Interim Results 2014

for the six months ended 31 December 2013

Highlights

+33% **Revenue increased to R12.0 billion**

+16% **Operating profit increased to R2.9 billion**

+23% **Normalised diluted headline EPS increased to 467 cents**

+9% **Cash generated from operations increased to R2.2 billion**

+152% **Net borrowings increased to R26.2 billion**

Abridged Statement of Comprehensive Income

CONTINUING OPERATIONS	H1 2014 R'million	H1 2013 R'million	% change
Revenue	11 976	8 997	+33%
Cost of Sales	(6 399)	(4 630)	
Gross profit	5 577	4 367	+28%
Operating expenses	(2 570)	(1 803)	
Other operating income	52	41	
Operating profit before amortisation	3 059	2 605	+17%
Amortisation	(179)	(120)	
Operating profit	2 880	2 485	+16%
Net funding costs	(406)	(263)	
Profit before tax	2 474	2 222	+11%
Tax	(544)	(539)	
Profit after tax from continuing operations	1 930	1 683	+15%
Basic Earnings per share (EPS)	*423.4 cents*	*369.3 cents*	+15%
Headline earnings per share (HEPS)	*424.2 cents*	*371.1 cents*	+14%
Normalised diluted HEPS	*467.4 cents*	*379.0 cents*	+23%

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Comparative reconciliation of earnings per share

	H1 2014 Cents	H1 2013 Cents	% change
Basic EPS from continuing operations	423.4	369.3	+15%
Impairments	0.1	1.6	
Other	0.7	0.2	
Headline EPS from continuing operations	424.2	371.1	+14%
Restructuring costs	1.8	3.0	
Transaction costs	44.1	5.5	
Foreign currency gains in respect of business acquisitions	(2.0)	-	
Normalined HEPS from continuing operations	468.1	379.6	+23%
Dilution	(0.7)	(0.6)	
Normalised diluted HEPS from continuing operations	467.4	379.0	+23%

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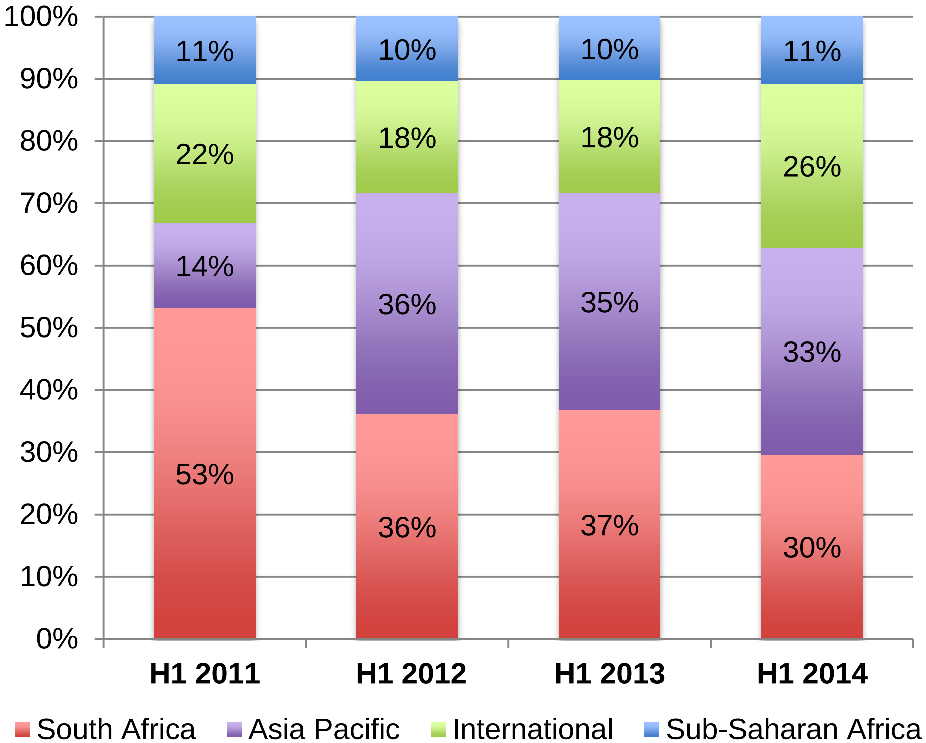
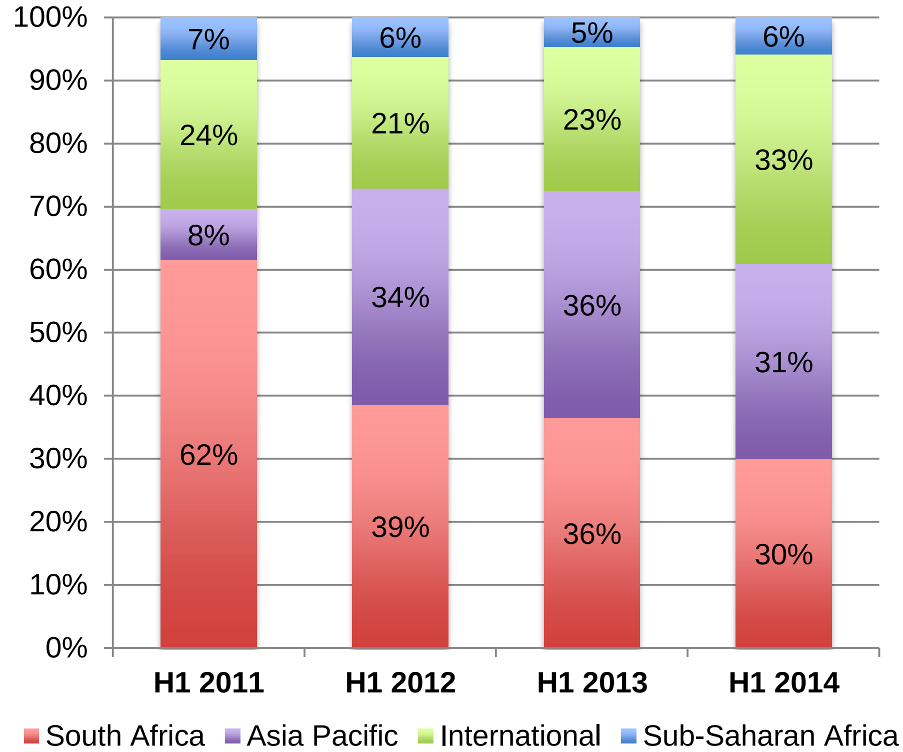
Segmental contribution

Gross revenue by region



Normalised EBITA* by region



**Normalised EBITA = Earnings before interest, tax and amortisation adjusted for specific non-trading items*

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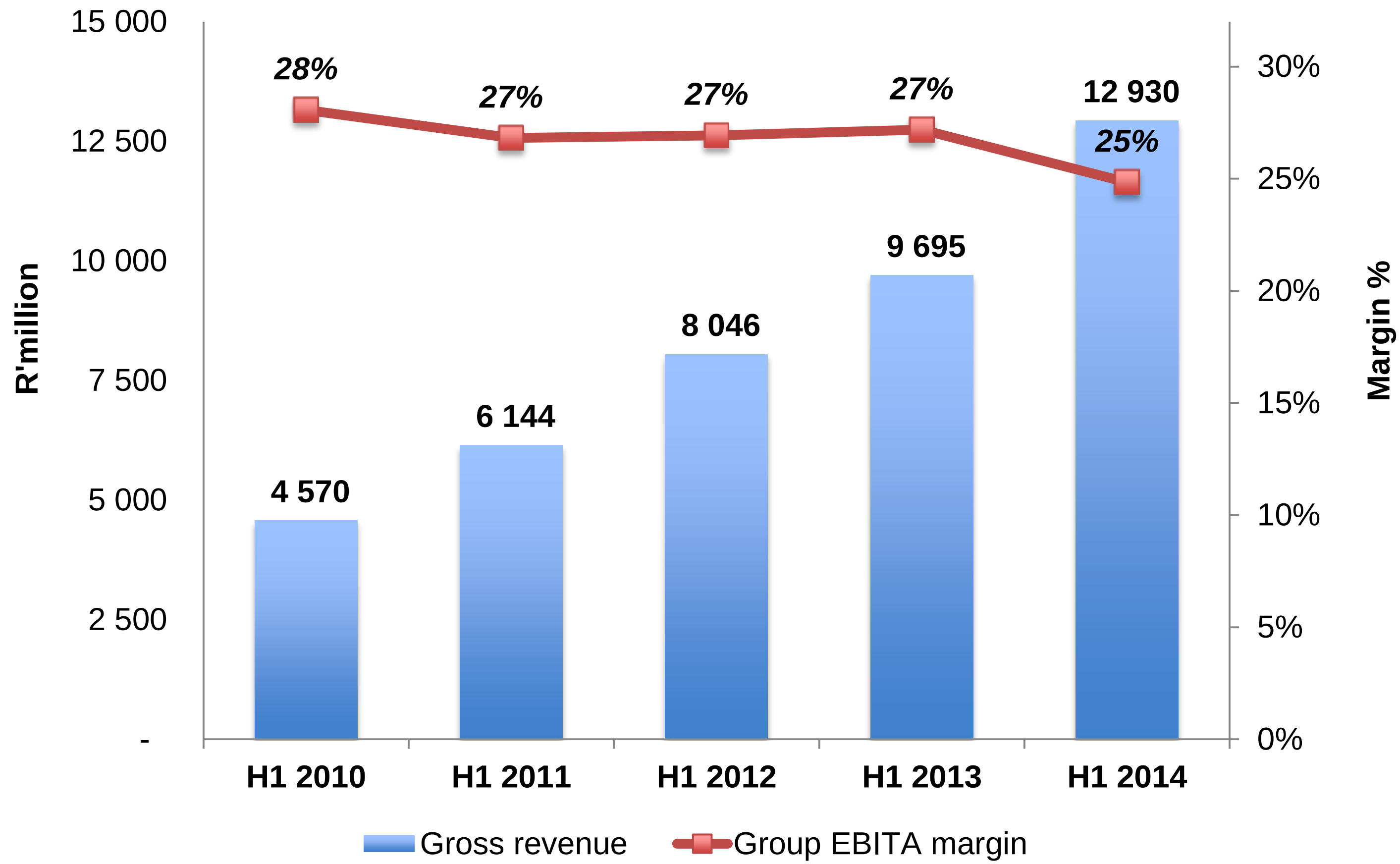
Group operating margin



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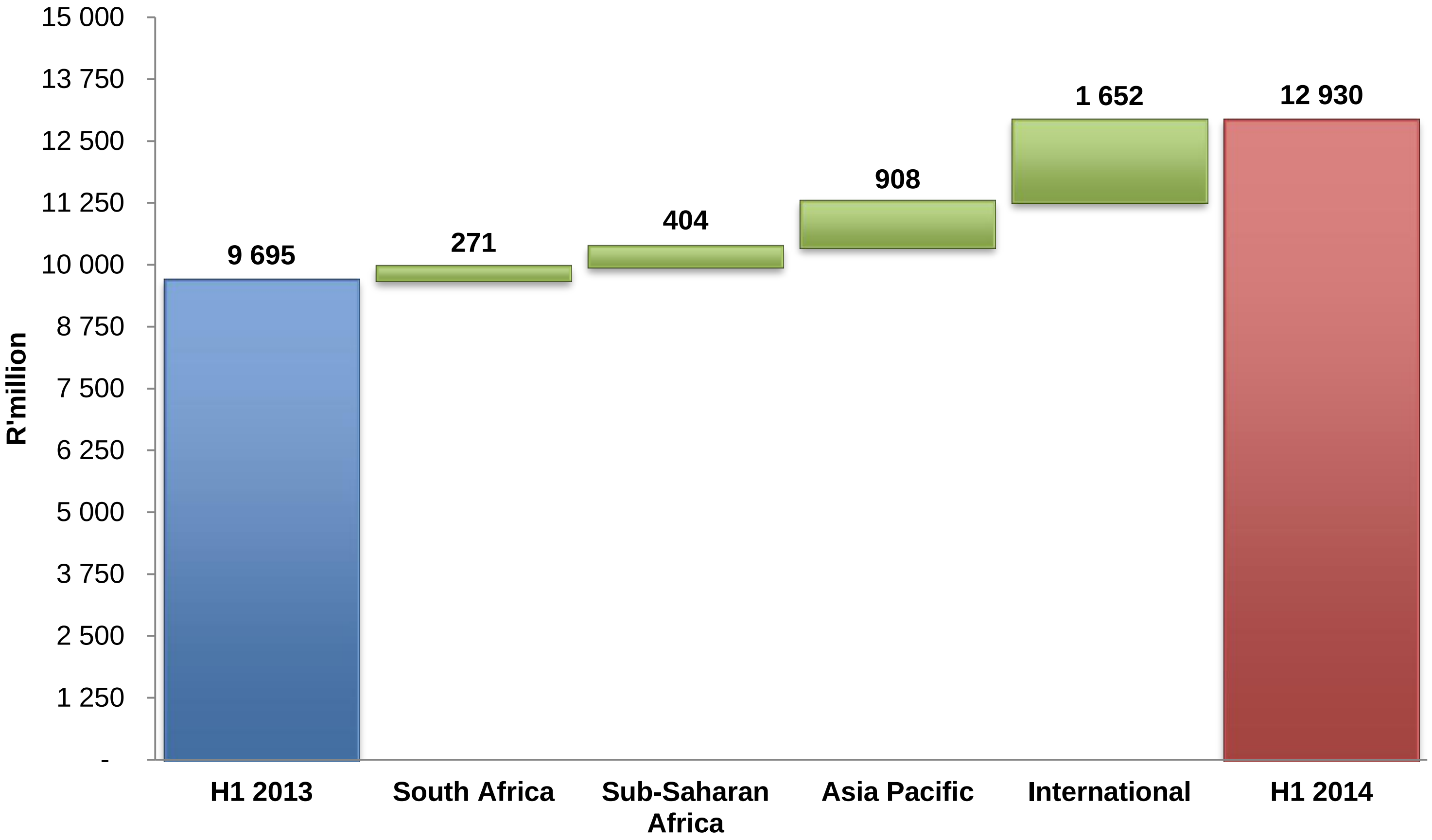
Revenue bridge



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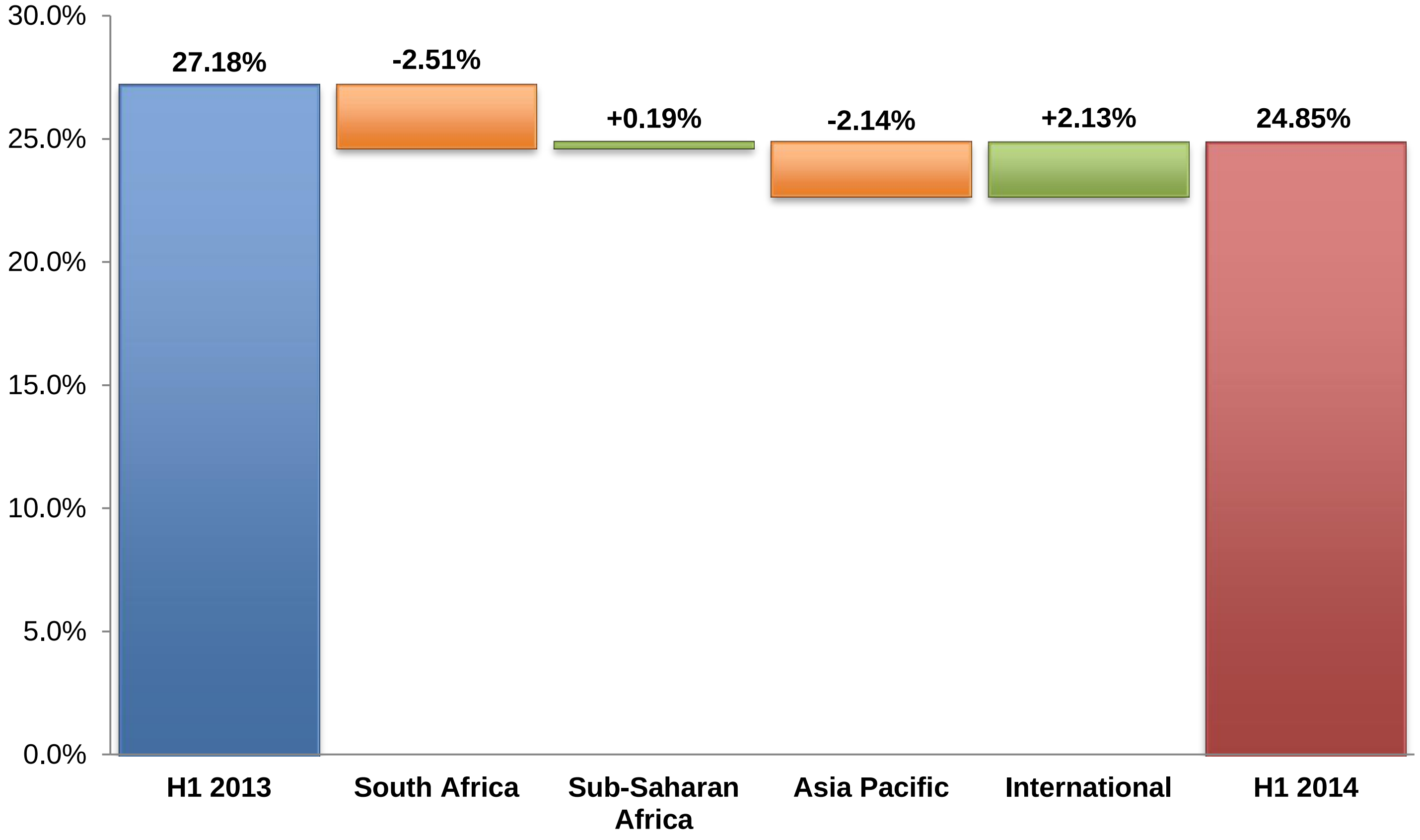
EBITA margin % bridge



