Revenue

+17%

> 2007: R4,026 billion

Operating profit

+20%

> 2007: R1,077 billion

Headline earnings per share

+13%

> 2007: 210,1 cents

aspen
HOLDINGS

Reviewed Preliminary Group Financial Results for the year ended 30 June 2007

Aspen Pharmacare Holdings Limited ("Aspen")
(Registration number 1985/002935/06)
Share code: APN
ISIN: ZAE000066692

investing in our

Group Income Statement

		% change	Reviewed 30 June 2007 Rm	Audited Restated 30 June 2006 Rm
Revenue		17	**4 025,9**	3 449,3
Cost of sales			**(2 084,2)**	(1 789,0)
Gross profit		17	**1 941,7**	1 660,3
Selling and distribution costs			**(536,9)**	(462,3)
Administrative expenses			**(208,3)**	(195,8)
Other operating expenses			**(133,3)**	(109,7)*
Other operating income			**13,4**	2,2
Operating profit		20	**1 076,6**	894,7
Investment income	C#		**139,8**	72,9
Net financing costs	D#		**(207,0)**	(113,7)
Net profit before tax		18	**1 009,4**	853,9
Tax			**(291,7)**	(216,4)*
Net profit after tax		13	**717,7**	637,5
Attributable to:				
Equity holders of the parent			**717,4**	637,7
Minority interest			**0,3**	(0,2)*
		13	**717,7**	637,5
Weighted average number of shares in issue ('000)			**348 850**	344 128
Earnings per share – basic (cents)		11	**205,7**	185,3
Earnings per share – diluted (cents)		13	**201,8**	179,2

*The income statement for the year ended 30 June 2006 has been restated due to the finalisation of the Generix International (Pty) Ltd ("Generix") business combination, which was accounted for on a provisional basis in the prior year. Refer to the basis of accounting for detail.

#See notes on Supplementary Information.

HEADLINE EARNINGS

Reconciliation of headline earnings			
Net profit attributable to equity holders of the parent		**717,4**	637,7
Adjusted for:			
– Deferred tax asset in respect of Aspen Nutritionals (Pty) Ltd ("Nutricia") assessed loss raised		**–**	(15,6)
– Goodwill in respect of acquisition of Nutricia written down		**–**	0,5
– Loss on disposal of property, plant and equipment (net of tax)		**0,4**	–
– (Profit)/loss on disposal of intangible assets (net of tax)		**(3,4)**	0,1
– Investment in Fine Chemicals Corporation (Pty) Ltd ("FCC") written down to fair value (net of tax)		**–**	14,2
– Impairment of intangible assets (net of tax)		**8,2**	1,9
– Profit on sale of investment property (net of tax)		**–**	(0,7)
– Adjustment to writedown on disposal of 50% of FCC		**10,5**	–
Headline earnings	15	**733,1**	638,1
Headline earnings per share (cents)	13	**210,1**	185,4
Headline earnings per share – diluted (cents)	15	**206,1**	179,3

CAPITAL DISTRIBUTION

Capital distribution per share (cents)	13	**70,0**	62,0

The capital distribution relates to the distribution declared after year-end.
The policy of Aspen is to recommend a final distribution to shareholders when the preliminary results for each financial year are released.

