**	**65 036**
Shares issued from share incentive trust	**–**	**–**	**398**	**–**	**398**	**–**	**398**
IFRS 2 Share-based Payments	**–**	**–**	**–**	**1 492**	**1 492**	**–**	**1 492**
Balance at 30 June 2008	**443**	**1 019 296**	**(8 309)**	**325 304**	**1 336 734**	**566**	**1 337 300**

COMMENTARY

OVERVIEW

We are pleased to announce a favourable set of interim results for the period ended 30 June 2008. The first six months of 2008 have seen good progress within both divisions, namely the results of Cipla Medpro Holdings (Pty) Limited (Cipla Medpro), based in Cape Town, and the upgrading of the manufacturing facility, based in Durban. The group is currently in the process of restructuring and as a result the manufacturing operations are currently being sold from Enaleni Pharmaceuticals Limited (Enaleni) into a new company, namely Cipla Medpro Manufacturing (Pty) Limited (CMM). Once the restructuring is complete the listed company will materially no longer house the operations of the factory, and limited transactions will remain in Enaleni.

Cipla Medpro continued to grow market share across a range of categories, including asthma, cardiovascular, neuropsychiatry, over the counter (OTC) and its animal health divisions. Some extremely significant product launches took place during the first half of the year, the impact of which will be felt in the months to come.

The upgrade of the factory is progressing well and its modular design allows for the immediate utilisation of many suites for manufacturing.

FINANCIAL PERFORMANCE

Despite very limited production in the factory due to the upgrade so far, the group still succeeded in presenting a solid set of results. This is attributable to the continued strong performance of Cipla Medpro. The single exit price (SEP) increase of 6,5% was effective from 1 May 2008. The effect of this price increase was really only apparent during June 2008 as a result of stockpiling by wholesalers.

Due to the disposal of the consumer and vitality segment in the second half of 2007, the 31 December 2007 results were split between continuing and discontinued operations in accordance with the presentation requirements of IFRS 5 Non-current Assets Held for Sale. For comparability, the interim results have also been presented on this basis. There are no discontinued operations at 30 June 2008.

Revenue from continuing operations for the period increased by 15% to R463,4 million (2007: R402,6 million), a satisfactory performance considering that this is primarily organic growth. **The Cipla Medpro core division grew revenue by 41%.**

The gross margin achieved for the period is 48% (2007: 50%). This decrease in the margin is mainly attributable to the limited production in the manufacturing division and the higher average rate of hedging compared to June 2007. The volatility of the Rand in the last six months has been significant although effective hedging has enabled us to limit the margin deterioration.

Profit before financing costs and income tax (PBIT) from continuing operations for the period is R108,4 million (2007: R87,7 million), an increase of 24%. The operating profit included net foreign exchange losses of R5,6 million (2007: R2,3 million) and an increase in stock provisions of R4,9 million (2007: decrease of R0,8 million). Other expenses for restructuring costs and impairment charges on PPE of R13,9 million were recorded in the prior interim period (Rnil in 2008). Thus comparable PBIT is R118,9 million and R103,1 million for 2008 and 2007 respectively, an increase of 15%.

During the period under review, the total interest expense was R19,8 million (2007: R24,7 million). The finance costs are shown net of the benefit that the group obtained from interest rate swap fair value adjustments of R11,2 million (2007: R9,5 million). Finance income of R11,4 million (2007: R7,7 million) includes interest on cash balances of R4,6 million (2007: R5,3 million), dividend income of R2,1 million (2007: R0,6 million), and cash settlements on interest rate swaps of R4,7 million (2007: R1,8 million).

The effective taxation rate for the period is 35% (2007: 37%) and the primary adjustments to the statutory tax rate are attributable to non-deductible interest of R18,9 million, IFRS 2 expenses of R1,5 million and STC of R1,9 million. Non-taxable income included a Government grant of R1,0 million and dividends received of R2,1 million.

Profit after tax for the period is R65,0 million (2007: R47,3 million) resulting in basic and fully diluted EPS of 14,7 cents (2007: basic 11,4 cents and fully diluted 11,3 cents), an increase of 29% and 30% respectively, and basic and fully diluted HEPS of 14,4 cents (2007: basic 12,6 cents and fully diluted 12,5 cents), an increase of 14% and 15% respectively.

The reconciliation to headline earnings comprises the following amounts, all net of the applicable taxes:

- Gains on the disposal of intangible assets of R0,9 million;
- Gains on the disposal of discontinued operations of R0,4 million; and
- Loss on the sale of property, plant and equipment of R0,2 million.

Cipla Medpro increased its shareholding in Cipla Agrimed (Pty) Limited from 43% to 75% at a cost of R4,7 million, and acquired a 50% share in Agricare (Pty) Limited for R5,4 million.

Interest-bearing borrowings, net of cash on hand are R220,7 million (2007: R361,0 million). During March 2008 the group voluntarily redeemed R35,0 million of preference shares out of freely available cash over and above the compulsory redemption of R25,1 million made in May 2008. An additional R25,1 million will be settled in September 2008. We also settled a further R16,8 million relating to working capital loans and instalment sale agreements. We aim to pay down our debt as soon as possible, which will continue to improve our effective tax rate. The excess cash on hand is a result of the capital-raising exercise concluded in May 2007 and the cash injection from the disposal of the consumer and vitality division. This money is being utilised to fund the factory upgrade. The group's gearing ratio has improved to 17% (2007: 31%).

Cash flows from operating activities are R114,6 million (2007: R25,1 million). The higher cash flow at this level is mainly attributable to the tax payment of R55,5 million not being presented to the bank for payment by 30 June 2008. The remainder of the increase is due to improved working capital management. Cash flows from investing activities relate primarily to expenditure on the pharmaceutical factory upgrade – R69,2 million, as well as additions to intangible assets of R7,6 million.