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Exchange rate mix

	Average rate 6 months to December 2013	Average rate 12 months to June 2013	Variance %	Revenue December 2013 R'million	Rate benefit R'million
Rand/USD	10.16	8.93	13.8%	729	88
Rand/EUR	13.73	11.60	18.4%	1 599	248
Rand/AUD	9.29	9.12	1.9%	3 880	74
Rand/JPY	0.10	0.10	0.0%	74	0
Rand/BRL	4.42	4.34	1.8%	382	7
Rand/MXN	0.78	0.70	11.4%	307	32
Rand/VEF	1.61	1.58	1.9%	320	7
Rand/PHP	0.23	0.22	4.6%	281	20
Rand/NZD	8.25	7.33	12.6%	107	12
Total				**7 679**	**488**

Abridged Group statement of financial position - Assets

	As at 31 December 2013 R'million	As at 30 June 2013 R'million
ASSETS		
Non-current assets	49 741	29 645
Property, plant and equipment	6 058	4 343
Intangible assets	36 334	18 933
Goodwill	6 183	5 973
Contingent environmental indemnification asset	725	-
Other non-current assets	441	396
Current assets	30 813	15 777
Inventory	9 274	4 101
Trade receivables	5 592	4 089
Prepayments	4 013	604
Cash	10 426	6 019
Other current assets	1 508	964
Total assets	**80 554**	**45 422**

Abridged Group statement of financial position - Capital

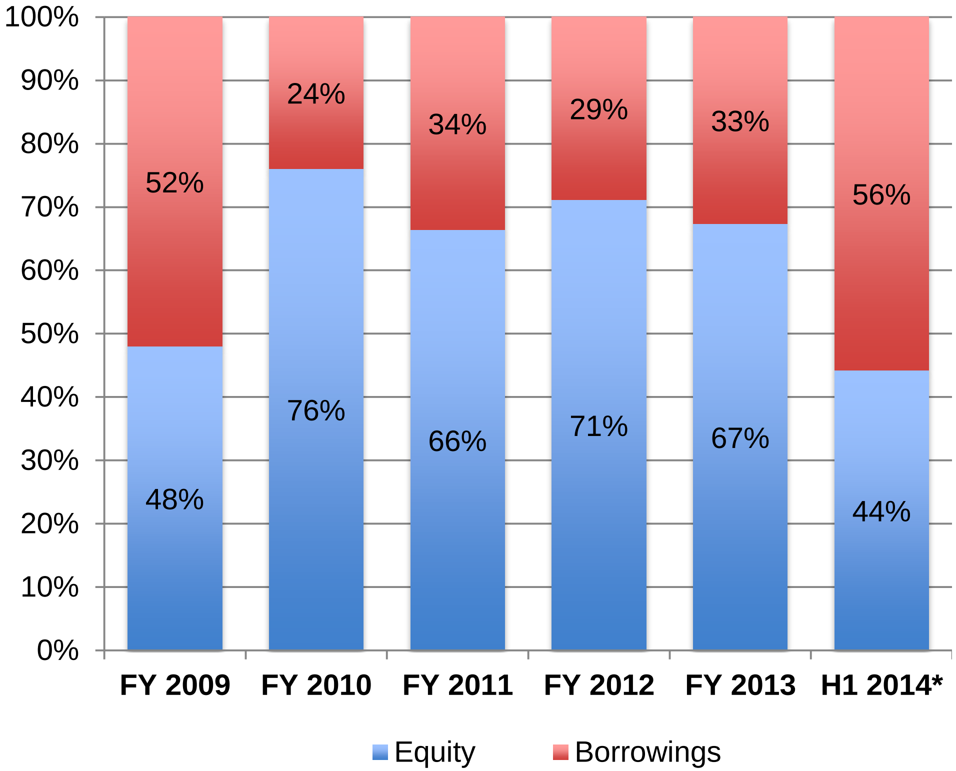
	As at 31 December 2013 R'million	As at 30 June 2013 R'million
EQUITY AND LIABILITIES		
Share capital and reserves	25 168	22 799
Non-current liabilities	38 349	9 758
Borrowings	31 545	8 924
Contingent environmental liability	725	-
Unfavourable contract	2 943	-
Non-current financial liability	2 254	-
Other non-current liabilities	882	834
Current liabilities	17 037	12 865
Borrowings	5 111	8 153
Trade creditors	2 629	2 196
Other payables	8 228	1 979
Unfavourable contract	336	-
Other current liabilities	733	537
Total equity and liabilities	**80 554**	**45 422**

Prepayments

	H1 2014 R'billion	Currency million
Notre Dame de Bondeville site	1.6	GBP 100
Notre Dame de Bondeville inventory	1.8	EUR 113
South African infant nutritional transaction with Nestlé	0.4	USD 43
Sundry other	0.2	Various
Total	**4.0**	

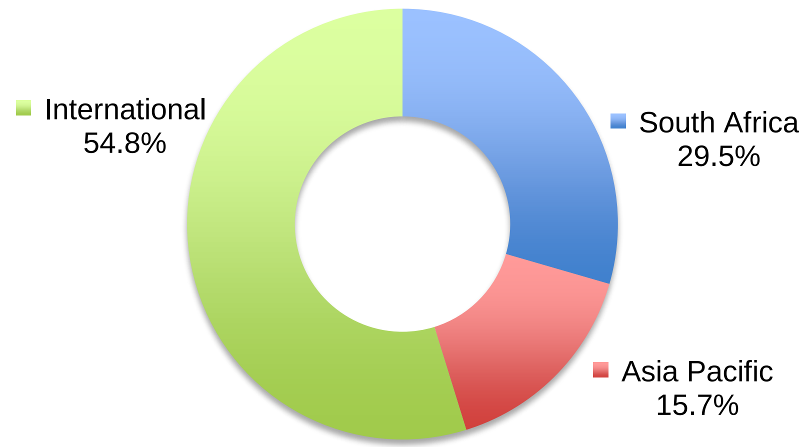
Borrowings

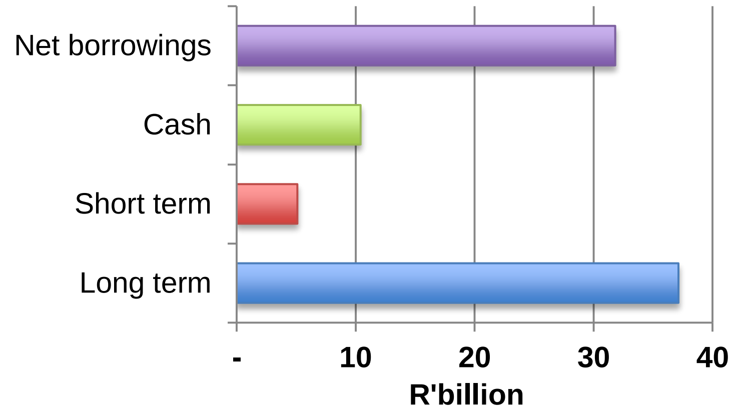
Capital composition



* Includes R5.6 billion of additional debt incurred on 2 January 2014 for acquisition of MSD products.

Net adjusted borrowings of R31.8* billion





Financial liabilities

	H1 2014 R'million	Currency million	Undiscounted million
10 year inventory loan	1 315	EUR 88	EUR 190
Deferred payable – Merck	650	USD 62	USD 67
Deferred payable - Arixtra	720	USD 68	USD 71
Total	**2 685**		

- Fair value recognition of financial liabilities
- Liabilities recorded at present value
- 10 year inventory loan value subject to PPA finalisation
- Notional interest charge (H1 2014: R35 million)
- Notional interest in FY 2015 of the order of R150 million

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Environmental contingency

- Moleneind API site at Oss requires soil decontamination
- Merck has indemnified Aspen against this pre-existing condition
- As site owner, Aspen may be liable to the authorities
- Liability is contingent on failure by Merck under the indemnity
- Per IFRS 3, the contingent liability and indemnification asset are shown separately on the balance sheet
- Estimated at EUR50 million

Unfavourable contract

- IFRS 3 requires assumed contracts which are not market-related to be recognised as an asset or liability
- 10 year contract to supply APIs to Merck is unfavourable:
  - Margin not market related
  - Investment required by Aspen to deliver is not reflected in the supply price
- Liability of R3.3 billion recognised
  - Estimated discounted value of unfavourable terms
  - Subject to PPA finalisation
  - Amortised to revenue over the contract period

Movement in working capital

R'million	As at 31 December 2013 incl. Acquisitions	Acquisitions	As at 31 December 2013 excl. Acquisitions	As at 31 June 2013
Inventories	9 274	4 940	4 333	4 101
Trade receivables	5 592	1 071	4 520	4 089
Prepayments and other receivables	1 331	349	982	1 375
Trade creditors	(2 629)	(975)	(1 654)	(2 196)
Other payables	(2 628)	(611)	(2 017)	(1 979)
Total working capital	**10 940**	**4 775**	**6 164**	**5 390**

- Merck API, Latam infant nutritionals comprise 44% of closing working capital
- High levels of inventory and debtors acquired are under assessment
- Notre Dame de Bondeville site acquisition (from GSK) will also have significant inventory levels
- New working capital targets will be set once acquisitions have been bedded down

Abridged Group statement of cash flows

	H1 2014 R'million	H1 2013 R'million	% change
Cash operating profit	3 278	2 856	+15%
Changes in working capital	(1 113)	(867)	
Cash generated from operations	2 165	1 989	+9%
Net finance costs paid	(297)	(230)	
Tax paid	(692)	(443)	
Net cash generated from operating activities	1 176	1 316	-11%
Normalisation adjustments	141	14	
Normalised cash generated operating activities	**1 317**	**1 330**	-1%
Working capital as a % of Revenue	*40.1%*	*28.0%*	
Less: Attributable to acquired API business	*(10.7%)*	-	
Less: Attributable to acquired Latam infant nutritional business	*(1.4%)*	-	
Comparable working capital as a % of revenue	***28.0%***	***28.0%***	

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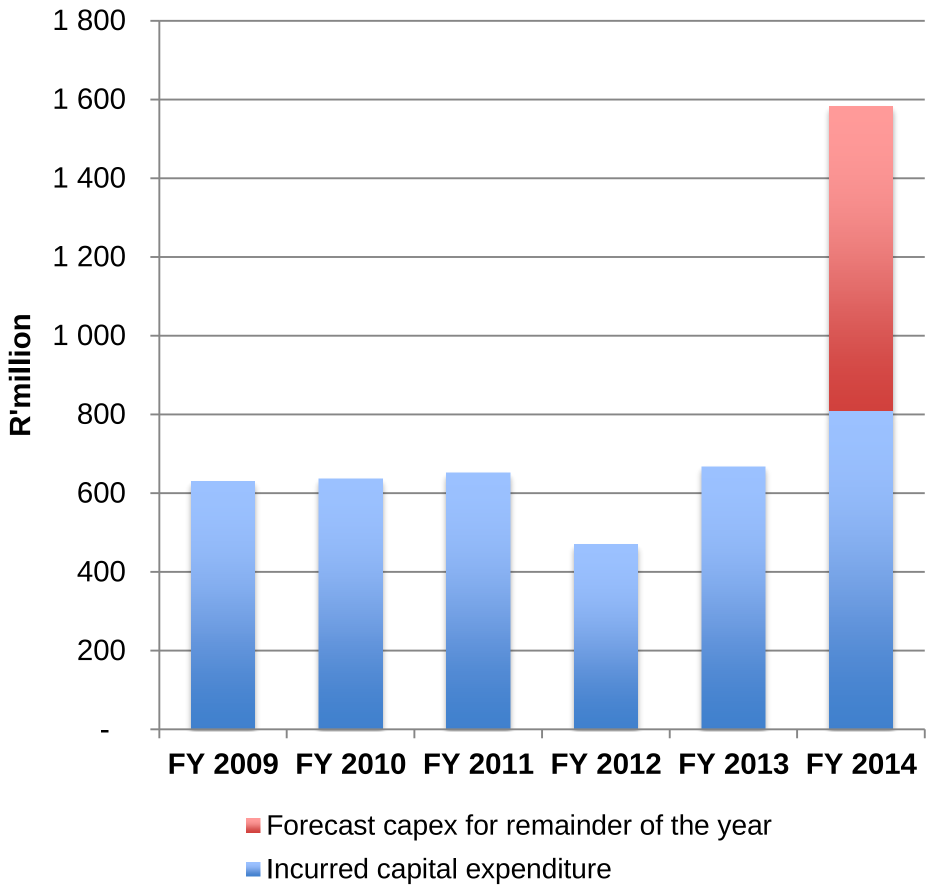
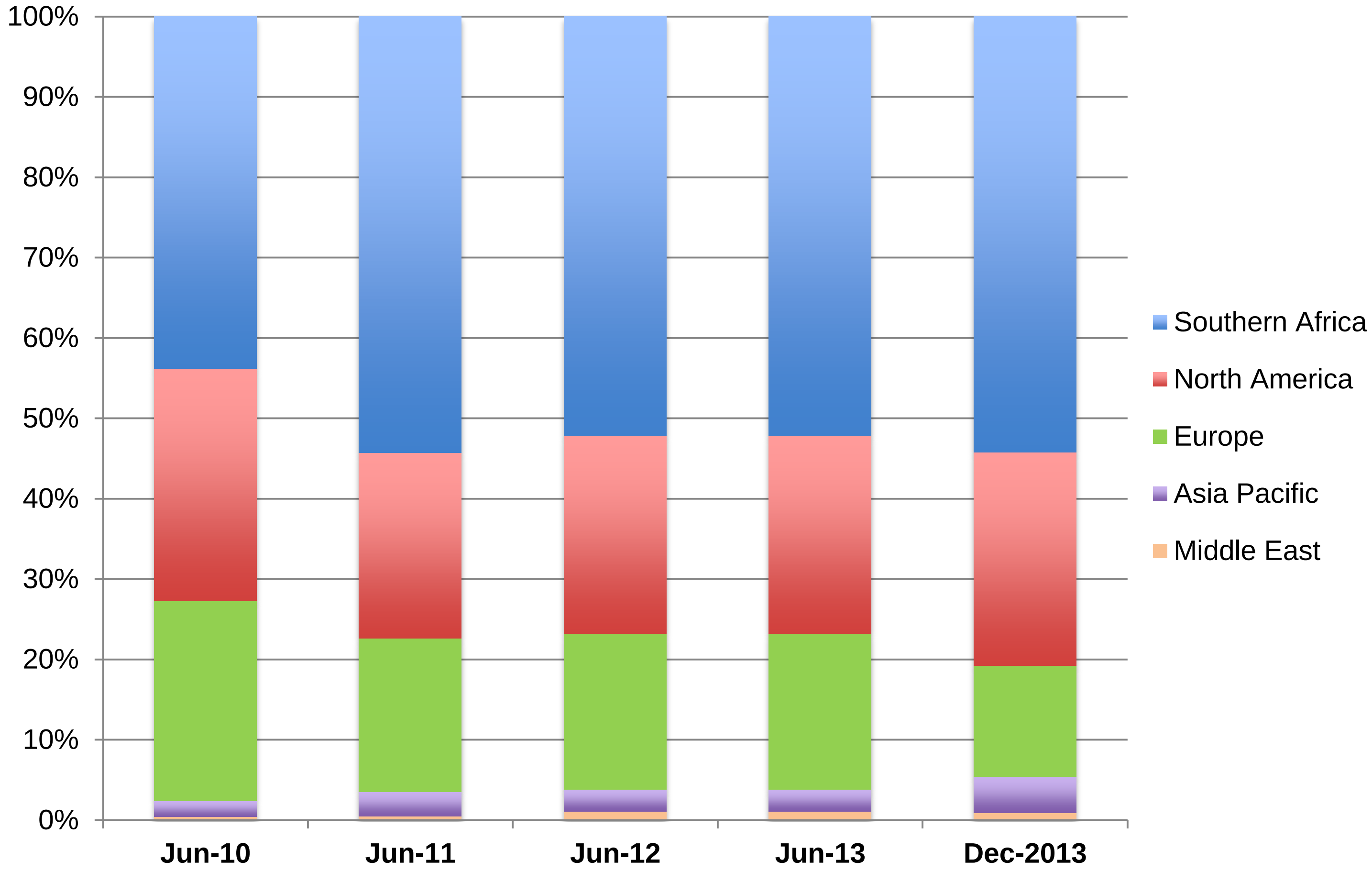
Investment in property, plant and equipment



- Expansion projects
  - High containment suite in Port Elizabeth (completion FY 2015)
  - Fine Chemicals upgrade and extension in Cape Town (completion FY 2015)
  - Moleneind site upgrade (completion FY 2016)
  - Globalisation of IT platform (completion FY 2016)
- Future projects
  - Capacity expansion at Notre Dame de Bondeville
  - Sterile facility expansion in Port Elizabeth
  - New facility at De Geer

Institutional shareholding



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Sub-Saharan Africa

Revenue			
R'million	**H1 2014**	**H1 2013**	**% change**
South Africa	3 837	3 566	*8%*
Rest of Sub-Saharan Africa	1 394	990	*41%*
Total	**5 231**	**4 556**	***15%***

