

providers could impact on our ability to deliver on business targets and to maintain our compliance status and reputation.

Risks relating to productivity initiatives

We are implementing various productivity initiatives and restructuring programmes, with the aim of enhancing the long-term efficiency of the business. However, the anticipated cost savings and other benefits are based on preliminary estimates and the actual savings may vary significantly. In particular, these cost reduction measures are based on current conditions and do not take into account any future changes to the pharmaceutical industry or our operations, including new business developments, wage and price increases and other factors. Our failure to successfully implement these planned cost reduction measures, either through the successful conclusion of employee consultation processes or otherwise, or the possibility that these efforts do not generate the level of cost savings we anticipate going forward, could have a materially adverse effect on our financial condition and results of operations.

REPUTATION

Some parts of society continue to challenge the pharmaceuticals industry, which is under the close scrutiny of the public, the media and other stakeholders. Rising expectations are especially noteworthy in the areas of improving access to medicines for the underprivileged, both in our established markets and in less-developed nations; business conduct in our supply chain; fair marketing practices; bio-ethical challenges; working conditions; human rights; and animal rights. Although we seek to manage these risks through various proactive measures, there can be no assurance that in the future such risks will not have a materially adverse effect on our financial condition or results of operations.