Group Balance Sheet

	Reviewed 30 June 2007 Rm	Audited Restated 30 June 2006 Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**855,1**	613,1
Goodwill	**295,0**	270,4*
Intangible assets	**844,7**	803,4*
Preference share investment	**376,8**	376,8
Non-current financial assets	**6,0**	11,9
Deferred tax assets	**15,1**	34,4
Total non-current assets	**2 392,7**	2 110,0
Current assets		
Inventories	**936,8**	798,3
Receivables and prepayments	**870,9**	721,9
Other current assets	**0,3**	5,3
Cash and cash equivalents	**3 331,2**	625,2
Total current assets	**5 139,2**	2 150,7
Total assets	**7 531,9**	4 260,7
SHAREHOLDERS' EQUITY		
Share capital and share premium	**746,4**	954,4
Treasury shares	**(598,9)**	(623,0)
Share-based compensation reserve	**47,8**	31,2
Non-distributable reserves	**267,8**	191,2
Retained income	**1 757,3**	997,2*
Ordinary shareholders' equity	**2 220,4**	1 551,0
Equity component of preference shares	**162,0**	162,0
	2 382,4	1 713,0
Minority interest	**7,0**	6,7*
Total shareholders' equity	**2 389,4**	1 719,7
LIABILITIES		
Non-current liabilities		
Preference shares – liability component	**403,5**	403,3
Borrowings	**25,9**	49,0
Deferred – payables and other non-current financial liabilities	**10,6**	28,6*
Deferred tax liabilities	**65,3**	99,1*
Retirement benefit obligations	**7,2**	7,3
Total non-current liabilities	**512,5**	587,3
Current liabilities		
Trade and other payables	**648,1**	712,7*
Borrowings	**3 801,8**	1 173,8
Deferred – payables and other current financial liabilities	**65,3**	4,8
Current tax liabilities	**114,8**	62,4*
Total current liabilities	**4 630,0**	1 953,7
Total liabilities	**5 142,5**	2 541,0
Total equity and liabilities	**7 531,9**	4 260,7
Number of shares in issue (net of treasury shares) ('000)	**350 634**	347 449
Net asset value per share (cents)	**633,3**	446,4

*The balance sheet as at 30 June 2006 has been restated due to the finalisation of the Generix business combination, which was accounted for on a provisional basis in the prior year. Refer to the basis of accounting for detail.

Group Cash Flow Statement

	Reviewed 30 June 2007 Rm	Audited Restated 30 June 2006 Rm
Cash flows from operating activities		
Cash operating profit	**1 322,0**	1 127,5
Changes in working capital	**(353,0)**	(487,5)
Cash generated from operations	**969,0**	640,0
Net financing costs paid	**(193,8)**	(128,7)
Investment income received	**139,8**	72,9
Tax paid	**(206,4)**	(182,2)
Net cash from operating activities	**708,6**	402,0
Cash flows from investing activities		
Replacement capital expenditure – property, plant and equipment	**(67,2)**	(50,2)
Expansion capital expenditure – property, plant and equipment	**(220,5)**	(118,7)
Proceeds on disposal of tangible assets	**0,8**	5,1
Replacement capital expenditure – intangible assets	**(2,8)**	(9,2)
Expansion capital expenditure – intangible assets	**(144,3)**	(123,2)
Proceeds on disposal of intangible assets	**8,5**	1,0
Acquisition of subsidiaries and joint ventures, net of cash acquired	**(0,1)**	(267,6)
Disposal of 50% of FCC, net of cash	**–**	120,8
Increase in non-current financial assets	**(6,0)**	–
Net cash used in investing activities	**(431,6)**	(442,0)
Cash flows from financing activities		
Proceeds from borrowings	**2 477,3**	1 762,1
Repayment of borrowings	**(2 351,1)**	(1 736,4)
Repayment of deferred-payables	**(12,3)**	(49,7)
Proceeds from deferred-payables	**24,3**	4,2
Net capital distribution paid	**(216,0)**	(166,0)
Proceeds from issue of ordinary shares	**27,0**	33,7
Net cash used in financing activities	**(50,8)**	(152,1)
Movement in cash and cash equivalents before exchange rate changes	**226,2**	(192,1)
Effects of exchange rate changes	**9,0**	14,8
Cash and cash equivalents		
Movement in cash and cash equivalents	**235,2**	(177,3)
Cash and cash equivalents at the beginning of the year	**262,3**	439,6
Cash and cash equivalents at the end of the year	**497,5**	262,3

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 which form an integral part of Aspen's cash management. Bank overdrafts are included within borrowings under current liabilities on the balance sheet.