Africa's number 1 pharmaceutical company

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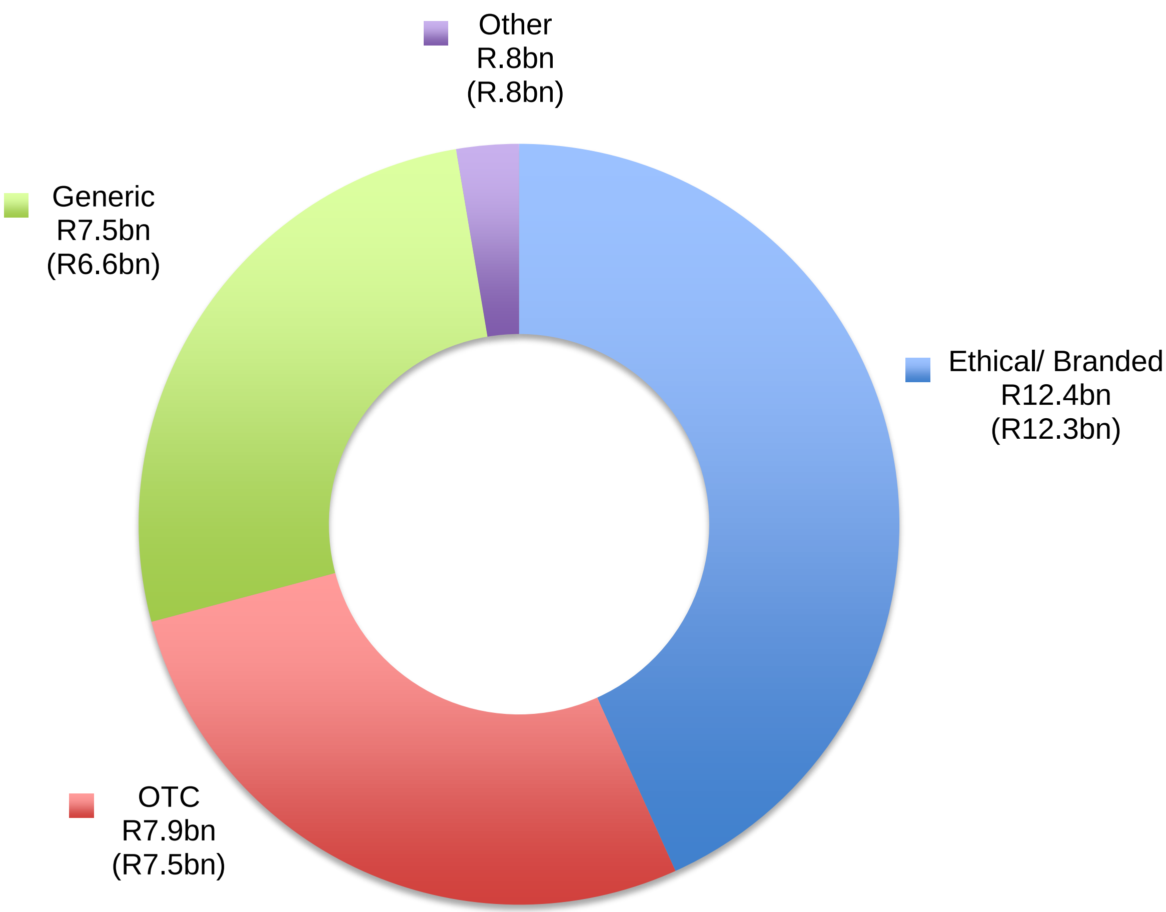
SA pharmaceutical market

- Private and Public sector
  - Impacted by currency depreciation
- Public sector most affected
  - Steep fall in currency without pull back
  - Formula not catching up
  - ARVs running losses
    - Have very high import component
- SEP increase at 5.82%
  - Does not cover input costs
  - Same negative outcome as last year
  - Risk of imported medicine shortages
- Private market value growth at +5%
- Unit growth of market +2.6% (Aspen +5.8%)
  - Branded -1.2% (Aspen +6.5%)
  - Generics +4.8% (Aspen +5.5%)

South African market under currency and sales pressure
Generics growing but margins contracting

Private pharmaceutical market

Total Private market value as at Dec 2013 R28.6bn (2012: R27.2bn)



Market growth rates:

- **Total market 5.1%**
- **Ethical/Branded 0.2%**
- **Generic 14.1%**
- **OTC 5.5%**

Source: IMS DATA DEC 2013

Aspen market share 16.5%

IMS scoreboard as at December 2013

	Aspen MAT Value Share	Aspen MAT Growth	Market Growth	MAT Evolution Index
Total	16.5%	**11.2%**	**5.1%**	105
Ethical	10.2%	**9.7%**	**0.2%**	109
Generic	30.9%	**16.0%**	**14.1%**	101
OTC	12.7%	**5.4%**	**5.5%**	100

Source: IMS DATA DEC 2013

Aspen – South Africa's lead supplier & outpacing the market

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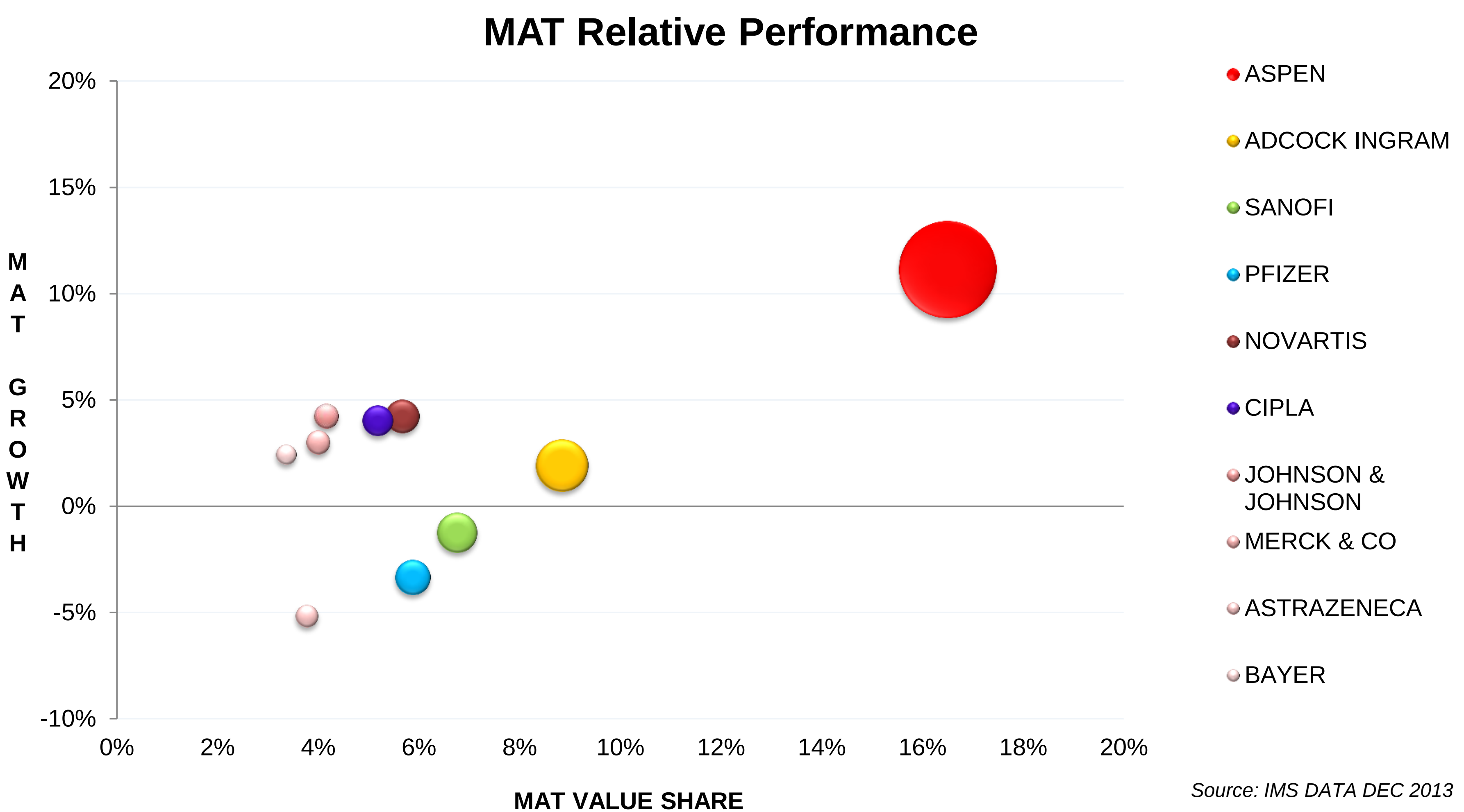
SA pharmaceutical market value and growth



Source: IMS DATA DEC 2013

Heaviest balloon but flying highest

Aspen South Africa

Revenue			
R'million	**H1 2014**	**H1 2013**	**% change**
Pharma	3 203	3 008	
Adjusted Pharma base	2 678	2 417	*11%*
Tender ARVs	525	591	*-11%*
Consumer	634	558	*14%*
Total	**3 837**	**3 566**	***8%***

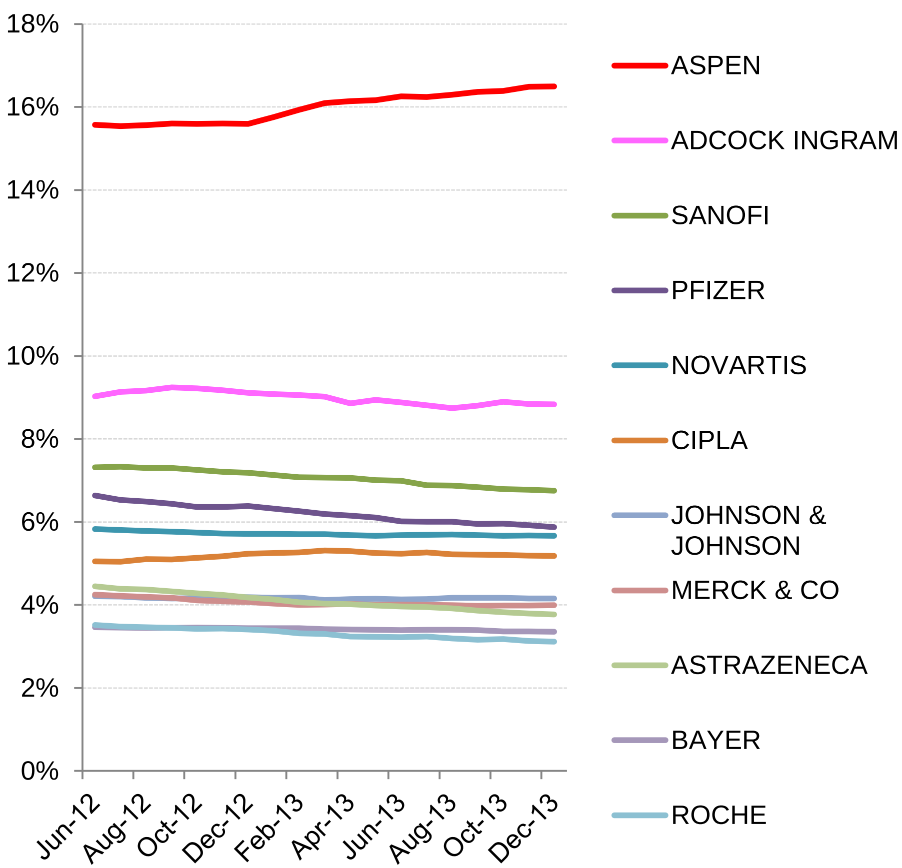
- Strong performance in private market pharmaceutical and consumer
- Tender ARVs declining

Improving sales mix
Predictability and profitability

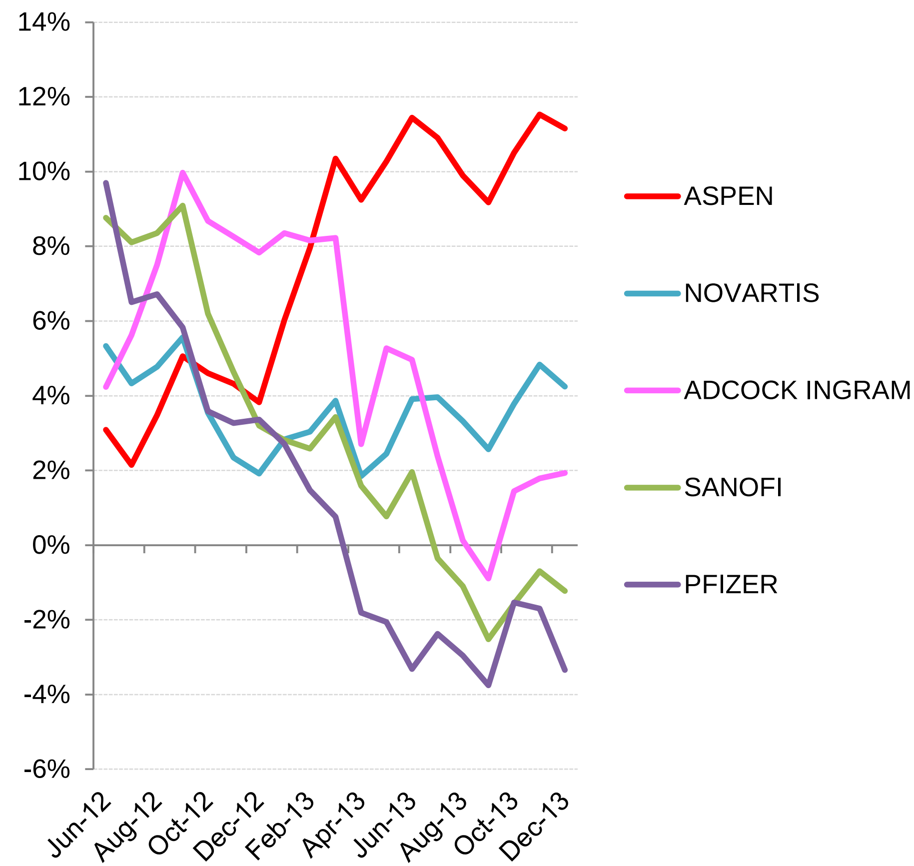
South Africa

Total market MAT value trends

MAT value share trend



MAT value growth trend – Top 5

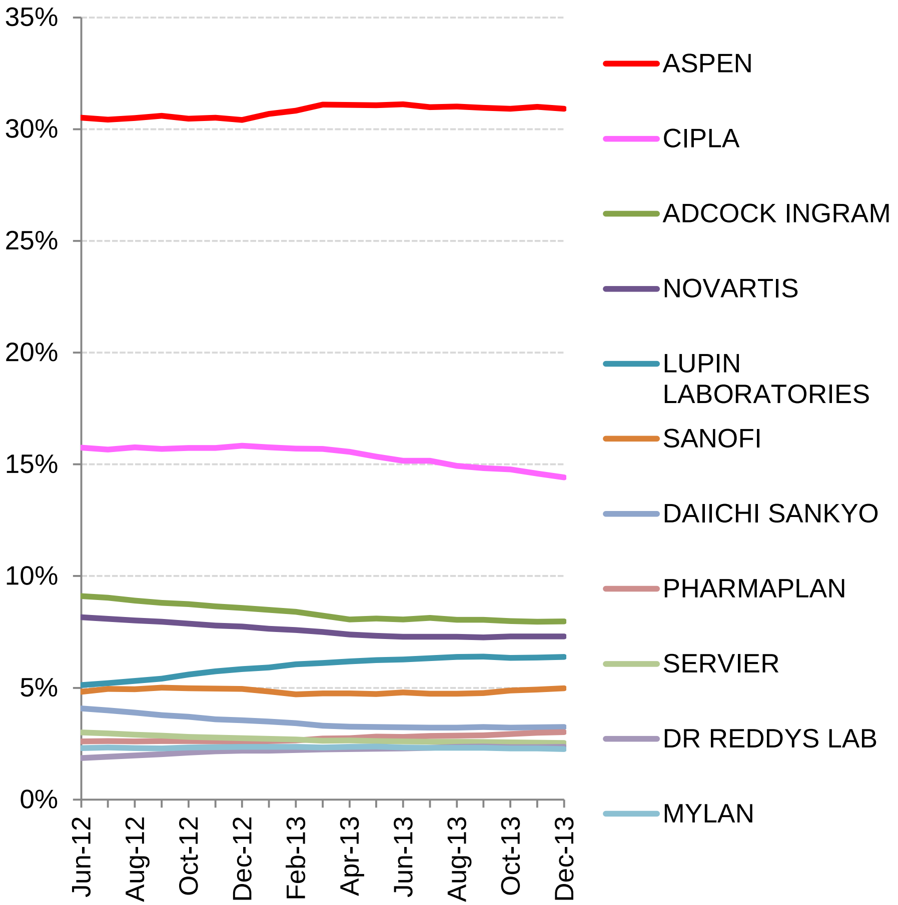


Source: IMS TPM DATA DEC 2013

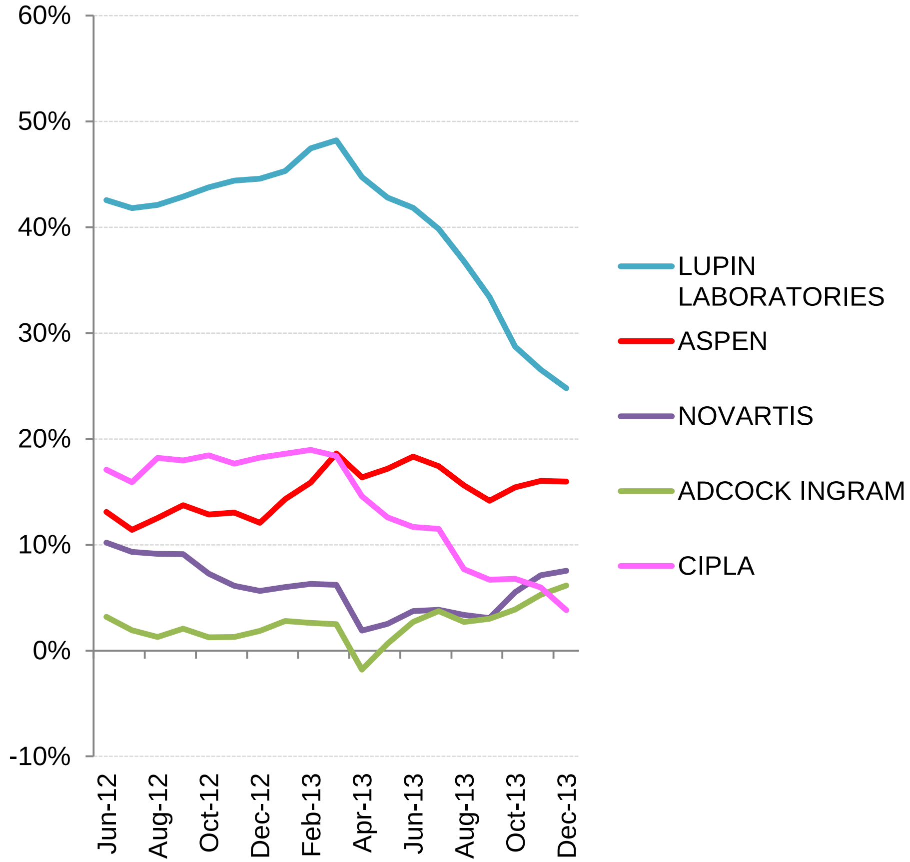
Outperforming peer group

Generics MAT value trends

MAT value share trend



MAT value growth trend – Top 5



Source: IMS TPM DATA DEC 2013

Largest slice growing faster than the cake

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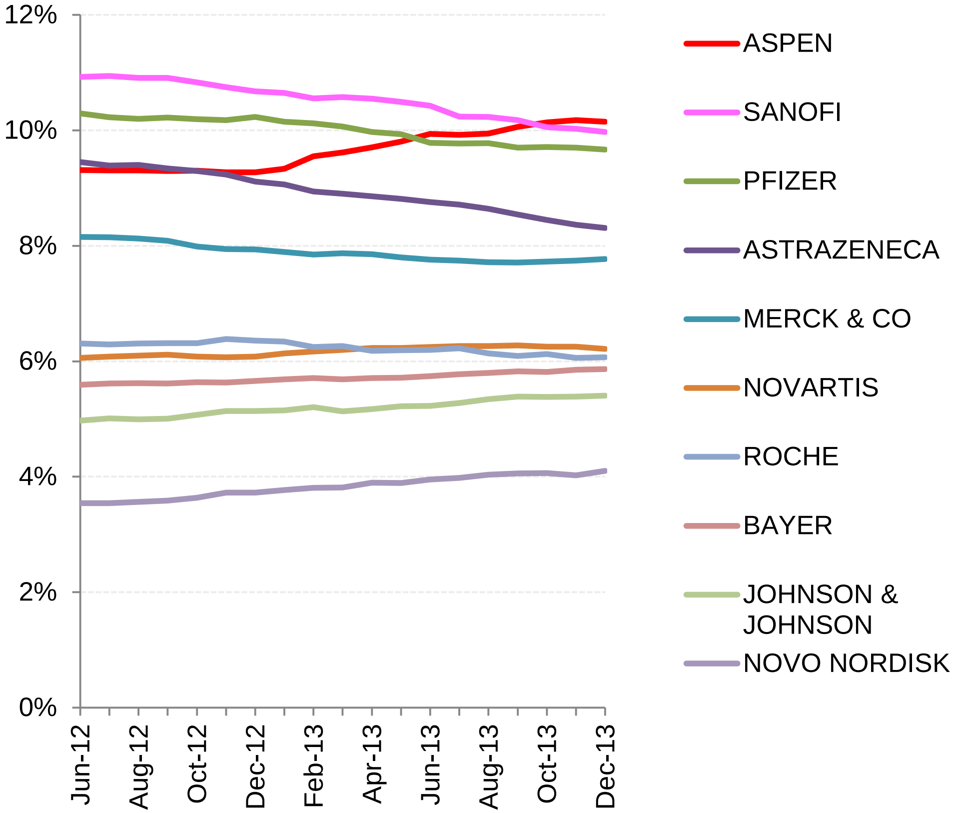
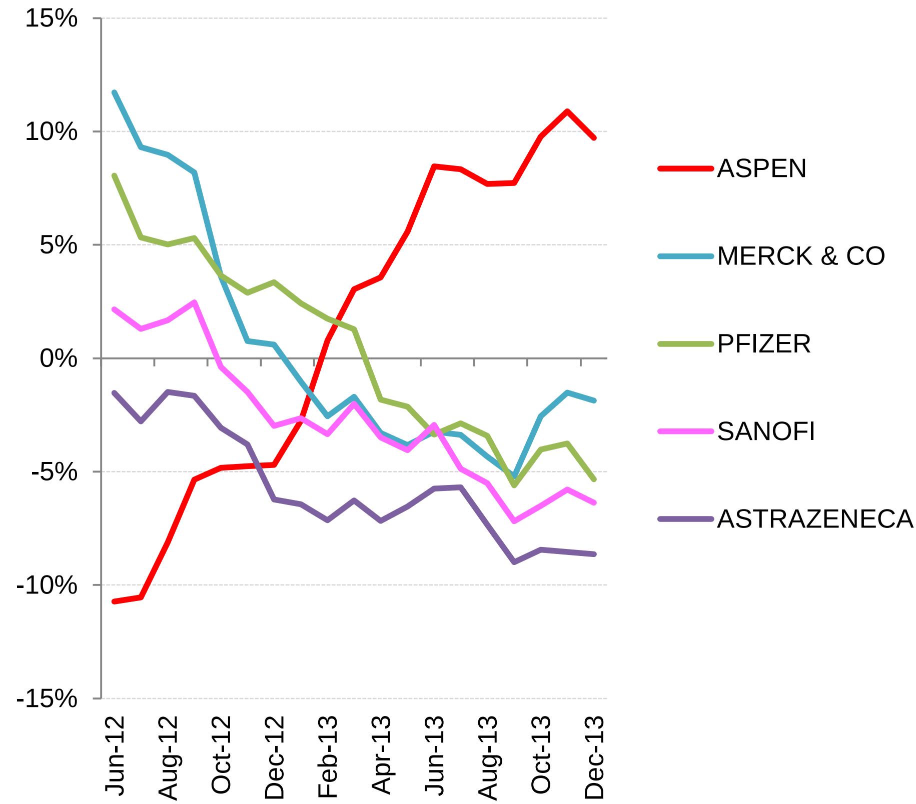
Branded/Ethical MAT value trends

MAT value share trend



MAT value growth trend – Top 5



Source: IMS DATA DEC 2013

Now South Africa's number 1 branded company
Gold standard endorsement

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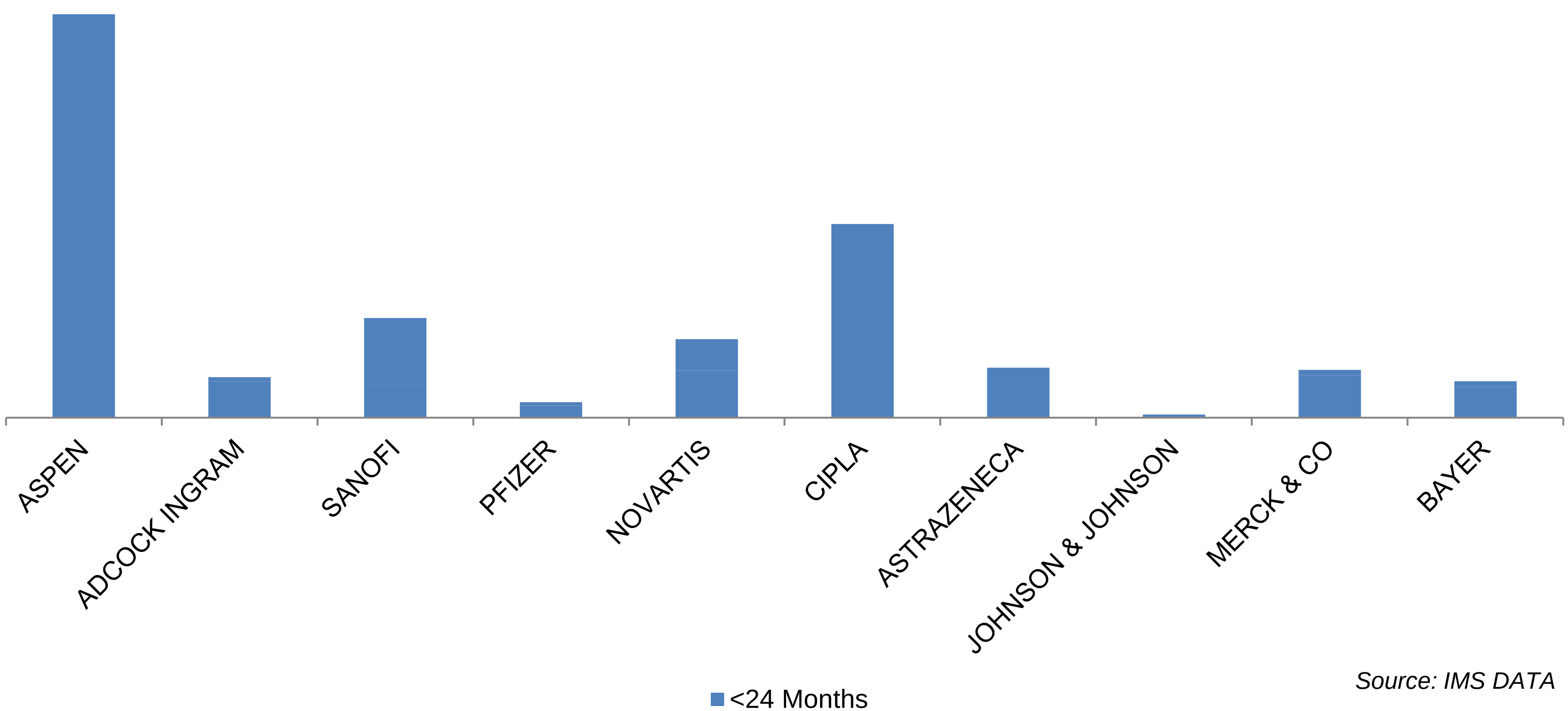
Aspen performance in South Africa

- Aspen is South Africa's number 1 pharmaceutical company
  - Number 1 in generics, and now
  - Number 1 in BRANDED
- Aspen has grown market share in both generic and branded products
  - 4 of the top 5 generics are Aspen products
- Aspen's share of the South African ARV tender increased after the award
  - Our social contract with South Africa
- Consumer division continues to perform
  - Growth of 14%
  - Division to be bolstered by addition of the S-26 range
- Organic growth driven by
  - Growing market and market shares
  - Propelled by performance of pipeline

Market shares approaching all time highs
Resilience demonstrated

Prospects - New launch income

- Pipeline still SA's best
  - Many multinationals engaging Aspen
    - Market pressure taking its toll



Source: IMS DATA DEC 2013

South Africa's best pipeline

Summary and prospects

- Aspen well positioned within SA market
  - SA's go to company in both Public and Private sector
  - Increased market shares
  - Unit growth
- Rand depreciation
  - Margins under pressure
  - Public and Private
  - Not offset by volumes and productivity increases
- In discussions with regulators
  - Relief from pricing pressures
  - Generics most affected
- S-26 – important addition
  - Ability to manufacture locally
  - Position in premium sector
  - Not covered by SEP
- H2 to follow similar trends

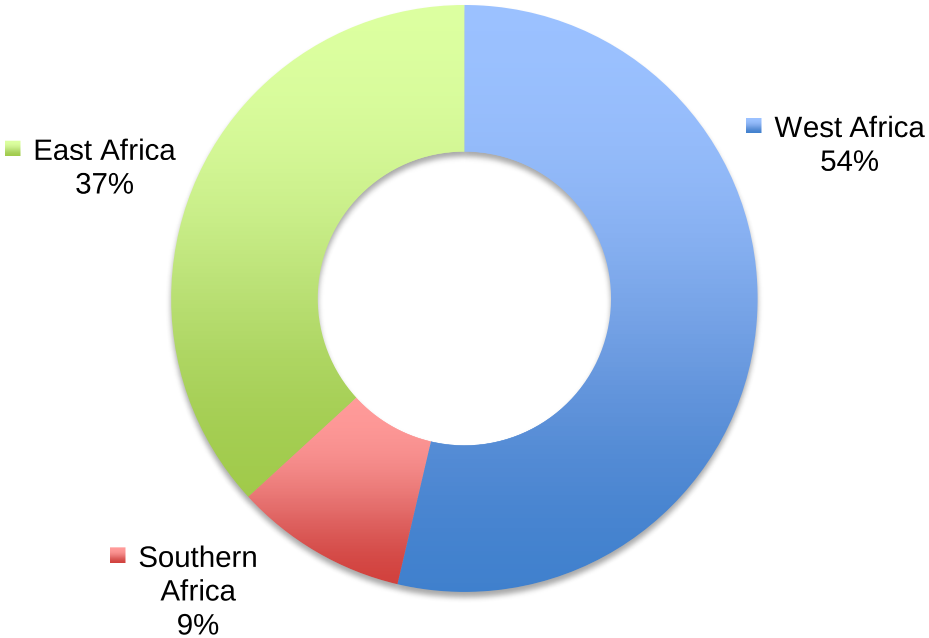
Aspen best placed within South African market and when currency stabilises returns will improve

Performance

Relative Regional Revenue Growth Rates

West Africa	+33%
Southern Africa	+34%
East Africa	+57%

Gross sales R1 394m (2012: R990m)



SSA sales growth = +41%

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Performance

- Strong H1 performance in all regions
  - Realisation of commercial strategies
- Collaboration
  - 40 products launched
  - Solid performance of base business
  - Major contributor to sales and profit
- Shelys
  - Transformed into a private market focussed business
  - Growing Infacare business
  - Settled political environment especially Kenya
  - Driver of East African performance
- Aspen Nigeria
  - Began trading in April 2013
  - Launched OTCs and Infacare

Summary and prospects

- Growing middle class
- Increasing need for quality medication
- Increased investment in sales representation and distribution capabilities
- Additional investment in the Beta (Kenya) factory to increase output
- Further representative expansion into new territories

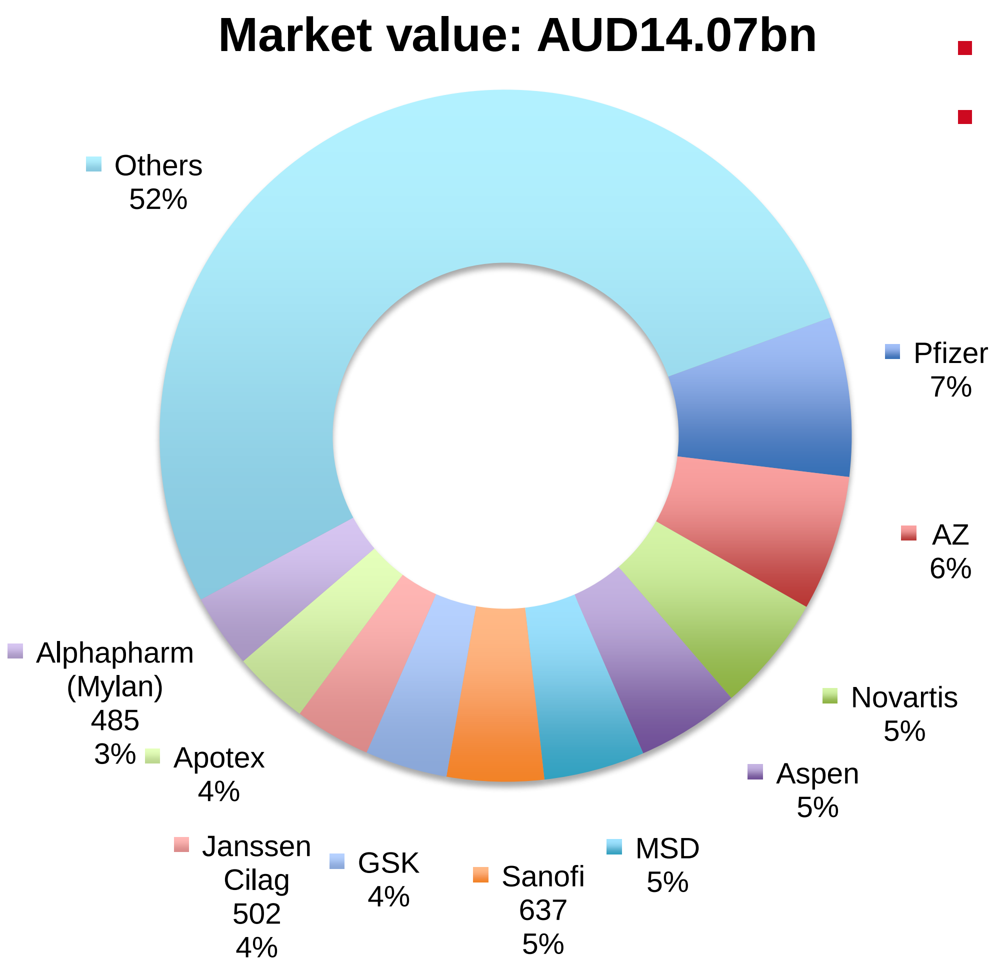
Region with best organic growth potential within the Aspen footprint

Asia Pacific

Revenue by customer geography			
R'million	**H1 2014**	**H1 2013**	**% change**
Australia and New Zealand	3 987	3 217	*24%*
Asia	311	255	*22%*
Total	**4 298**	**3 472**	***24%***

Sustained performance

Australian market - MAT as at December 2013



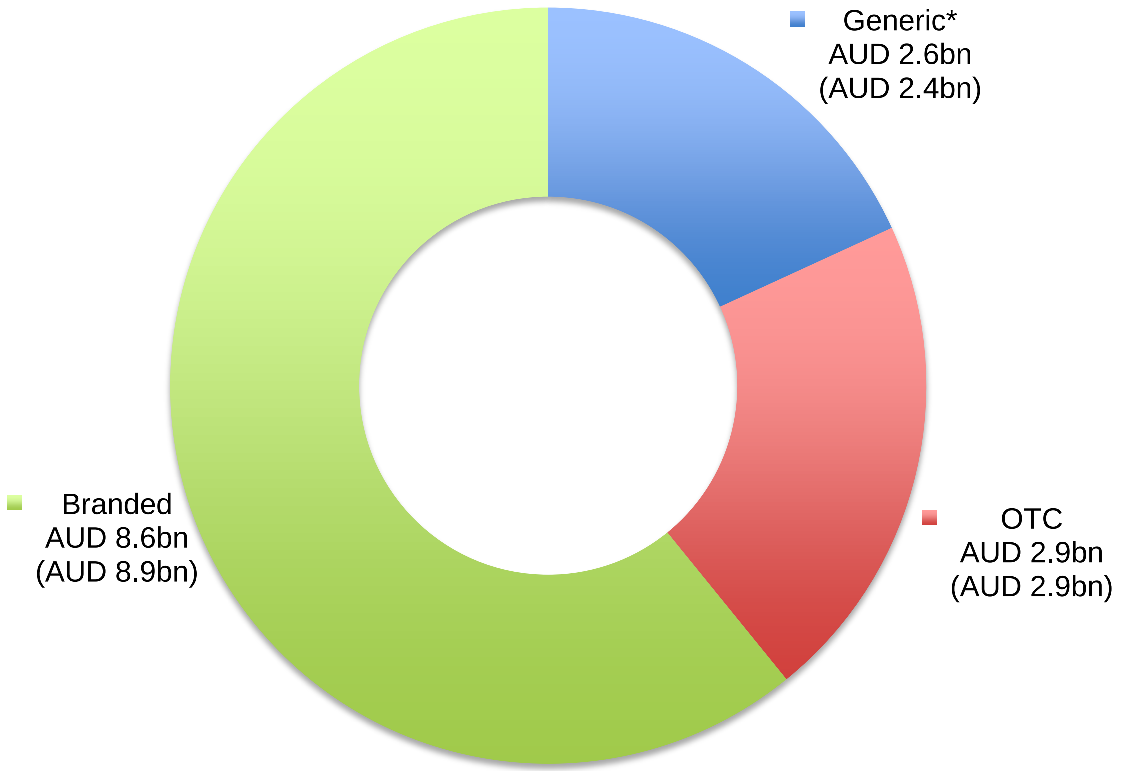
- Volumes +1.0%
- Price cuts have been steeper than anticipated
  - Accelerated to bi-annual from 2014 (was annual with supplementary)
  - New base price is being discounted

Market value growth -0.6%

Source: IMS COMBINED AUDIT, MAT DECEMBER 2013.
Aspen figures do NOT include brands distributed on behalf of other parties.

Australian pharmaceutical market

Total market value as at December 2013 AUD14.07bn (2012: AUD14.17bn)



Market growth rates:

- **Total market -0.6%**
- **Ethical/Branded -3.9%**
- **Generic* +8.4%**
- **OTC +2.1%**

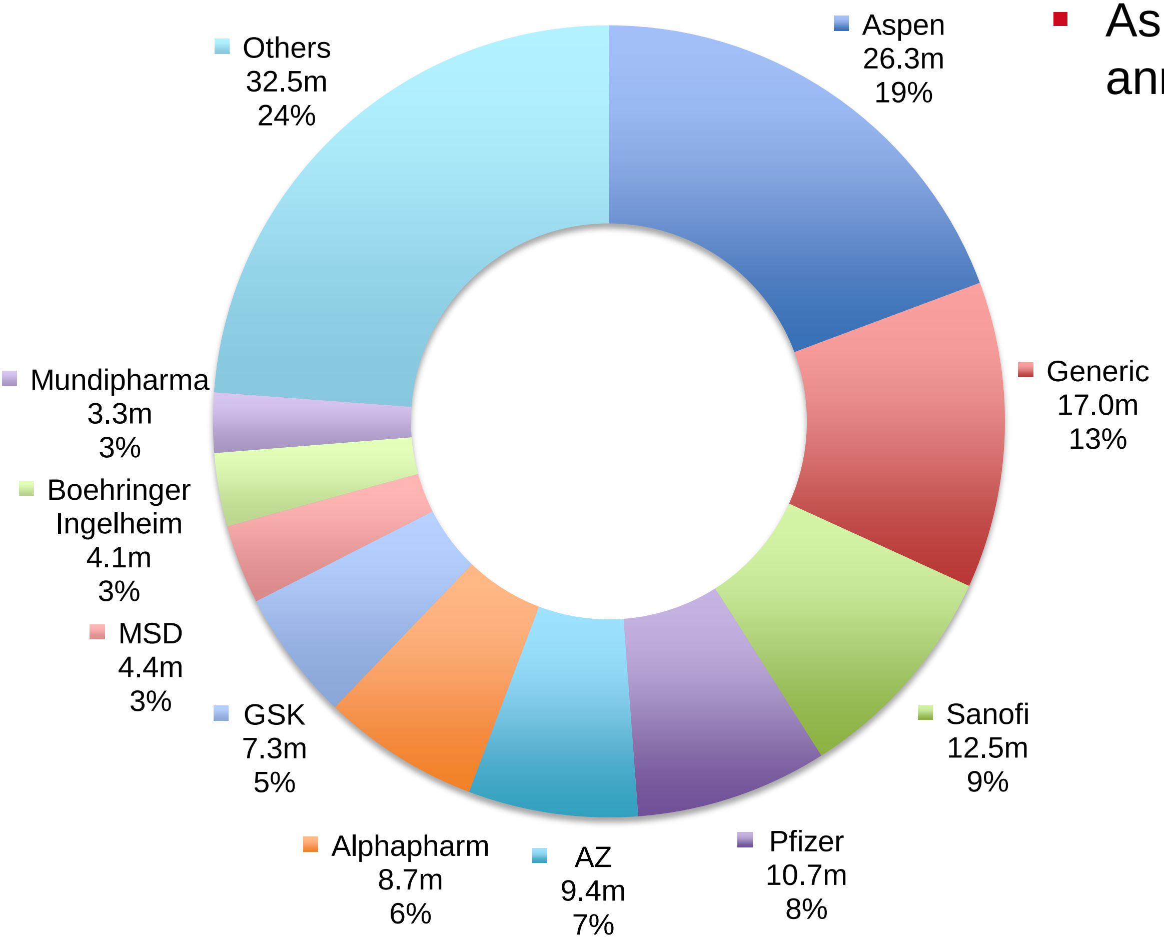
Source: IMS data December 2013

**Gross generic value before discounts*

Aspen market share 4.8%

Australia - Leading manufacturers by scripts written

Scripts written by GP's



- Aspen sells over 100 million packs annually

Aspen:	
Owned	16.5%
Distributed	2.8%
Total	19.3%

Source: IMS AMI MAT December 2013
Aspen figures include all brands promoted by Aspen.

Nearly 1-in-5 scripts generated is for an Aspen distributed product

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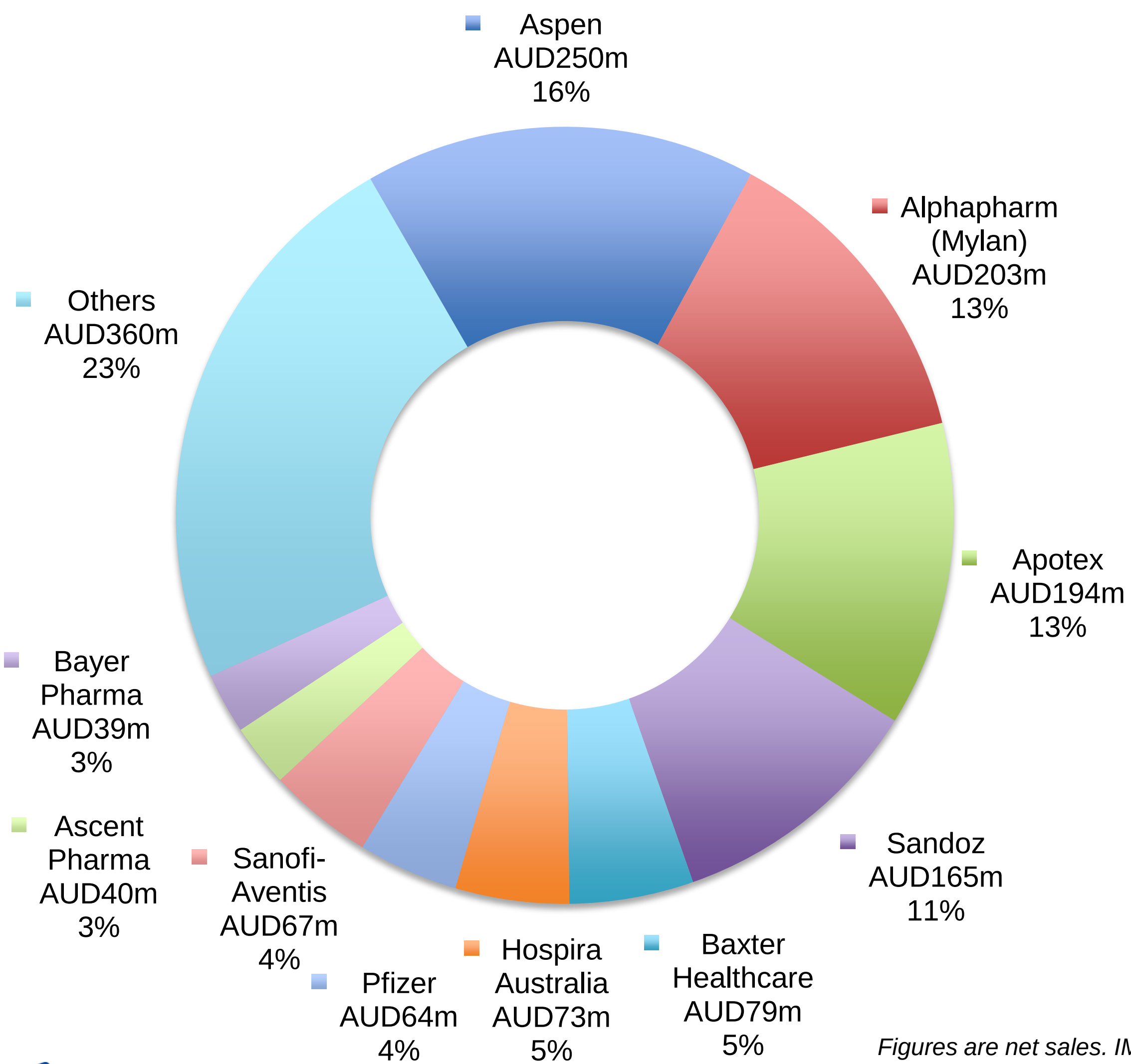
Australia's largest generic company by value - 16%



Total value: AUD1.53bn +3.4%

- Market growth low despite significant patent expiries in past 2 years.
- Major patent expirations, negated by:
  - Average retail discount: 46% (up from 43% last year)
  - Excessive discounting (85%-95%) on major molecules
  - PBS cuts

Source: IMS DDD + AHI MAT December 2013

Figures are net sales. IMS figures have been adjusted to include products promoted by Aspen

Australia - Performance

Revenue - Australia and New Zealand			
R'million	**H1 2014**	**H1 2013**	**% change**
Base	2 672	2 532	*6%*
Contract manufacturing	279	335	
Ex-GSK classic brands	348	38	
Zyprexa and discontinued brands	244	312	
Nutritionals	444	-	
Total	**3 987**	**3 217**	***24%***

- Australia business has grown 24%
  - Currency effect = 5%
- Australia base business
  - Impressive given the price disclosures
  - Margin retained as COGS reduction > disclosure cuts
  - Sales declines on multinational licensed products
- Sales impacted by
  - Price reductions – covered later
  - Discontinued contract work – facility closures
  - Ex-GSK classic brands in for the full period
  - Acquisition of nutritionals

Australia - Financial impact of price disclosure

- 3 rounds of cuts in 2013

Month	Aspen # Molecules	Industry # Molecules	Aspen Average Cut	Industry Average Cut
Apr-13	**44**	62	**20.3%**	25.2%
Aug-13	**31**	41	**22.2%**	25.3%
Dec-13	**7**	7	**33.8%**	33.8%

- Price cuts effect gross sales
  - Saving to Government
  - Subsidised by manufacturer/provider

Cuts are real and material

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Australia - Price disclosure and reimbursement price cuts

- Aspen continues to successfully reduce dollar discounts to trade
  - Relieves impacts of price cuts
  - Net sales effected less than gross sales
- Negative impact on pharmacists
  - Estimated at AUD80 000 per store p/a
- Impact further reduced by increasing brand premiums where possible
- Price cuts will continue
- Further procurement savings
  - Will help reduce the impact of cuts

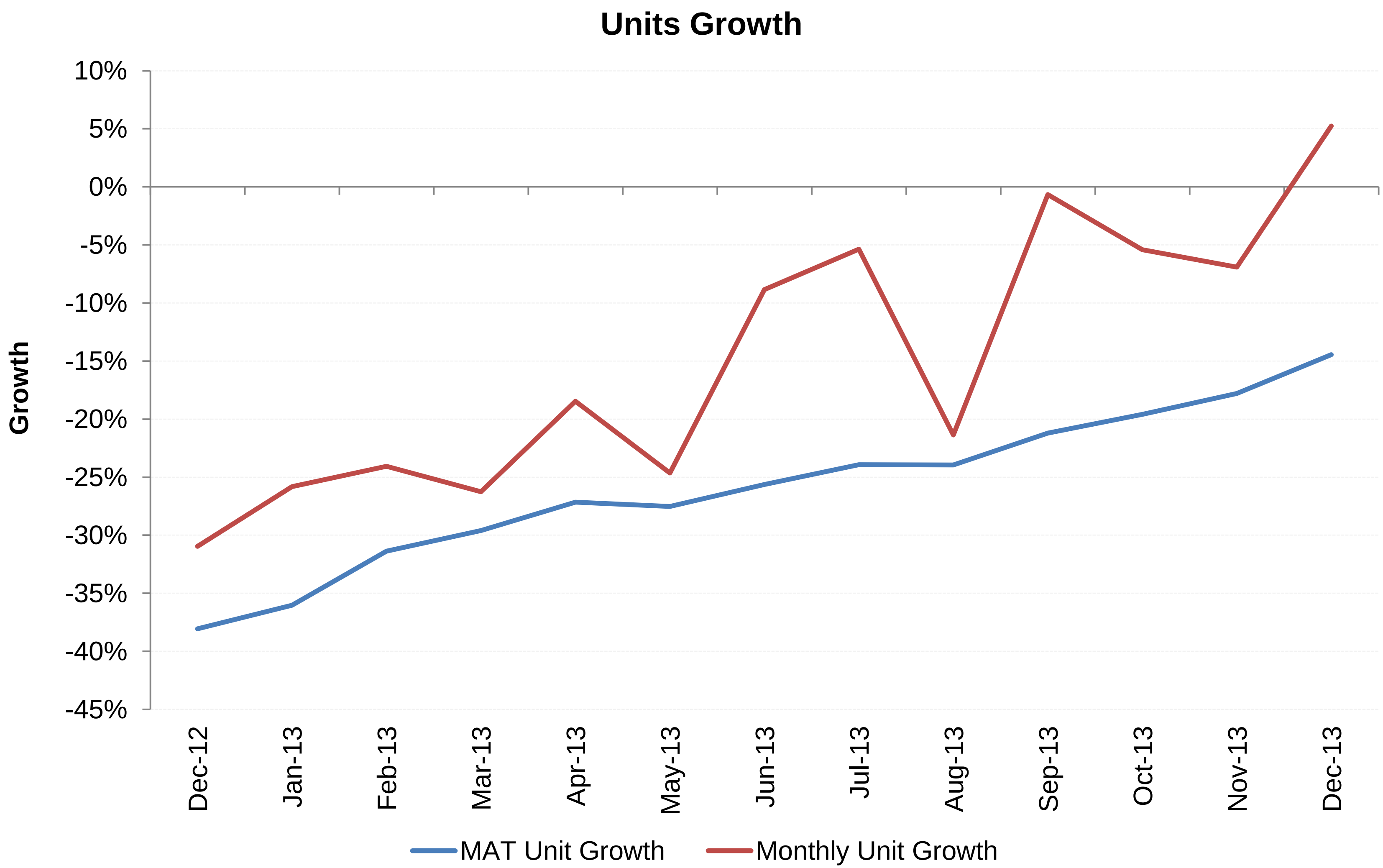
Tough – but we have navigated through worse

Australia – Ex-GSK classic brands

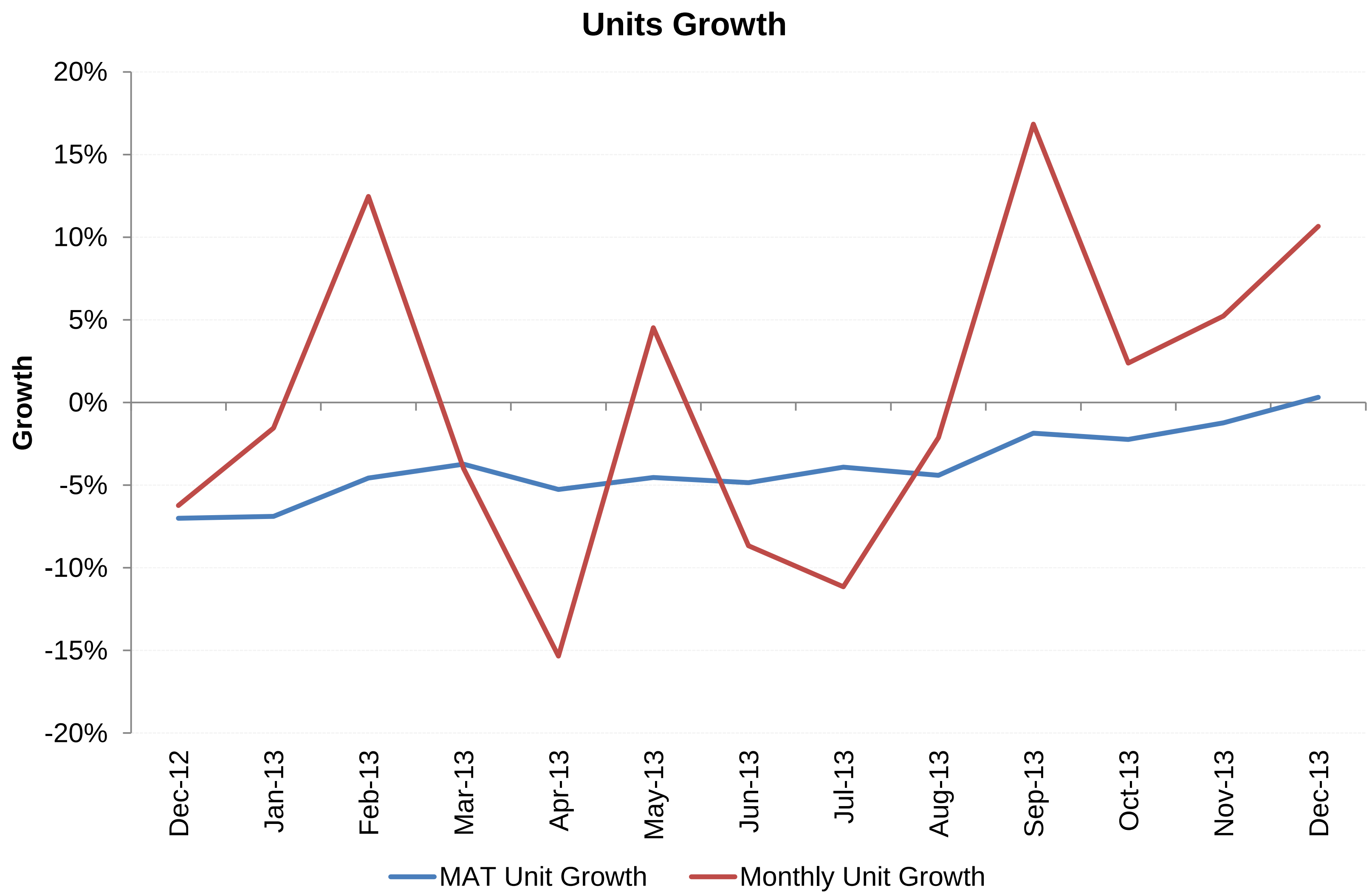
- In order to get the opportunity and create value with these transactions
  - Delta between Aspen vs Originator performance is needed
- Sales decline rates reducing under Aspen focus
  - Certain brands re-entering growth stage
- Portfolio performing ahead of expectation
  - Susceptible to re-imbursement price cuts
  - Price cuts were anticipated

Performance, a tribute to our team, our positioning and commercial expertise

Australia: Valtrex - rate of decline rapidly reducing



Australia: Lamictal - from decline to growth



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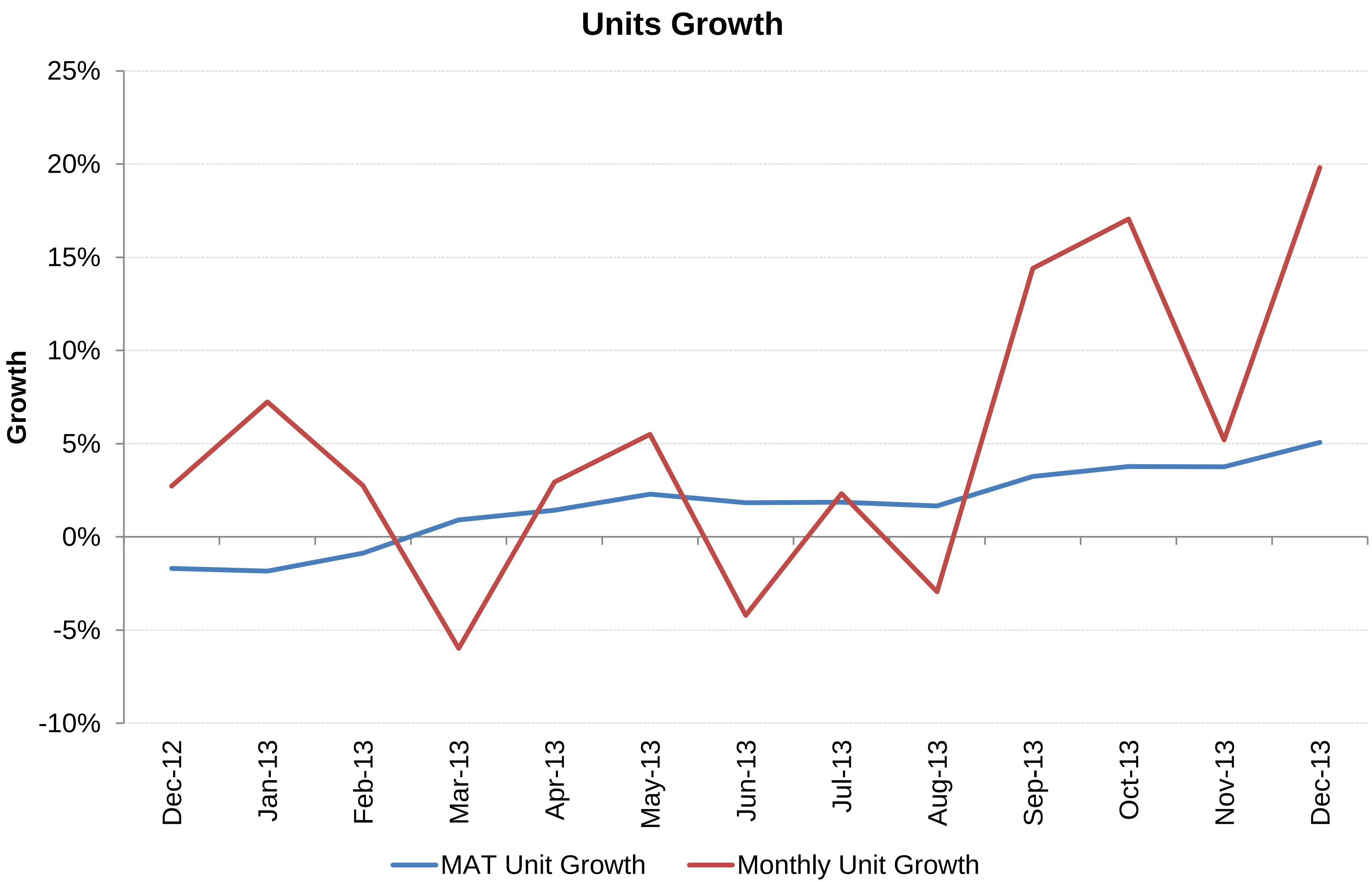
Australia: Zyban - now showing unit growth



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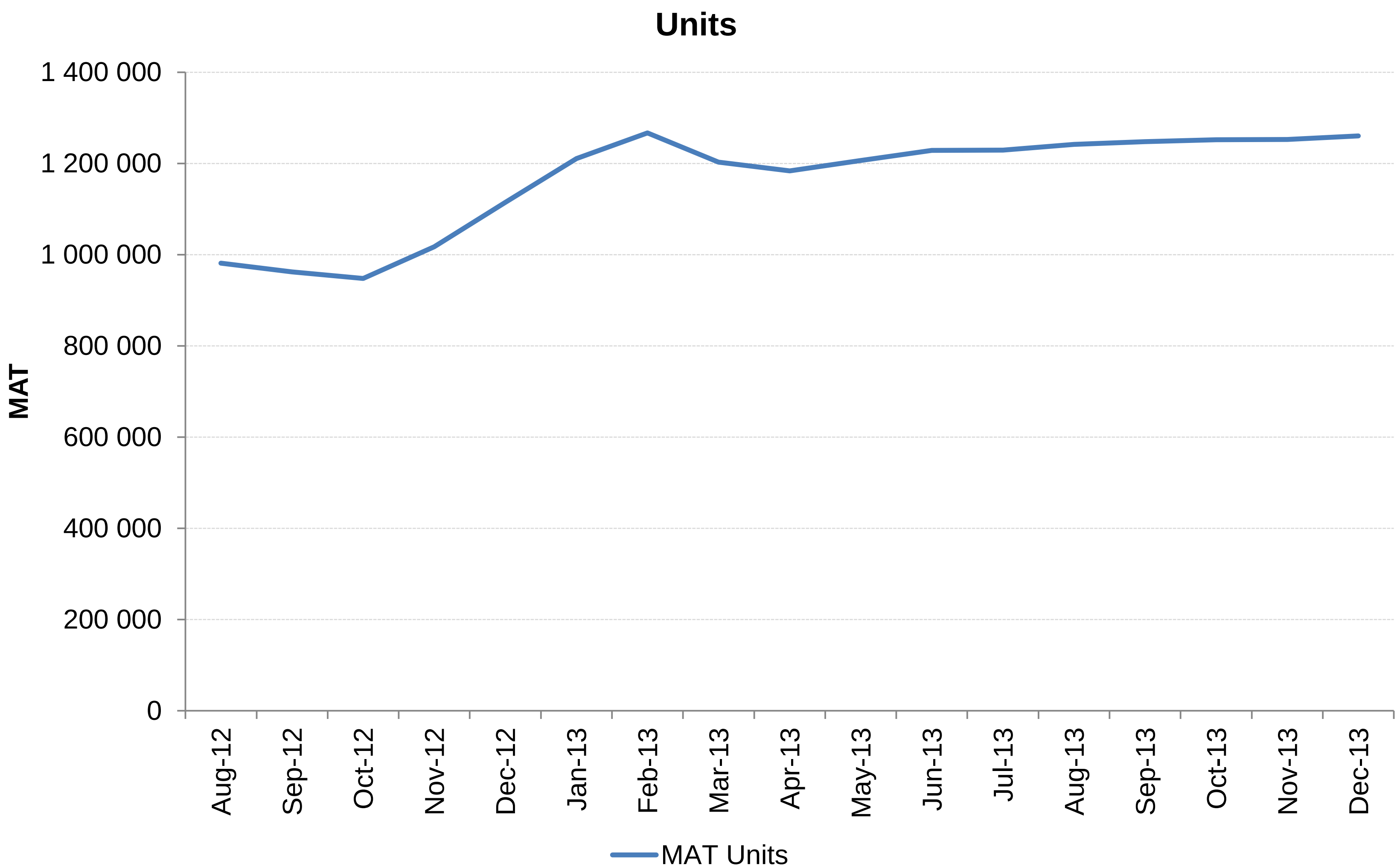
Ex-GSK OTC brands: Cartia - unit growth under Aspen



Similar scenario for the OTC range

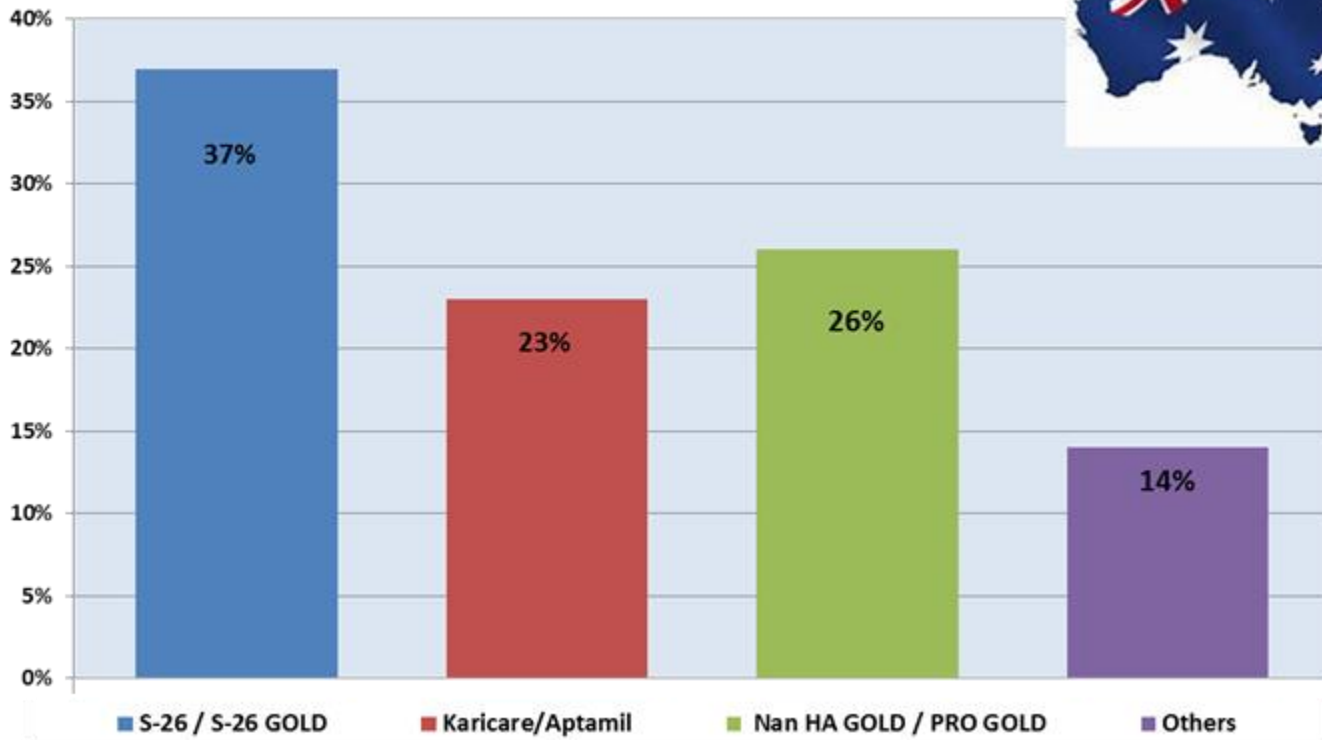
Australia - Nutritionals business “S-26 infant milk range”

- S-26 acquisition concluded April 2013
- All staff on Aspen premises and in Aspen system
- Distribution of S-26 through Aspen warehouse and Aspen controlled distribution channels
- Sales for the 6 months to December 2013 - R444m
  - 7% ahead of forecast
- Cost synergies expected from
  - Lower distribution fees
  - Reduced head count
  - Procurement benefits
  - Moving manufacture to Aspen owned facility
- Australian consumers’ leading brand
- Balances Aspen offering/portfolio
  - No PBS

Growing business, already performing

Australian S-26 market share (excluding informal exports)

Jigsaw U&A 2012



- Domestic market hard to measure
  - Distorted by informal exports to China

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Australian Operations

- Site closures tracking to plan
- Croydon site sold for AUD10m
  - Settlement in June 2014
- Baulkham Hills closure slated for H2 2014
- 14 more products to Aspen Port Elizabeth
  - Significant savings

Australia - Summary and prospects

- Market declining
  - Price cuts punitive
- Aspen performing
  - Pulling back rebates
  - Reducing cost of goods
- Aspen capability and strong market positioning demonstrated
  - Trend lines have already improved on acquired products
  - Other multinationals engaged
- H2 in line with H1
- Nutritionals proving its value
  - Strategic focus area for Aspen

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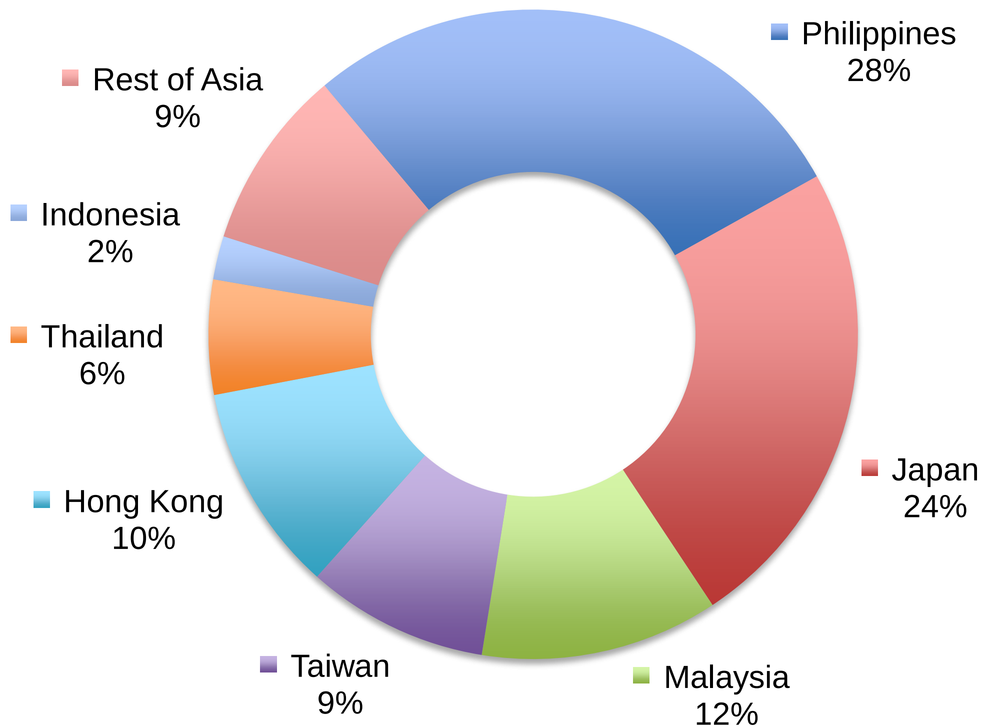
Another strong performance

Asia - Revenue by customer geography

Revenue			
R'million	**H1 2014**	**H1 2013**	**% change**
Asia	311	255	*22%*

Revenue by country



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Asia - Performance

- Philippines
  - Sales growth of +71%
    - Licensing opportunities with MNCs contributed towards growth
  - Started OTC team
  - Headcount at 111
- Malaysia
  - Sales growth of +30%
  - Reps increased to 17 from 10
  - New product launches to drive future growth
- Taiwan
  - Sales growth of +20%
    - OTC products drove growth
  - Reps employed, additional reps planned
- Japan
  - Sales growth of +19%

Asia - Ongoing assessment of region

- Japan is current focus
  - Local operating entity registered
  - Business license in progress
  - 2 employees
  - Looking for key staff
  - Merck/GSK acquisitions to facilitate market entry
  - Challenging market
  - Targeted for full trading this year
    - Preference is being given to a JV partnership
- Thailand and Indonesia - next

Aspen focus is on building in-country competence in the region, country by country

Latin America

Revenue			
R'million	**H1 2014**	**H1 2013**	**% change**
Brazil	413	380	*9%*
Spanish Latam	418	371	*13%*
Nutritionals	371	-	
Total	**1 202**	**751**	***60%***

We're getting mass and momentum

Latin America - Country heads

Carlos Abelleyra
REGIONAL CEO & MEXICO

Silvio Gasbarrino
VENEZUELA

Alexandre Franca
BRAZIL

Ana Claudia Alvarez
CARICAM

Jose Beltran
ANDEAN

Pablo Quintana
ARGENTINA

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Brazil – Market & performance

Brazilian market			
USD'billion	MAT Dec 2013	MAT Dec 2012	% change
Total	**26.9**	**25.4**	***6%***
Branded	20.6	19.7	*4%*
Generic	6.4	5.7	*11%*

Source: IMS PMB – MAT Dec/13

- Generics a small part of the market but driving growth
- Aspen is 54th – climbing the ladder but so much more to harness
- Excellent performance from Aspen team hampered by supply interruptions
  - Impact on revenue growth for 6 months estimated at 12%
  - Imported and local suppliers awaiting ANVISA approvals
  - Measures in place to address issues, improvement in this quarter

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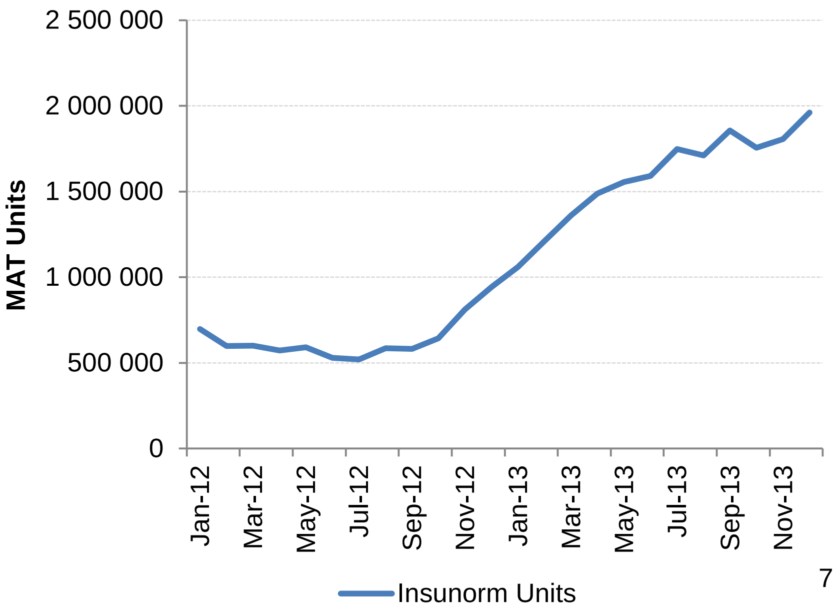
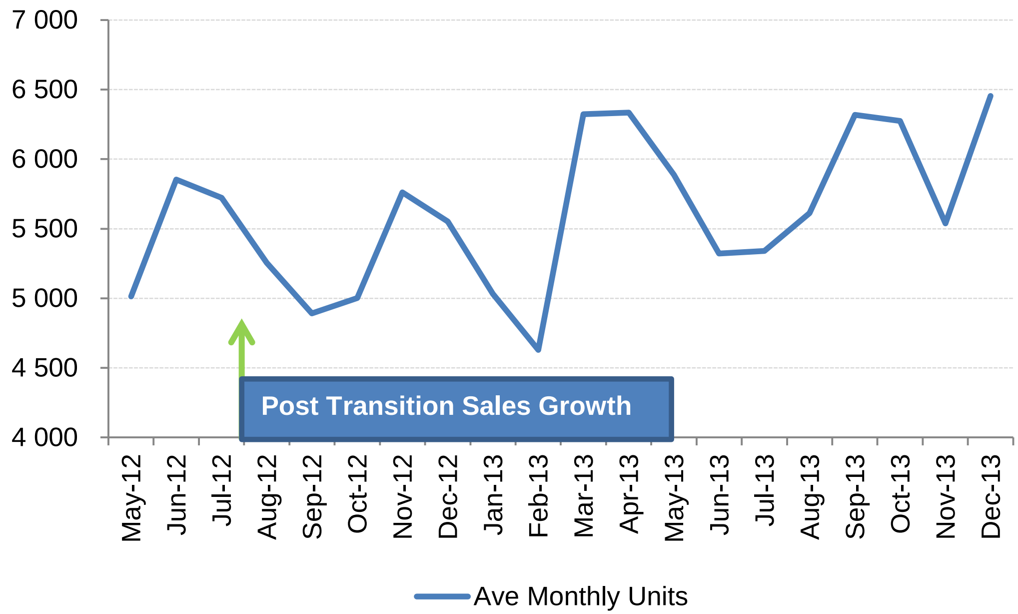
Brazil: Top branded products – Insunorm & Imuran



- Sustained growth in challenging market



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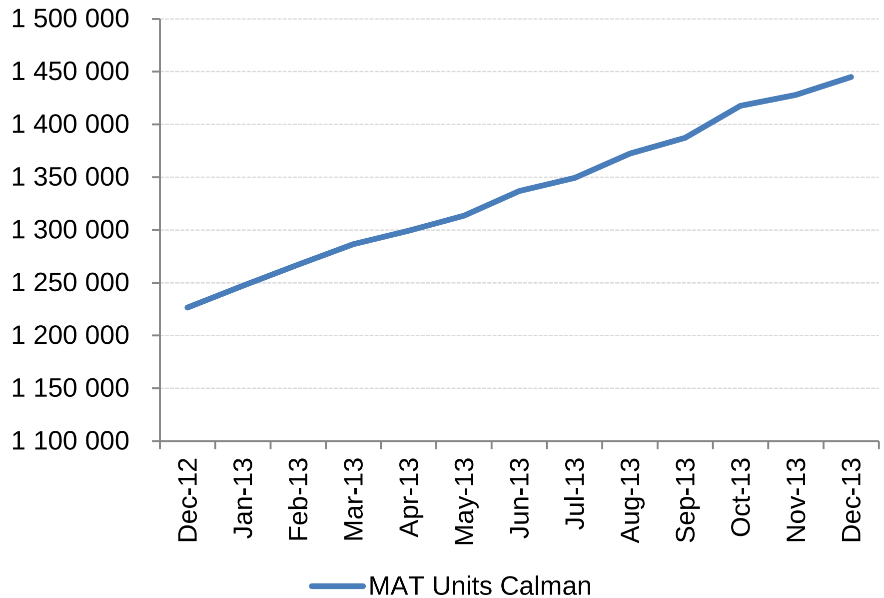
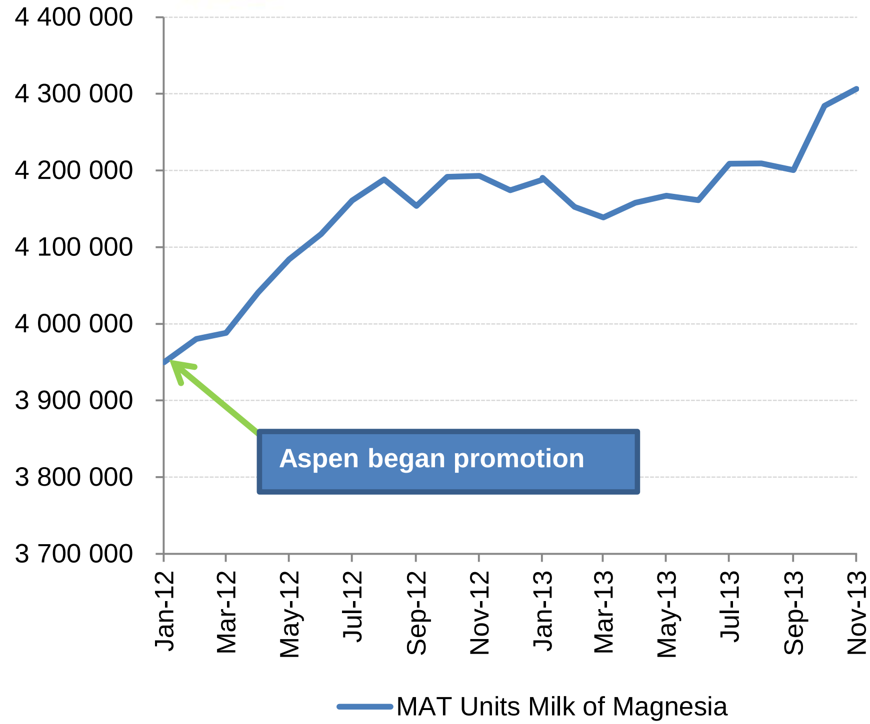
Brazil: Top OTC products – Calman + MOM





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Spanish Latin America - Performance

Revenue			
R'million	**H1 2014**	**H1 2013**	**% change**
Adjusted Pharma business	370	292	*27%*
Ex-GSK OTC brands	48	79	*(40%)*
Nutritionals business	371	-	
Total	**789**	**371**	***113%***

- Exceptional performance - double digit growth excluding Nutritionals
  - Mexico and Venezuela strong performers
- In-market stock build of ex-GSK OTC brands to facilitate transition in prior year
- Nutritionals business in line with expectations

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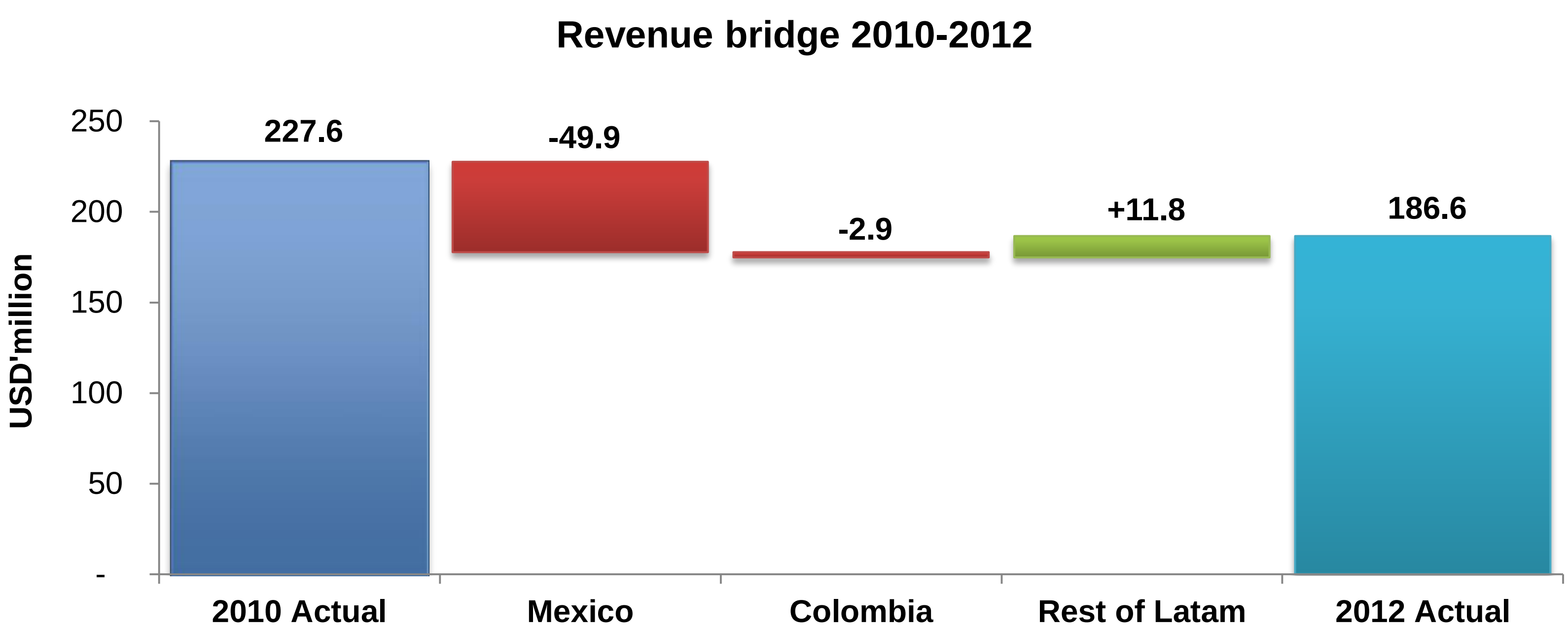
Exponential growth with an even better H2 to follow

Latin American Nutritionals – Strategic approach



- In transition from Wyeth to Pfizer
  - Pfizer changed the marketing approach in Mexico and Colombia
  - Consequences apparent

Approach to the Nutritionals business - Mexico

Organisational Focus

From Retail	To Detail
▪ Maternities sales team retrenched	▪ Aspen prescription driven approach
▪ Pfizer retail focus and retail people	▪ Employ experienced sales force ◦ Secures prescription support ◦ Consistent with former Wyeth strategy
▪ Marketing expertise from Coca Cola	▪ Employ marketing team with infant formula experience
▪ Retail discounting strategy	▪ Pharmacy sales force ◦ 70% sales through pharmacy ◦ Retail discount – giving money away

Aspen believes this is a prescription driven business NOT a retail business

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Approach to the Nutritionals business - Mexico

Marketing & Medical approach:

From Consumer

- Direct to mother/family focus
- Campaign based on 3rd stage branding cartoon characters
- Large investment in television campaign
- Supermarket point of sale discounts for shelf space in addition to retailer discounts

To Healthcare Professional

- Paediatrician/neo-natologist focus
- Build strong brand loyalty with paediatrician for Stage 1
  - Transition to Stage 2 and 3 will follow
- Prescriber promotional material and investment in medical training/education and new formulations
- Point of sale pharmacy representation
  - Discounting is not the answer
  - Brand loyalty

Targeting the audience that really drives the decision making

Approach to the Nutritionals business - Mexico

Commercial:

From Buying Space

- Push strategy
  - Discounting to create stock pressure and shelf dominance
- Consumer advertising focusing on mass marketing
- Channel (stock) discounts and further (shelf space) discounts in stores

To Owning Space

- Pull strategy
  - Mother will purchase the Nutritionals prescribed by a professional
- Targeted prescriber campaigns focusing on EBITA (Every Baby Is The Answer)
- Traditional wholesaler and pharmacy discounts focus on quality service rather than easy access
  - 70% of market here
- Scientific approach, IMS territory targeting and segmentation