BOARD OF DIRECTORS

Stability returns to the board as it remains unchanged from December 2007 with two executive directors, JS Smith (CEO) and C Aucamp (CFO), and five non-executive directors, PCS Luthuli (Chairman), Dr GS Mahlati, MT Mosweu, MB Caga and ND Mokone. Mr Caga and Ms Mokone represent empowerment consortium, Sweet Sensations, which holds an 18,5% shareholding in Enaleni.

CHANGE OF GROUP/LISTED ENTITY NAME

At the recent AGM, shareholders voted in favour of a change in the group's name to Cipla Medpro South Africa Limited. We see this as a very positive step forward that will allow the group to leverage off the reputation and marketing of Cipla Medpro, as well as the strong association with Cipla India Limited. The name change should happen within the next few months.

OPERATIONAL REVIEW

Cipla Medpro

Cipla Medpro retains its position as the sixth largest pharmaceutical company in the local market and continued to grow market share during the first six months of the year. With the total private market growing at 13,4%, Cipla Medpro grew at 26,6%, and the company's share of the private market increased from 3,3% in December 2007 to 3,7% in June 2008.

This growth is attributed to a consistent aggressive marketing strategy as well as the launch of new products. The OTC market locally is growing at 8,9% while Cipla Medpro's OTC division is growing at 15,4%. With no SEP, strong margins and mass market opportunities, OTC remains a key focus of the business for 2008, and the future, with numerous new product launches scheduled for the period ahead.

Seven SEP products were launched during the six months under review, three of which have sales potential in excess of R4,0 million per month.

The launch of South Africa's first generic escitalopram antidepressant, (Lexamil™) against the innovator who has a value market share of R112,0 million per annum, saw Cipla Medpro continuing to champion its ethos of providing world class yet affordable healthcare, with our product available at up to more than 50% less than the originator price. We are already making significant gains within this category.

The company also launched another significant generic product, this time in the cardiovascular category. The originator has a value market share of R176,0 million. The Cipla Medpro product (4 mg) is available at approximately 20% less than the originator price. Added to this, Cipla Medpro is also launching a first to market 8 mg strength. Due to favourable outcomes of landmark morbidity and mortality trials with the 8 mg product, we anticipate growing this market significantly.

The Animal Health business continues its very pleasing growth. The Cipla Vet small animal business revenue has grown by approximately 65% when compared to the comparative period. The business has focused on significant new product registrations during the first half of the year and these launches will commence during the second half of the year.

The Cipla Agricare division spent much of the six month period focusing on product registrations. By mid-year 12 products had been registered with a further eight expected by October. This ensures that selective launches will roll out from November 2008, coinciding with the seasonal high of the local agri-chemical industry.

Manufacturing division

This division was not expected to be a significant contributor to revenues in 2008, and made an operating loss before interest of R16,0 million during the period under review. This was expected as limited production is taking place due to the full scale upgrade.

Work on the upgrade of the manufacturing facility to international Pharmaceutical Inspection Co-operation Scheme (PIC/S) standards is nearing completion. With an additional R50,0 million budgeted this year for investment in sophisticated equipment and the introduction of additional resources and capabilities not previously catered for at the outset of the upgrade, work has still progressed smoothly during the year.

Having brought a wealth of manufacturing expertise to the division, the new management team has reviewed, addressed and ensured the upgraded plant's flexibility, capacity and varying manufacturing volumes. These included increasing the dispensary by 152 m^2, obtaining superior equipment to that which was previously ordered and introducing effervescent powder packing capabilities.

The facility, undergoing a name change to Cipla Medpro Manufacturing (Pty) Limited, now offers production and packaging of oral solid dosages, liquids, creams, ointments and effervescents.

The MCC conducted a final inspection in July 2008 and we anticipate final approval of our PIC/S facility mid-September 2008. Interim approval has been granted to fully commission the plant in order for all due processes to be performed. We are in the process of negotiating with selected large pharmaceutical companies to contract manufacture on their behalf.

PROSPECTS

We foresee Cipla Medpro continuing to increase its market share across numerous categories through the growth of existing markets and the launch of a number of new products.

CMM will be in full production next year, and will contribute to the group by manufacturing our own products, as well as contract manufacturing for some key pharmaceutical companies, including multinationals. We aim to be one of the leading facilities in the country, and regard ourselves as ahead of the curve given that many of the now ailing facilities will scramble to undertake similar factory upgrades

BASIS OF PREPARATION OF THE UNAUDITED RESULTS

The interim consolidated financial statements consist of an income statement, balance sheet, statement of changes in equity, condensed cash flow statement and condensed segment report for the period ended 30 June 2008.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and in accordance with the Companies Act in South Africa. The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the group's annual financial statements for the year ended 31 December 2007.

DIVIDENDS

Currently all earnings generated by the group are utilised to repay debt, complete the upgrade to the factory and fund growth opportunities.

PCS Luthuli
Chairman
9 September 2008

JS Smith
Chief Executive Officer

CORPORATE INFORMATION

Non-executive directors PCS Luthuli (Chairman), MB Caga, Dr GS Mahlati, ND Mokone, MT Mosweu
Executive directors JS Smith (Chief Executive Officer), C Aucamp (Chief Financial Officer)
Company secretary MW Daly **Registration number** 2002/018027/06 **JSE** ENL **ISIN** ZAE000067740
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Cipla
WE'LL MAKE IT BETTER

These results may be viewed at www.enaleni.com