Segmental Analysis

	SOUTH AFRICA				AUSTRALIA			
	Reviewed 30 June 2007 Rm	% of total	Audited Restated 30 June 2006 Rm*	% of total	Reviewed 30 June 2007 Rm	% of total	Audited Restated 30 June 2006 Rm	% of total
Primary segments: Geographical								
Gross revenue	**3 275,4**	77,4	**2 848,6**	80,0	**508,5**	12,0	**396,1**	11,1
Less: Intersegment sales	**(9.1)**		**–**		**–**		**–**	
Revenue	**3 266,3**	81,1	**2 848,6**	82,6	**508,5**	12,6	**396,1**	11,5
Normalised operating profit before amortisation***	**1 052,6**	87,9	**912,6**	89,2	**71,2**	5,9	**52,8**	5,2
Adjusted for:								
– PLIVA dd costs	**–**	–	**(21,3)**	100,0	**–**	–	**–**	–
– Goodwill in respect of acquisition of Nutricia written down	**–**	–	**(0,5)**	100,0	**–**	–	**–**	–
– Investment in FCC written down	**–**	–	**(13,9)**	100,0	**–**	–	**–**	–
Operating profit before amortisation	**1 052,6**	87,9	**876,9**	88,8	**71,2**	5,9	**52,8**	5,3
Amortisation – intangible assets	**(71,4)**	58,9	**(60,1)**	64,9	**(11,5)**	9,5	**(9,3)**	10,0
Operating profit	**981,2**	91,1	**816,8**	91,3	**59,7**	5,5	**43,5**	4,9

	ASIA				UNITED KINGDOM AND UNITED STATES			
	Reviewed 30 June 2007 Rm	% of total	Audited Restated 30 June 2006 Rm**	% of total	Reviewed 30 June 2007 Rm	% of total	Audited Restated 30 June 2006 Rm	% of total
Primary segments: Geographical								
Gross revenue	**189,8**	4,5	**66,6**	1,9	**256,8**	6,1	**248,5**	7,0
Less: Intersegment sales	**(90,3)**		**(25,5)**		**(105,2)**		**(85,0)**	
Revenue	**99,5**	2,5	**41,1**	1,2	**151,6**	3,8	**163,5**	4,7
Normalised operating profit before amortisation***	**21,0**	1,8	**13,6**	1,3	**52,9**	4,4	**44,0**	4,3
Adjusted for:								
– PLIVA dd costs	**–**	–	**–**	–	**–**	–	**–**	–
– Goodwill in respect of acquisition of Nutricia written down	**–**	–	**–**	–	**–**	–	**–**	–
– Investment in FCC written down	**–**	–	**–**	–	**–**	–	**–**	–
Operating profit before amortisation	**21,0**	1,8	**13,6**	1,4	**52,9**	4,4	**44,0**	4,5
Amortisation – intangible assets	**(8,7)**	7,2	**(3,7)**	4,0	**(29,5)**	24,4	**(19,5)**	21,1
Operating profit	**12,3**	1,1	**9,9**	1,1	**23,4**	2,2	**24,5**	2,7

	TOTAL			
	Reviewed 30 June 2007 Rm	% of total	Audited Restated 30 June 2006 Rm	% of total
Primary segments: Geographical				
Gross revenue	**4 230,5**	100,0	**3 559,8**	100,0
Less: Intersegment sales	**(204,6)**		**(110,5)**	
Revenue	**4 025,9**	100,0	**3 449,3**	100,0
Normalised operating profit before amortisation***	**1 197,7**	100,0	**1 023,0**	100,0
Adjusted for:				
– PLIVA dd costs	**–**	–	**(21,3)**	100,0
– Goodwill in respect of acquisition of Nutricia written down	**–**	–	**(0,5)**	100,0
– Investment in FCC written down	**–**	–	**(13,9)**	100,0
Operating profit before amortisation	**1 197,7**	100,0	**987,3**	100,0
Amortisation – intangible assets	**(121,1)**	100,0	**(92,6)**	100,0
Operating profit	**1 076,6**	100,0	**894,7**	100,0

	Pharmaceutical				Consumer				Total			
	Reviewed 30 June 2007 Rm	% of total	Audited Restated 30 June 2006 Rm	% of total	Reviewed 30 June 2007 Rm	% of total	Audited Restated 30 June 2006 Rm	% of total	Reviewed 30 June 2007 Rm	% of total	Audited Restated 30 June 2006 Rm	% of total
Secondary segments: Business												
Revenue	**3 031,7**	75,3	**2 562,1**	74,3	**994,2**	24,7	**887,2**	25,7	**4 025,9**	100,0	**3 449,3**	100,0
South Africa	**2 397,3**		**2 053,7***		**869,0**		**794,9**		**3 266,3**		**2 848,6***	
Australia	**393,3**		**310,0**		**115,2**		**86,1**		**508,5**		**396,1**	
Asia	**99,5**		**41,1****		**–**		**–**		**99,5**		**41,1****	
United Kingdom and United States	**141,6**		**157,3**		**10,0**		**6,2**		**151,6**		**163,5**	
Normalised operating profit before amortisation***	**948,9**	79,2	**794,5**	77,7	**248,8**	20,8	**228,5**	22,3	**1 197,7**	100,0	**1 023,0**	100,0
South Africa	**838,8**		**711,6***		**213,8**		**201,0**		**1 052,6**		**912,6***	
Australia	**39,0**		**26,1**		**32,2**		**26,7**		**71,2**		**52,8**	
Asia	**21,0**		**13,6****		**–**		**–**		**21,0**		**13,6****	
United Kingdom and United States	**50,1**		**43,2**		**2,8**		**0,8**		**52,9**		**44,0**	
Operating profit before amortisation	**948,9**	79,2	**764,7**	77,5	**248,8**	20,8	**222,6**	22,5	**1 197,7**	100,0	**987,3**	100,0
South Africa	**838,8**		**681,8***		**213,8**		**195,1**		**1 052,6**		**876,9***	
Australia	**39,0**		**26,1**		**32,2**		**26,7**		**71,2**		**52,8**	
Asia	**21,0**		**13,6****		**–**		**–**		**21,0**		**13,6****	
United Kingdom and United States	**50,1**		**43,2**		**2,8**		**0,8**		**52,9**		**44,0**	
Operating profit	**842,5**	78,3	**688,9**	77,0	**234,1**	21,7	**205,8**	23,0	**1 076,6**	100,0	**894,7**	100,0
South Africa	**780,8**		**636,8***		**200,4**		**180,0**		**981,2**		**816,8***	
Australia	**27,9**		**18,3**		**31,8**		**25,2**		**59,7**		**43,5**	
Asia	**12,3**		**9,9****		**–**		**–**		**12,3**		**9,9****	
United Kingdom and United States	**21,5**		**23,9**		**1,9**		**0,6**		**23,4**		**24,5**	

*With effect from January 2006, 50% of FCC was sold. 100% of the FCC results was included in Group results for the six months to 31 December 2005.
**The Astrix Laboratories Ltd ("Astrix") business commenced operations from January 2006.
***In 2006 operating profit before amortisation was adjusted for PLIVA dd costs, the writedown of the investment in FCC to fair value and the writedown of the Nutricia goodwill. No adjustments were made in the 2007 financial year.

aspen
HOLDINGS

www.aspenpharma.com

Supplementary Information

	Reviewed 30 June 2007 Rm	Audited Restated 30 June 2006 Rm
A. Capital expenditure		
Incurred	**434,8**	301,3
– tangible assets	**287,7**	168,9
– intangible assets	**147,1**	132,4
Contracted		
– tangible assets	**96,3**	91,9
– intangible assets	**4,3**	21,1
Authorised but not contracted for		
– tangible assets	**330,9**	282,7
– intangible assets	**1,0**	—
B. Operating profit has been arrived at after charging		
Depreciation of property, plant and equipment	**60,3**	47,5
Amortisation of intangible assets	**121,1**	92,6
Share-based payment expenses – employees	**29,4**	27,6
C. Investment income		
Preference share dividends received	**29,3**	25,3
Interest received	**110,5**	47,6
Total investment income	**139,8**	72,9
D. Net financing costs		
Interest paid	**(174,0)**	(93,2)
Net foreign exchange gains/(losses)	**22,7**	(7,1)
Fair value (losses)/gains on financial instruments	**(19,4)**	14,8
Notional interest on financial instruments	**(3,8)**	(0,1)
Preference share dividends paid	**(32,5)**	(28,1)
Net financing costs	**(207,0)**	(113,7)
E. Other commitments		
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	**17,7**	21,6
– payable thereafter	**62,6**	80,3
	80,3	101,9
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	**9,0**	8.0
– payable thereafter	**45,6**	48,2
	54,6	56,2
F. Contingent liabilities		
There are contingent liabilities in respect of:		
Additional payments in respect of the Quit worldwide intellectual property rights	**7,1**	6,6
Guarantee covering potential rental default relating to sale of discontinued operations	**1,1**	2,5
Guarantees covering loan and other obligations to third parties	**20,4**	5,4

Statement of Changes in Group Equity

	Share capital and premium Rm	Treasury shares Rm	Share-based compen-sation reserve Rm	Non-distributable reserves Rm	Retained income Rm	Equity component of preference shares Rm	Minority interest Rm	Total Rm
Balance as at 1 July 2005	**1 100,8**	**(641,7)**	**16,3**	**52,6**	**426,3**	**162,0**	**—**	**1 116,3**
Fair value movement on available-for-sale financial assets	—	—	—	(0,6)	—	—	—	(0,6)
Currency translation differences	—	—	—	63,8	—	—	—	63,8
Net profit for the year	—	—	—	—	637,7	—	(0,2)	637,5
Capital distribution	(184,7)	18,7	—	—	—	—	—	(166,0)
Acquisition of subsidiaries	—	—	—	—	—	—	6,9	6,9
Cash flow hedges realised	—	—	—	(4,7)	—	—	—	(4,7)
Cash flow hedges recognised	—	—	—	5,2	—	—	—	5,2
Issue of ordinary share capital	38,3	—	—	—	—	—	—	38,3
Share options and appreciation rights awarded	—	—	23,0	—	—	—	—	23,0
Transfer from share-based compensation reserve	—	—	(8,1)	—	8,1	—	—	—
Non-distributable portion of earnings	—	—	—	74,9	(74,9)	—	—	—
Balance as at 30 June 2006	**954,4**	**(623,0)**	**31,2**	**191,2**	**997,2**	**162,0**	**6,7**	**1 719,7**
Fair value movement on available-for-sale financial assets	—	—	—	0,7	—	—	—	0,7
Currency translation differences	—	—	—	69,2	—	—	—	69,2
Net profit for the year	—	—	—	—	717,4	—	0,3	717,7
Capital distribution	(240,1)	24,1	—	—	—	—	—	(216,0)
Cash flow hedges realised	—	—	—	(5,2)	—	—	—	(5,2)
Cash flow hedges recognised	—	—	—	(0,1)	—	—	—	(0,1)
Issue of ordinary share capital	32,1	—	—	—	—	—	—	32,1
Share options and appreciation rights awarded	—	—	24,2	—	—	—	—	24,2
Transfer from share-based compensation reserve	—	—	(7,6)	—	7,6	—	—	—
Non-distributable portion of earnings	—	—	—	12,0	(12,0)	—	—	—
Equity portion of tax claims in respect of share schemes	—	—	—	—	47,1	—	—	47,1
Balance as at 30 June 2007	**746,4**	**(598,9)**	**47,8**	**267,8**	**1 757,3**	**162,0**	**7,0**	**2 389,4**

Basis of Accounting

The consolidated preliminary results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IFRIC interpretations, the Listings Requirements of the JSE Limited and Schedule 4 of the South African Companies Act (Act 61 of 1973, as amended).

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 2006. The comparative figures have been restated due to the finalisation of the Generix business combination, which was accounted for on a provisional basis in the prior year. The table to the right reflects the changes from provisional accounting in the prior year:

Finalisation of Generix acquisition accounting

The accounting for the acquisition of Generix was made on a provisional basis in terms of IFRS 3 for the year ended 30 June 2006.

In terms of IAS 8, Accounting policies, Changes in Accounting Estimates and Errors, the adjustments to finalise the Generix acquistion 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.

Income statement	Audited 2006 Rm	Adjustments Rm	Audited Restated 2006 Rm
Other operating expenses	(108,9)	(0,8)	(109,7)
Tax	(216,6)	0,2	(216,4)
Net profit after tax	638,1	(0,6)	637,5
Attributable to:			
Equity holders of the parent	638,0	(0,3)	637,7
Minority interest	0,1	(0,3)	(0,2)

Balance sheet	Audited 2006 Rm	Adjustments Rm	Audited Restated 2006 Rm
ASSETS			
Goodwill	262,1	8,3	270,4
Intangible assets	820,5	(17,1)	803,4
Total assets	4 269,5	(8,8)	4 260,7
EQUITY			
Retained income	997,5	(0,3)	997,2
Minority interest	12,5	(5,8)	6,7
Total equity	1 725,8	(6,1)	1 719,7
LIABILITIES			
Non-current liabilities			
Deferred-payables and other non-current financial liabilities	25,8	2,8	28,6
Deferred tax liabilities	103,9	(4,8)	99,1
Current liabilities			
Trade and other payables	713,6	(0,9)	712,7
Current tax liabilities	62,2	0,2	62,4
Total equity and liabilities	4 269,5	(8,8)	4 260,7

Commentary

Group

Aspen increased revenue by 17% to R4,026 billion whilst operating profit grew by 20% to R1,077 billion for the financial year ended 30 June 2007. A higher effective tax rate of 28,9% (2006: 25,3%) reduced growth in net profit after tax to 13% at R718 million. Headline earnings per share was 13% higher at 210,1 cents (2006: 185,4 cents).

South African operations

The South African business remains the key driver of Group performance and produced a solid set of results. Revenue grew by 15% to R3,266 billion and earnings before interest, tax and amortisation ("EBITA") increased by 20% to R1,053 billion.

The group retained its leadership position in the private generic market with an unchanged market share of 35% despite increased competition and for the first time attained the top position in the total private pharmaceutical market. The Pharmaceutical Division underpinned the performance of the South African business, growing revenue by 17% to R2,397 billion. Adjusting for the effect of the sale of 50% of FCC midway through the prior financial year, revenue increased by 20% on a like-for-like basis. Finished dosage form ("FDF") pharmaceuticals reported an increase in revenue of 19%. Continued strong growth in the private market for generic medicines and the momentum of recently launched products were material contributors to this growth.

FDF sales of anti-retrovirals ("ARVs") grew by 65% to R439 million. This has been influenced by public health services in South Africa and African export territories continuing to improve capacity to reach those in need. Aspen increased its ARV offering towards the end of the financial year with the introduction of Viread® and Truvada®, originator products distributed on behalf of Gilead Life Sciences Inc., which are considered amongst the leading treatments available for HIV/AIDS today.

Aspen has also gained an increased share of the over-the-counter market, although growth in this market as a whole remains pedestrian. In the second year of the two-year public sector tender cycle (excludes ARVs) revenue has been flat. FCC, the niche active pharmaceutical ingredient ("API") manufacturer, had an excellent year.

The Consumer Division recorded satisfactory growth in revenue of 9% to R869 million. Pleasing growth was achieved in the toothpastes and infant nutritional brands.

Aspen continues to invest in its production capabilities, with the total investment since 2003 set to pass R1 billion in the financial year ahead. The construction of the Sterile facility is reaching completion. Validation procedures should commence within the next six months with commercial production scheduled in the second half of calendar 2008. An upgrade project on the Port Elizabeth heritage general facility has commenced, which will add capacity and technology to this plant. An extension to the Oral Solid Dosage facility has also been approved in terms of which increased bottle packing capacity will be added to cater for the increasing demand for this packaging format for ARVs.

International operations

The international business increased revenue by 26% to R760 million and raised EBITA by 31% to R145 million. These results benefited from a full year of contribution from the Astrix joint venture (2006: contribution for six months).

Aspen Australia was the leading contributor to the international business. Revenue of R509 million showed growth of 28% with EBITA increasing by 35% to R71 million. This was achieved in a difficult trading environment marked by regulatory intervention. Selective expansion of the product portfolio has been a primary growth driver and a 19% strengthening of the Australian dollar relative to the rand has also boosted results.

Aspen Resources, the UK-based intellectual property and sourcing company, also benefited from relative Rand weakness in growing EBITA by 40% to R56 million. Co-pharma, the Group's other UK-based company which trades in the commodity generics sector, extended its run of poor performance with a negative contribution to EBITA of R4 million. Aspen's USA business is focused on assessing market opportunities in that territory and trading activity was not material.

Astrix, the Indian-based manufacturer of ARV APIs which is 50% owned by Aspen, experienced reducing margins in the second half of the year as competition in this market intensified. