



**REVENUE** ↑ **R8,5bn**  
an increase of 80%

**OPERATING PROFIT** ↑ **R2,2bn**  
an increase of 82%

**HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS** ↑ **379,5 cents**  
an increase of 68%

# Reviewed preliminary Group financial results for the year ended 30 June 2009

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# Healthcare for life

Aspen - making a difference through every stage of your life, from beginning to end.

## Group income statement

	% Change	Reviewed 30 June 2009 Rm	Audited 30 June 2008 Rm
<b>CONTINUING OPERATIONS</b>			
Revenue	80	8 450.3	4 682.5
Cost of sales		(4 564.1)	(2 511.2)
<b>Gross profit</b>	79	<b>3 886.2</b>	<b>2 171.3</b>
Selling and distribution expenses		(997.7)	(665.3)
Administrative expenses		(588.6)	(272.3)
Other operating expenses		(121.0)	(126.5)
Other operating income		4.1	89.1
<b>Operating profit</b>	B# 82	<b>2 183.0</b>	<b>1 196.3</b>
Investment income	C#	224.2	263.4
Financing costs	D#	(699.2)	(280.7)
		<b>1 708.0</b>	<b>1 179.0</b>
Share of after-tax net losses of associates		(3.3)	(1.1)
<b>Net profit before tax</b>	45	<b>1 704.7</b>	<b>1 177.9</b>
Tax		(362.0)	(333.1)
<b>Net profit after tax from continuing operations</b>	59	<b>1 342.7</b>	<b>844.8</b>
<b>DISCONTINUED OPERATIONS</b>			
Profit for the year from discontinued operations	E#	10.9	19.7
<b>Profit for the year</b>	57	<b>1 353.6</b>	<b>864.5</b>
Attributable to:			
Equity holders of the parent		1 340.4	862.9
Minority interest		13.2	1.6
	57	<b>1 353.6</b>	<b>864.5</b>
Weighted average number of shares in issue ('000)		357 860	351 792
<b>BASIC EARNINGS PER SHARE (CENTS)</b>			
From continuing operations	55	371.5	239.7
From discontinued operations		3.1	5.6
	53	<b>374.6</b>	<b>245.3</b>
<b>DILUTED EARNINGS PER SHARE (CENTS)</b>			
From continuing operations	53	360.0	234.8
From discontinued operations		2.9	5.3
	51	<b>362.9</b>	<b>240.1</b>

## Group balance sheet

	Reviewed 30 June 2009 Rm	Restated Audited 30 June 2008 Rm
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2 373.5	1 685.7
Investment in associates	22.4	25.8
Goodwill	398.4	603.0
Intangible assets	4 103.6	3 705.7
Non-current financial receivables	5.2	4.7
Deferred tax assets	17.8	1.0
<b>Total non-current assets</b>	<b>6 920.9</b>	<b>6 025.9</b>
<b>Current assets</b>		
Inventories	1 434.6	1 447.0
Receivables and prepayments	2 080.2	1 876.7
Cash and cash equivalents	2 065.3	1 522.2
<b>Total current assets</b>	<b>5 580.1</b>	<b>4 845.9</b>
<b>Total assets</b>	<b>12 501.0</b>	<b>10 871.8</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital and share premium	509.8	493.8
Treasury shares	—	(571.6)
Share-based compensation reserve	53.3	62.5
Non-distributable reserves	(170.3)	462.0
Retained income	3 627.9	2 649.0
Ordinary shareholders' equity	4 020.7	3 095.7
Equity component of preference shares	162.0	162.0
	<b>4 182.7</b>	<b>3 257.7</b>
Minority interest	80.3	61.1
<b>Total shareholders' equity</b>	<b>4 263.0</b>	<b>3 318.8</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Preference shares – liability component	392.2	402.1
Borrowings	3 433.8	75.9
Deferred-payables and other non-current financial liabilities	9.4	11.9
Deferred tax liabilities	203.0	148.5
<b>Total non-current liabilities</b>	<b>4 038.4</b>	<b>638.4</b>
<b>Current liabilities</b>		
Trade and other payables	1 301.7	1 034.6
Financial liability for products acquired	—	2 653.0
Borrowings	2 670.3*	3 103.5*
Deferred-payables and other current financial liabilities	36.8	12.2
Derivative financial instruments	120.0	—
Current tax liabilities	70.8	111.3
<b>Total current liabilities</b>	<b>4 199.6</b>	<b>6 914.6</b>
<b>Total liabilities</b>	<b>8 238.0</b>	<b>7 553.0</b>
<b>Total equity and liabilities</b>	<b>12 501.0</b>	<b>10 871.8</b>
Number of shares in issue (net of treasury shares) ('000)	360 666	352 411
Net asset value per share (cents)	1 114.8	878.5

## Finalisation of PharmaLatina Holdings Ltd acquisition accounting

The accounting for the acquisition of PharmaLatina Holdings Ltd was made on a provisional basis in terms of IFRS 3 for the year ended 30 June 2008. In terms of IAS 8, Accounting policies, Changes in Accounting Estimates and Errors, the adjustments to finalise the PharmaLatina Holdings Ltd acquisition have been corrected retrospectively. The comparative figures have been restated to present the prior year figures as if the acquisition accounting was finalised in the prior year.

	Audited 30 June 2008 Rm	Adjustments Rm	Restated Audited 30 June 2008 Rm
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1 744.6	(58.9)	1 685.7
Goodwill	589.9	13.1	603.0
Intangible assets	3 723.1	(17.4)	3 705.7
<b>Current assets</b>			
Trade and other receivables	1 331.1	86.4	1 417.5
<b>Total assets</b>	<b>10 848.6</b>	<b>23.2</b>	<b>10 871.8</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	155.1	(6.6)	148.5
<b>Current liabilities</b>			
Trade and other payables	1 004.8	29.8	1 034.6
<b>Total liabilities</b>	<b>7 529.8</b>	<b>23.2</b>	<b>7 553.0</b>
<b>Total equity and liabilities</b>	<b>10 848.6</b>	<b>23.2</b>	<b>10 871.8</b>

\*Bank overdrafts are included within borrowings under current liabilities.

## Group cash flow statement

	Reviewed 30 June 2009 Rm	Audited 30 June 2008 Rm
<b>Cash flows from operating activities</b>		
Cash operating profit	2 668.3	1 494.0
Changes in working capital	(507.7)	(435.9)
<b>Cash generated from operations</b>	<b>2 160.6</b>	<b>1 058.1</b>
Net financing costs paid	(759.3)	(347.5)
Investment income received	224.2	263.4
Tax paid	(333.4)	(321.6)
<b>Net cash generated from operating activities</b>	<b>1 292.1</b>	<b>652.4</b>
<b>Cash flows from investing activities</b>		
Capital expenditure – property, plant and equipment	(626.7)	(379.3)
Proceeds on disposal of tangible assets	9.1	3.2
Capital expenditure – intangible assets	(3 279.9)	(1 660.0)
Proceeds on disposal of intangible assets	15.5	55.2
Acquisition and disposal of subsidiary and joint ventures, net of cash	429.2	(1 347.4)
(Increase)/decrease in non-current financial receivables	(0.4)	1.2
Redemption of investment in preference shares	—	376.8
Payment of outstanding Oncology business purchase consideration	(103.5)	—
<b>Net cash used in investing activities</b>	<b>(3 556.7)</b>	<b>(1 456.3)</b>
<b>Cash flows from financing activities</b>		
Net movement in borrowings	3 121.6	1 497.8
Net movement in deferred payables	(12.2)	(55.0)
Dividend paid	(0.8)	(1.5)
Net capital distribution paid	—	(246.0)
Proceeds from issue of ordinary shares	20.4	15.3
<b>Net cash generated from financing activities</b>	<b>3 129.0</b>	<b>1 210.6</b>
<b>Movement in cash and cash equivalents before exchange rate changes</b>	<b>864.4</b>	<b>406.7</b>
<b>Effects of exchange rate changes</b>	<b>(486.4)</b>	<b>40.7</b>
<b>Cash and cash equivalents</b>		
Movement in cash and cash equivalents	378.0	447.4
Cash and cash equivalents at the beginning of the year	944.9	497.5
<b>Cash and cash equivalents at the end of the year</b>	<b>1 322.9</b>	<b>944.9</b>
<b>The above includes discontinued operations of:</b>		
Net cash generated used in operating activities	(8.1)	(7.6)
Net cash used in investing activities	(5.7)	(11.4)
Net cash generated from financing activities	24.3	25.9
Effects of exchange rate changes	(0.1)	(0.7)
Movement in cash and cash equivalents	10.4	6.2
Cash and cash equivalents at the beginning of the year	(10.4)	(16.5)
<b>Cash and cash equivalents per the cash flow statement</b>	<b>—</b>	<b>(10.4)</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents per the balance sheet	2 065.3	1 522.2
Less: bank overdrafts	(742.4)	(577.3)
<b>Cash and cash equivalents per the cash flow statement</b>	<b>1 322.9</b>	<b>944.9</b>

For the purposes of the cash flow statement, cash and cash equivalents comprise cash-on-hand, deposits held on call with banks less bank overdrafts.

## Acquisitions and disposals

The Group made the following acquisitions during the 2009 financial year:  
– On 1 July 2008, the Group acquired an additional 1% of PharmaLatina Holdings Ltd (Latin American businesses). This additional 1% gave the Group 100% effective control of the Latin American businesses.  
– On 31 May 2009, the Group acquired the remaining 50% shareholding in Fine Chemicals Corporation (Pty) Ltd.

Fair value recognised for the acquisitions were:

	PharmaLatina Holdings Ltd Rm	Fine Chemicals Corporation Ltd Rm	Total Rm
Property, plant and equipment	248.4	43.5	291.9
Intangible assets	66.5	14.1	80.6
Current assets	634.8	76.2	711.0
Non-current liabilities	(21.9)	(5.7)	(27.6)
Current liabilities	(336.2)	(29.1)	(365.3)
Fair value of assets acquired	591.6	99.0	690.6
Minority interest	(4.8)	—	(4.8)
Fair value of assets acquired – Aspen's share	586.8	99.0	685.8
Deferred receivable converted to consideration	(440.1)	—	(440.1)
Goodwill acquired	(124.8)	90.4	(34.4)
Purchase consideration	21.9	189.4	211.3
Cash and cash equivalents in acquired companies	(286.9)	(27.3)	(314.2)
<b>Total cash (inflow)/outflow on acquisition</b>	<b>(265.0)</b>	<b>162.1</b>	<b>(102.9)</b>
<b>Disposals</b>			
The Group disposed of 50% of its shareholding in Astix Laboratories Ltd on 31 May 2009. The net assets disposed of were as follows:			

	Astix Laboratories Ltd Rm	Total Rm
Property, plant and equipment	62.5	62.5
Intangible assets	61.1	61.1
Current assets	238.3	238.3
Non-current liabilities	(19.4)	(19.4)
Current liabilities	(137.7)	(137.7)
Fair value of assets disposed	204.8	204.8
Loss on sale	(19.9)	(19.9)
Goodwill disposed	139.5	139.5
Purchase consideration received	324.4	324.4
Cash and cash equivalents in disposed company	1.9	1.9
<b>Cash inflow and disposal</b>	<b>326.3</b>	<b>326.3</b>

## Segmental analysis

	Reviewed 30 June 2009 Rm	% of total	Restated audited 30 June 2008 Rm	% of total	Change
<b>SEGMENTAL ANALYSIS</b>					
<b>Revenue</b>					
South Africa	4 867.5	56%	3 758.4	77%	30%
International	3 868.9	44%	1 122.9	23%	245%
Gross sales	3 961.6		1 205.1		
Less: intersegment sales	(92.7)		(82.2)		
<b>Total revenue</b>	<b>8 736.4</b>	<b>100%</b>	<b>4 881.3</b>	<b>100%</b>	<b>79%</b>
Less: revenue from discontinued operations	(286.1)		(198.8)		
<b>Total revenue continuing operations</b>	<b>8 450.3</b>	<b>100%</b>	<b>4 682.5</b>	<b>100%</b>	<b>80%</b>
<b>Operating profit before amortisation, disposals and impairment on intangible assets from continuing operations</b>					
South Africa	1 226.6	53%	1 067.2	85%	15%
Operating profit	1 169.7		1 036.6		
Amortisation of intangible assets	37.8		68.2		
Profit on sale of Shimoda shares	—		(5.0)		
Profit on sale of Formule Naturelle range	—		(40.8)		
Impairment on intangible assets	19.1		8.2		
International	1 076.2	47%	192.8	15%	458%
Operating profit	1 013.3		159.7		
Amortisation of intangible assets	57.2		49.7		
Profit on sale of 51% of Co-Pharma Ltd	—		(16.6)		
Impairment on intangible assets	5.7		—		
	<b>2 302.8</b>	<b>100%</b>	<b>1 260.0</b>	<b>100%</b>	<b>83%</b>
<b>ENTITY-WIDE DISCLOSURE</b>					
<i>Geographical analysis of revenue</i>					
South Africa – pharmaceutical	3 766.6	43%	2 807.6	58%	34%
South Africa – consumer	1 100.8	13%	950.9	19%	16%
East Africa	372.8	4%	46.7	1%	698%
Asia Pacific	915.4	10%	709.0	15%	29%
Latin America	841.3	10%	82.9	2%	915%
Global brands	1 438.0	16%	11.8	0%	100%
Rest of the world	301.5	4%	272.4	5%	11%
<b>Total revenue</b>	<b>8 736.4</b>	<b>100%</b>	<b>4 881.3</b>	<b>100%</b>	<b>79%</b>
Less: discontinued operations	(286.1)		(198.8)		
<b>Total revenue continuing operations</b>	<b>8 450.3</b>	<b>100%</b>	<b>4 682.5</b>	<b>100%</b>	<b>80%</b>



## Commentary

### Group performance

Aspen has produced excellent results for the year ended 30 June 2009 despite the difficult economic conditions which characterised the period. The Group recorded growth in headline earnings per share of 68%, to 389.4 cents. The increase in earnings per share of 53% was lower than the increase in headline earnings per share due mainly to the exclusion of non-recurring capital profits and losses from the determination of headline earnings per share. Revenue from continuing operations was up 80% at R8,450 billion and operating profit improved by 82% to R2,183 billion.

The expansion of the Group's international operations has yielded positive returns. Contribution to Group earnings before interest, tax and amortisation ("EBITA") from the international operations increased to 47%, up from 15%. The South African business also performed well, increasing contribution to EBITA by 14%.

### South African operations

Aspen retained its pharmaceutical market leadership and improved market share over the year in all of the market segments. Aspen has the greatest market share in the total private pharmaceutical market, the private generic market, the public sector pharmaceutical market and in the supply of anti-retrovirals ("ARVs") to both the private and the public sectors. Furthermore, Aspen's over-the-counter ("OTC") unit was rated first in the Campbell-Belman Confidence Standing survey of 146 top retail pharmacies which evaluated 42 OTC companies.

Revenue from South African operations increased 30% to R4,868 billion, demonstrating resilience in a difficult trading environment. EBITA, although constrained by margin pressure, grew by R149 million to R1,208 billion. Raw material prices and production inflation accelerated in the first half of the year whilst prices remained fixed under the Single Exit Price ("SEP") legislation in the private sector and under state tenders. Margins improved during the final quarter following the award in February 2009 of a 13.2% increase in SEP by the Department of Health and with the implementation of the state tender price adjustment mechanism. Higher than scheduled demand from the public sector also increased the weighting towards lower margin business.