We anticipate both volume and margin improvement

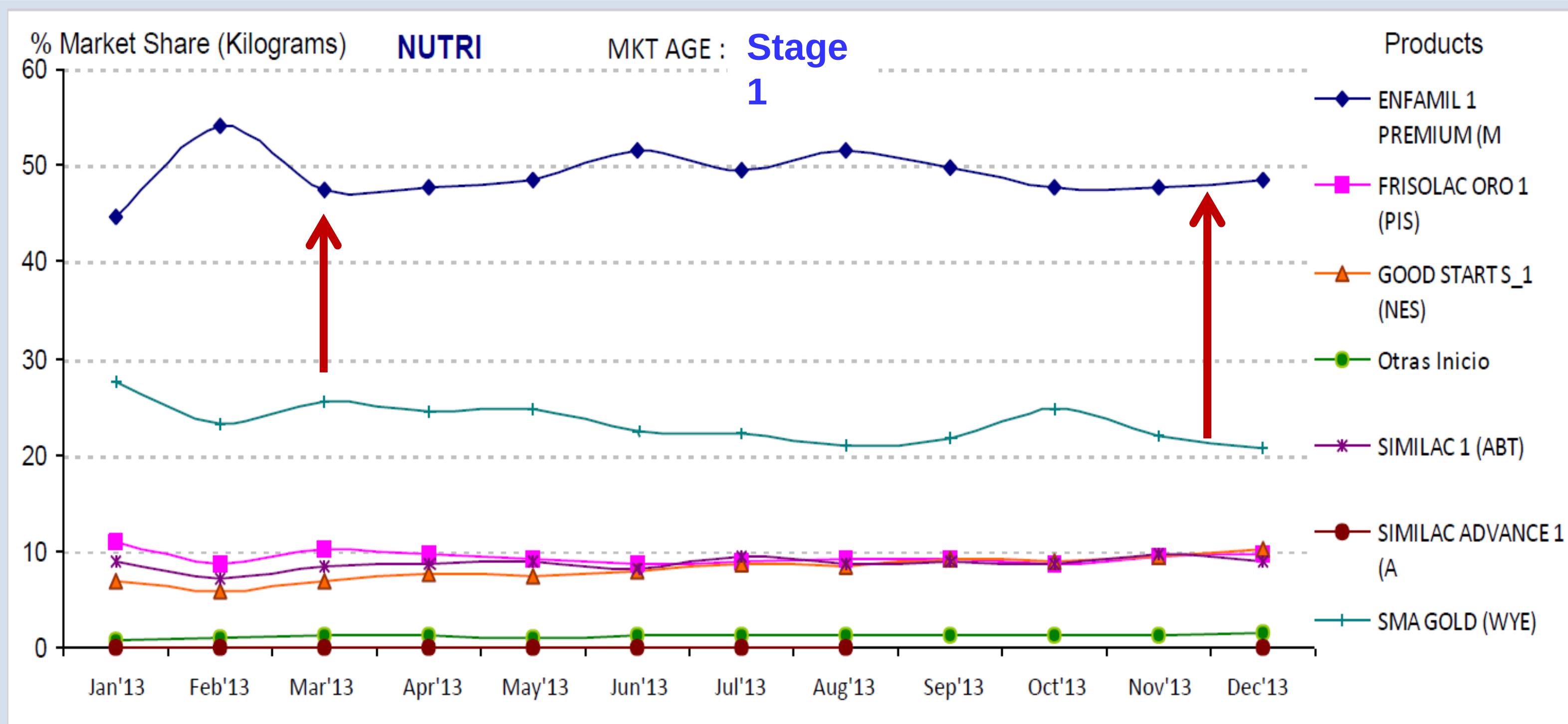
Mexico Nutritionals: Stage 1 – Prescription gap

Total Territory Market Share (Kg) - Source IMS-DDD

Mexico

Team: **NUTRI** Name: **- Aspen Nutricionales** Month: **December - 2013**

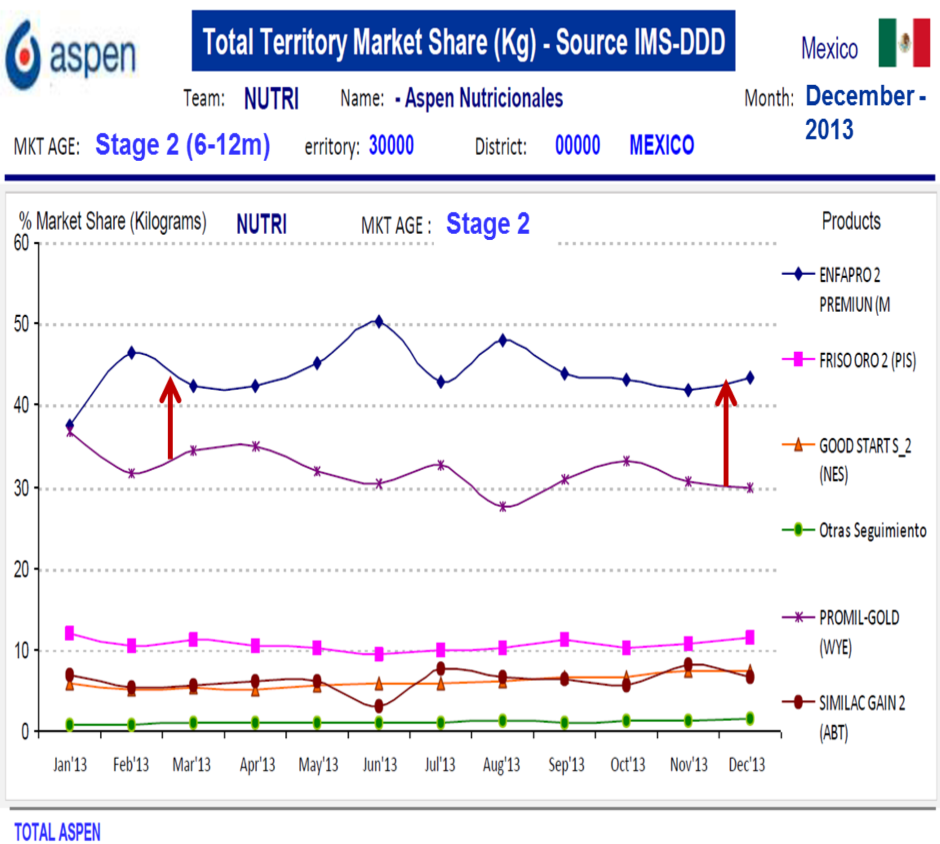
MKT AGE: **Stage 1 (0-6m)** Territory: **30000** District: **00000** **MEXICO**

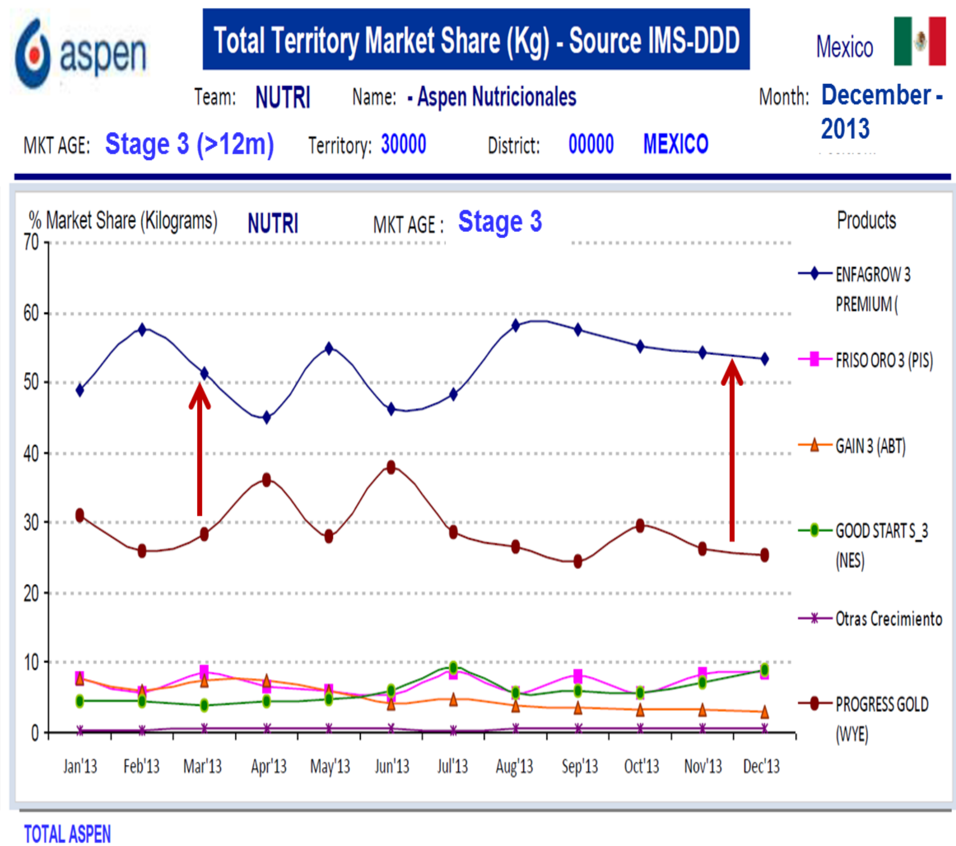


TOTAL ASPEN

Stage 1 gap has widened – critical trend to reverse

Mexico Nutritionals: Stages 2 & 3 – Transition & carry over





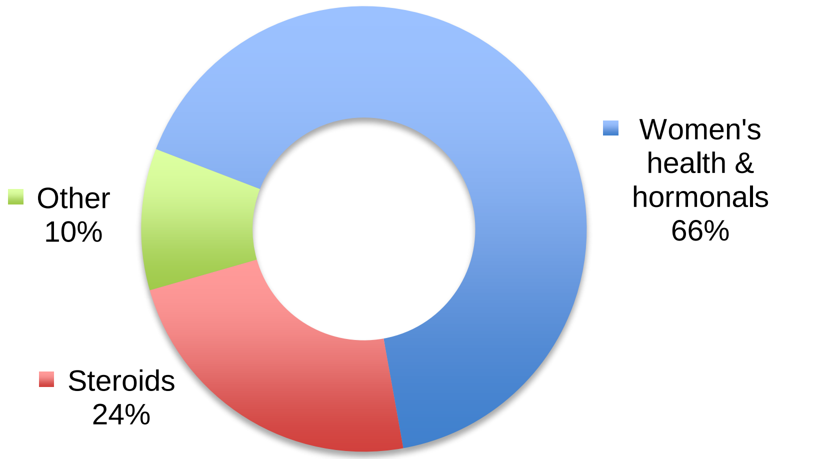
Loyalty from stage 1 and stage 2 will drive stage 3

The Merck products

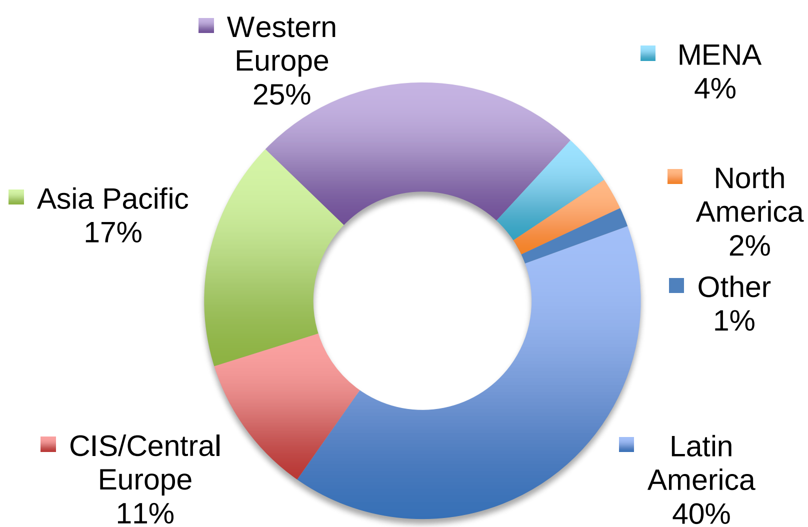
- Sales achieved in 2013 about R2bn*
- High margin products
  - Limited competition
  - Respond to promotional activity
  - Particularly Latam
- Exciting niche opportunity for Aspen
  - Supported by in-house ability to manufacture complex APIs
- Establishing dedicated field forces to support range
  - 55 reps for Russia alone

* Excludes Orgaran

Revenue by product class



Revenue by geography



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Anticoagulants: Arixtra, Fraxiparine, Orgaran and Heparin

- Achieved sales +/-R5.7 billion and gross margin of 50%
- GSK manufacturing facility on track to transfer 1 May 2014

Therapeutic class

- Supported by dedicated sales and marketing staff
  - Over 400 transferring employees
  - Aspen’s direct sales presence now in 17 more territories across Europe/CIS

Western Europe	CE Europe and CIS
France	Russia
Germany	Poland
Italy	Czech Republic
Belgium	Slovakia
Netherlands	Hungary
Greece	Romania
United Kingdom	Ukraine
	Slovenia
	Montenegro & Serbia
	Latvia

Anticoagulants: Arixtra, Fraxiparine, Orgaran and Heparin

Key objective - Increase our share of this therapeutic area globally

- Increase margin on Fraxiparine
- Increase global sales of Fraxiparine

- Defend Arixtra aggressively
- Grow Arixtra in emerging markets

- Secure sufficient API for Orgaran
- Launch Orgaran globally including USA

- Bring Heparin to market

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Focussed approach – eyes on the prize

Fraxiparine – Addressing margins and costs

Fraxiparine

- Heparin about half of total cost
  - Addressing Heparin cost through Oss
  - Oss processes also being improved
  - Margin improvement to total product of more than 10% expected
  - Take 1 year to flush old costs out of system
- Addressing cost critical
  - Tender into hospital
  - Margin from retail spin off
- Assessing USA registration strategy
- Western Europe now has increasing prospects with lower cost
- Standardise/expand indications across all markets
  - Needed for specific tender requirements

Biosimilar with much potential

Arixtra/Heparin – Defending, growing and launching

Arixtra

- Authorised generic strategy in the USA
  - Majority of market retained
- European launch of competitor delayed
  - API impurities
- Aspen has full ownership and control over total value chain
  - No royalties, and no API or FDF partners
  - Driving strategies for growth in emerging markets
  - Porcine sensitive markets

Heparin Dossier

- Dormant Heparin dossier for the USA
- Given global API positioning, Aspen has strategic advantage here
- Global market > USD1 billion

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Orgaran – The big opportunity

Orgaran

- Used for H.I.T – has potential to match Fraxiparine/Arixtra
- Sales compromised by limited availability of API
- Aspen in process of addressing API
  - 72 step process reduced to between 8 – 12 steps
  - Robustness being improved
  - Capability to achieve secure supply
  - Clarity by June, then
  - Regulatory approval
- One ampoule of Orgaran requires mucosa from about 15 pigs
- Orgaran registered in the USA
  - Manufacturing site
  - API change
  - Indications to be addressed
  - Dormant dossier to be updated

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Material upside for the group to fixing Orgaran

Acquired API business

- Sales for the quarter – R1 billion
  - Sales of R77m for the quarter to GSK for heparin
- Complex manufacture including
  - Peptides, steroid/hormones with numerous chemical steps
  - Biochemicals including
    - Urine extraction
    - Heparin from mucosa pigs' stomach lining
- Merck is a major customer
  - 10 year supply
- Aspen has capability at FCC and has built a site with a partner
  - To manage additional capacity
  - To make operation more profitable
  - Outsource intermediates and APIs

Management of these sites and determining their strategic direction is Aspen operational team's highest priority project

Acquired API business

- Significant work being undertaken
  - Address safety issues on Moleneind
  - Cover Merck's requirements
  - Security of supply
  - Competitiveness of supply
  - Sustainable model for all sites
- Oss will be supplier of
  - Increased Heparin to Aspen
  - Fondaparinux intermediates (Arixtra)
- Strategically significant
  - Vertical integration of our heparin supply
- Driver of Fraxiparine margin improvement
  - Sustainably the most competitive LMWH
  - Fraxiparine has been historically disadvantaged on pricing

Commercial strategy being developed
Drive improved profitability

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Summary and prospects

- Aspen has performed in spite of challenges
  - SA currency
  - Australia pricing
- South Africa growing in private market
  - No. 1 in Generics AND Branded
- Australia protecting margins
  - Rebate cuts, cost of goods and reversing trends
- International/Rest of the World
  - Now Aspen's largest earnings contributor
  - Asia, Latam and SSA all showing strong growth
  - API business driving sales
    - Operational focus to drive efficiencies
- Aspen has made numerous acquisitions which will serve to
  - Diversify the product offering
  - Diversify the geographic offering
  - Better position Aspen in the pharma value chain
  - Strategic review of non core assets
  - Profound impact on H2 results

H1 – demonstrated strong organic and inorganic growth

Summary and prospects

- Anticipate significant increment sales over H1 sales
- In addition to incremental operating income from the above
  - Synergistic future income opportunities include:
    - Addressing API platform ineffiencies/synergies
    - Reduction of heparin input costs
    - Orgaran global launch
    - Margin improvements in the Latam Nutritionals business
    - Aspen's proven ability to grow post patent brands
    - Continued organic growth

Aspen's growing footprint will create broader global opportunities

Summary and prospects

- Aspen has made numerous recent acquisitions
- Significant impact on H2 results

R'billion	Theoretical H2 sales	Theoretical annualised sales
Acquired API business	1.8	3.6*
Merck products**	1.0	2.0
Anti-coagulants	2.9	5.7
Nutritionals	1.6	3.3
Total	**7.3**	**14.6**
Less: Sales in H1 results	(1.7)	
Incremental H2 over H1 sales	**5.6**	

*Q1 x 4, excluding intercompany sales for ex-GSK anti-coagulants
**Excluding Orgaran

- H1 – Sales were R12 billion
  - 33% greater than the prior year
  - H2 could be >45% greater than this higher base

Exciting period in Aspen's transformation
Rest is Rust

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Q & A

Glossary

Acronym	Meaning	Acronym	Meaning
ANVISA	Agência Nacional de Vigilância Sanitária, the Brazilian Health Surveillance Agency, a regulatory body of the Brazilian government responsible for the regulation and approval of pharmaceutical drugs	IMS	IMS Health, an independent provider of healthcare information and other services
		IP	Intellectual property
API	Active pharmaceutical ingredient	Latam	Latin America
ARV	Antiretroviral drug	LMWH	Low molecular weight heparin
AUD or AU$	Australian Dollar	MAT	Moving annual average
CAGR	Compound annual growth rate	MENA	Middle East, North Africa
CIS	Commonwealth Independent States, including Russia	Normalised EBITA	Earnings before interest, tax and amortisation adjusted for specific non-trading items
COGS	Cost of goods	OTC	Over-the-counter
EBITA	Earnings before interest, tax and amortisation	PBS	Australian Government's Price Disclosure Scheme
EPS	Earnings per share	Pharma	Pharmaceutical
FDF	Fixed dosage form	R	South African Rand
FMCG	Fast moving consumer goods	SA	South Africa
Forex	Foreign exchange	SEP	Single exit price as determined by the Department of Health in South Africa
GBP or £	British Pound	SSA	Sub-Saharan Africa
GSK	GlaxoSmithKline	State	South African Government
H1	Six month period from 1 July to 31 December	USA	United States of America
H2	Six month period from 1 January to 30 June	USD or US$	United States Dollar

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