Revenue growth was led by pharmaceuticals which recorded an increase of 34% to R3,767 billion. This gain was achieved through organic volume growth and the successful results from recent product launches such as Truvada, Viread, Vectoryl and Aspen Efavirenz. Given the depressed retail environment, the improvement of 16% in revenue from the consumer portfolio to R1,101 billion was positive. Leading brands such as Lennon Dutch Medicines, Infacare, S26, Guoronsan C and Hamburg Tea all performed well. The ophthalmic range was strengthened with the addition of the Eye-gene and Murine brands to Aspen's established eye-drop products, Safyr Bleu and Oculerge. A new infant milk label, Melegi, was successfully launched and exported into selected African countries.

During the second half of the year further oral solid dose manufacturing capacity came on line in Port Elizabeth with the completion of the capital project to add more packing lines. This relieved production pressure which had arisen primarily as a consequence of unscheduled increases in demand from the public health sector. Further oral solid dose capacity will be unlocked before the end of 2009 with the completion of the new tableting production plant which is presently being validated. The eye-drop suite in the Sterile Facility was also completed during this period and exports of Clear Eyes and Murine have commenced to Prestige Brands in the United States. Trials have been initiated in the hormonal suite of the Sterile Facility.

An explosion, induced by the combustion of dust particles, occurred in the drying tower of the infant milk factory at Clayville on 18 August 2009. The explosion and resultant fire caused extensive damage to this part of the production site. However, production in the blending and packing areas remains uninterrupted. It is expected that the drying tower will recommence production before the end of the 2010 financial year. A contingency plan utilising outsourced production has been implemented which is designed to ensure continued supply of infant milks to the market. Aspen is fully insured against damage and loss of profits arising out of this incident.

## Supplementary information

	<b>Reviewed 30 June 2009</b>	Restated Audited 30 June 2008
	<b>Rm</b>	Rm
<b>A. Capital expenditure</b>		
Incurred	<b>3 906,6</b>	545,3
– tangible assets	<b>626,7</b>	379,3
– intangible assets	<b>3 279,9</b>	166,0
Contracted		
– tangible assets	<b>87,3</b>	62,6
– intangible assets	<b>5,8</b>	—
Authorised but not contracted for		
– tangible assets	<b>226,9</b>	457,5
– intangible assets	<b>12,1</b>	0,8
<b>B. Operating profit has been arrived at after charging</b>		
Depreciation of property, plant and equipment	<b>115,7</b>	70,9
Amortisation of intangible assets	<b>95,0</b>	117,9
Share-based payment expenses – employees	<b>29,5</b>	32,9
<b>C. Investment income</b>		
Preference share dividends received	<b>—</b>	33,3
Interest received	<b>224,2</b>	230,1
Total investment income	<b>224,2</b>	263,4
<b>D. Financing costs</b>		
Interest paid	<b>(614,9)</b>	(318,4)
Net foreign exchange (losses)/gains	<b>(0,9)</b>	62,4
Fair value (losses)/gains on financial instruments	<b>(52,4)</b>	3,5
Notional interest on financial instruments	<b>7,3</b>	9,9
Preference share dividends paid	<b>(38,3)</b>	(38,1)
Financing costs	<b>(699,2)</b>	(280,7)
<b>E. Profit for the year from discontinued operations</b>		
Profit for the year from discontinued operations	<b>35,0</b>	19,7
Loss on sale of Astrix Laboratories Ltd	<b>(19,9)</b>	—
Capital gains tax on sale of Astrix Laboratories Ltd	<b>(4,2)</b>	—
Profit for the year from discontinued operations	<b>10,9</b>	19,7
<b>F. Other commitments</b>		
During the 2003 financial year Aspen entered into a 12-year agreement with GlaxoSmithKline South Africa (Pty) Ltd to distribute and market a range of their products. In terms of this agreement Aspen is committed to pay the following amounts to GlaxoSmithKline South Africa (Pty) Ltd:		
– payable within one year	<b>8,0</b>	15,1
– payable thereafter	<b>24,7</b>	47,5
	<b>32,7</b>	62,6
During the 2005 financial year Aspen Australia Pty Ltd entered into a 10-year agreement with Novartis Pharmaceuticals Australia Pty Ltd to distribute and market a range of their products. In terms of this agreement Aspen is committed to spend the following amounts on promotion of the products:		
– payable within one year	<b>7,0</b>	10,5
– payable thereafter	<b>26,3</b>	46,8
	<b>33,3</b>	57,3
<b>G. Contingent liabilities</b>		
There are contingent liabilities in respect of:		
Additional payments in respect of the Quit worldwide intellectual property rights	<b>2,3</b>	7,8
Guarantees covering loan and other obligations to third parties	<b>23,8</b>	23,2
Tax duty contingencies	<b>17,0</b>	—

### International operations

The Group has significantly expanded its international operations over the past 18 months. Businesses were acquired in Brazil, Mexico, Venezuela, Tanzania, Kenya and Uganda in the second half of the 2008 financial year. With effect from 30 June 2008, the Group's intellectual property portfolio in international markets was significantly enhanced by the acquisition of four globally branded products, Eltroxin, Lanoxin, Imuran and Zyloric from GlaxoSmithKline ("GSK") for GBP 170 million. The global product range was also supplemented by two licensing transactions for branded products with US-based Iroko Pharmaceuticals. Aspen products are now distributed to more than 100 countries across the world.

This expansion has resulted in a substantial increase in the contribution from international operations to the Group. Revenue of R3,869 billion was achieved, up from R1,123 billion and EBITA from continuing operations was R1,071 billion, up from R209 million. The global brands comprised R1,438 billion of revenue. Transition of distribution arrangements for the global brands to the Aspen network has already commenced, with the remainder of the transition scheduled in the 2010 financial year.

Aspen Australia returned another set of positive results despite legislated price cuts. Revenue increased by 29% to R915 million. This was achieved by effective promotion of the product range and the expansion of the product offering.

In Latin America the focus is on building a growing business in the private sector whereas third party distributors and public sector tenders have previously been the primary source of revenue. Results for the past year, in which revenue of R841 million was recorded, do not reflect a realisation of the potential that exists in this region. Initiatives receiving active attention include the strengthening of management, increasing representation in the private sector, bringing new products to the market and establishing a medium-term product pipeline.

The Group's East African business reported revenue of R373 million in a year in which political unrest in Kenya had a negative impact upon trade.

Aspen disposed of its 50% shareholding in the ARV active pharmaceutical ingredient manufacturer, Astrix, for USD 39 million, with effect from 31 May 2009. A strong Rand-Dollar exchange rate at the time of completion of this transaction resulted in a loss on sale of R20 million.

### GSK transactions

On 12 May 2009 Aspen announced that it had agreed the terms on a series of strategic, interdependent transactions with GSK ("the GSK transactions"), being:

- the acquisition of the rights to distribute GSK's pharmaceutical products in South Africa;
- the formation of a collaboration arrangement between Aspen and GSK in relation to the marketing and selling of prescription pharmaceuticals in sub-Saharan Africa;
- the acquisition by Aspen Global of eight specialist branded products (Alkeran, Leukeran, Purinethol, Kemadrin, Lanvis, Myleran, Septrin and Trandate) for worldwide distribution;
- the acquisition of GSK's manufacturing facility in Bad Oldesloe, Germany; and

- Aspen to issue 68,5 million shares to GSK.

The completion of the transactions is subject to the fulfillment of a number of conditions precedent. Certain of these conditions precedent have been fulfilled, amongst these approval of the South African Competition Authorities and the German Competition Authorities.

The material conditions precedent which remain to be fulfilled are in respect of the approval of the Exchange Control Department of the South African Reserve Bank and competition filings in international markets. It is anticipated that the GSK transactions should complete before the end of 2009.

### Funding

The level of borrowings has risen materially over the past year, primarily due to the raising of a five-year loan facility of USD 385 million from a consortium of banks in October 2008. The facility comprises a five-year amortising loan of USD 255 million and a five-year non-amortising loan of USD 130 million. Under an interest rate swap, the cost of this funding has been fixed at 6,11% per annum over 90% of its term.

The Group's borrowing position has improved since ended 31 December 2008 as a consequence of positive operating cash flows and currency movements. Borrowings, net of cash, amounted to R4,039 billion at 30 June 2009, down from R4,937 billion at 31 December 2008.

Interest paid, net of interest received, amounted to R391 million and was covered six times by earnings before interest, tax, depreciation and amortisation. Losses on foreign exchange and forward cover contracts amounted to R53 million (prior year: gains R66 million) primarily as a result of the strengthening of the Rand after taking out forward cover.

### Prospects

Aspen's business in South Africa remains well positioned in all market segments and has recorded excellent revenue growth over the past year. Completion of the transaction to acquire the rights to distribute GSK products in South Africa will strengthen Aspen in the branded products segment of the market. After a period of margin weakening in the pharmaceutical business, there should be scope for improvement in margins in the year ahead as the benefits of the SEP increase are realised. This will be dependent upon the Rand remaining relatively stable at existing levels.

The Group's excellent product pipeline will continue to add momentum to growth. Public sector tenders, including ARVs, are scheduled for award again over the forthcoming year. Aspen expects to be competitive in these tenders. The retail sector remains subdued, but Aspen's strategy to maintain focus on its core brands is expected to put the consumer division in a positive position when this market improves.

## Statement of changes in Group equity

	<b>Share capital and premium Rm</b>	<b>Treasury shares Rm</b>	<b>Share-based compensation reserve Rm</b>	<b>Non- distributable reserves Rm</b>	<b>Retained income Rm</b>	<b>Equity component of preference shares Rm</b>	<b>Minority interest Rm</b>	<b>Total Rm</b>
<b>Balance at 30 June 2007</b>	<b>746,3</b>	<b>(598,9)</b>	<b>47,6</b>	<b>267,8</b>	<b>1 757,6</b>	<b>162,0</b>	<b>7,0</b>	<b>2 389,4</b>
Currency translation differences	—	—	—	117,3	—	—	—	117,3
Amounts retained in equity due to hedge accounting of acquisitions	—	—	—	87,6	—	—	—	87,6
Profit for the year	—	—	—	—	862,9	—	1,6	864,5
Dividend paid	—	—	—	—	(1,5)	—	—	(1,5)
Capital distribution	(273,2)	27,3	—	—	—	—	—	(245,9)
Acquisition of subsidiary	—	—	—	—	—	—	52,5	52,5
Disposal of 51% of shares in Co-pharma Ltd	—	—	—	(10,8)	21,7	—	—	10,9
Cash flow hedges realised	—	—	—	0,1	—	—	—	0,1
Issue of ordinary share capital	20,7	—	—	—	—	—	—	20,7
Share options and appreciation rights awarded	—	—	27,6	—	—	—	—	27,6
Transfer from share-based compensation reserve	—	—	(12,7)	—	12,7	—	—	—
Equity portion of tax claims in respect of share schemes	—	—	—	—	(4,4)	—	—	(4,4)
<b>Balance at 30 June 2008</b>	<b>493,8</b>	<b>(571,6)</b>	<b>62,5</b>	<b>462,0</b>	<b>2 649,0</b>	<b>162,0</b>	<b>61,1</b>	<b>3 318,8</b>
Currency translation differences	—	—	—	(383,3)	—	—	—	(383,3)
Profit for the year	—	—	—	—	1 340,4	—	13,2	1 353,6
Dividend paid	—	—	—	—	(0,8)	—	—	(0,8)
Acquisition of subsidiary	—	—	—	—	—	—	4,8	4,8
Interest rate swap obligation	—	—	—	(136,5)	—	—	—	(136,5)
Issue of ordinary share capital	21,4	—	—	—	—	—	—	21,4
Treasury shares cancelled	(5,4)	571,6	—	—	(566,2)	—	—	—
Share options and appreciation rights awarded	—	—	28,5	—	—	—	—	28,5
Transfer from share-based compensation reserve	—	—	(37,7)	—	37,7	—	—	—
Reversal of accumulated losses in subsidiary	—	—	—	(112,5)	112,5	—	—	—
Equity portion of tax claims in respect of share schemes	—	—	—	—	55,3	—	—	55,3
Minority adjustment	—	—	—	—	—	—	1,2	1,2
<b>Balance at 30 June 2009</b>	<b>509,8</b>	<b>—</b>	<b>53,3</b>	<b>(170,3)</b>	<b>3 627,9</b>	<b>162,0</b>	<b>80,3</b>	<b>4 263,0</b>

The Group expects to be able to add a number of new product launches to the collaboration with GSK in sub-Saharan Africa should the GSK transactions complete. GSK has already established a strong presence and effective distribution network in sub-Saharan Africa. The supplementation of GSK's existing portfolio with Aspen's pipeline of relevant products should allow the collaboration to increase access to quality healthcare across this region.

The Group will continue to seek investment opportunities that will enable the growth of its international business. In the event of the GSK transactions completing, eight specialist products will be added to the global brands portfolio, will allow for additional extraction of value from Aspen's international distribution network. Excellent progress has been made in developing a product pipeline to support the international business. The benefits of this should become apparent in two to three years. Specific attention is being given to the development of the Group's business model in Latin America. Aspen intends to exercise its call option to acquire the remaining 49% of the Latin America businesses in Brazil, Mexico and Venezuela. Final financial adjustments to the purchase consideration payable by Aspen for the Latin American businesses remain to be settled. Indications are that Aspen will not be required to make a further payment in this regard.

In the year ahead the South African business is expected to again perform well. Margins should improve provided the Rand does not weaken materially. The Group now has exposure to a wide number of currencies, in addition to the Rand and the US Dollar, with the most material being the Euro, the Australian Dollar, the Brazilian Real, the Tanzanian Shilling, the Mexican Peso and the Japanese Yen. Relative exchange rates between these currencies could influence results in future.

Completion of the GSK transactions, subject to fulfillment of conditions precedent, will further support the Group's strategies in South Africa, sub-Saharan Africa and internationally.

### Distribution

Having given consideration to the Group's existing debt service commitments and future possible investments, Aspen's Board of Directors has resolved that there will be no distribution paid to shareholders this year.

By order of the board

<b>NJ Dlamini</b> <i>(Chairman)</i>	<b>SB Saad</b> <i>(Group Chief Executive)</i>
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Woodmead

8 September 2009


<b>www.aspenpharma.com</b>
<b>Directors</b> NJ Dlamini* (Chairman), AJ Aaron*, RJ Andersen*, MG Attridge, MR Bagus*, JF Buchanan*, CN Mortimer*, DM Nurek*, SB Saad. *Non-executive directors
<b>Company secretary</b> HA Shapiro
<b>Transfer secretaries</b> Computershare Investor Services (Pty) Ltd (Registration number 1987/003382/06) 70 Marshall Street, Johannesburg 2001. PO Box 61051, Marshalltown 2107
<b>Registered office</b> Building 8, Healthcare Park, Woodlands Drive, Woodmead

*Disclaimer*

*We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements are discussed in each year's annual report. Forward-looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. All profit forecasts published in this report are unaudited.*

<b>Basis of Accounting</b>
The consolidated preliminary results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IFRIC interpretations, the Listings Requirements of the JSE Ltd, Schedule 4 of the South African Companies Act (Act 61 of 1973, as amended) and the presentation and disclosure requirements of IAS 34 – Interim Reporting.
These results have been reviewed by Aspen's auditors, PricewaterhouseCoopers Inc. Their unqualified review report is available for inspection at the company's registered office.
The accounting policies used in the preparation of these preliminary results are consistent with those used in the annual financial statements for the year ended 30 June 2008. The comparative figures have been restated due to the finalisation of the acquisitions of Shelys Africa Ltd, PharmaLatina Holdings Ltd, Onco Therapies Ltd and Onco Laboratories Ltd, which were accounted for on a provisional basis in the prior year.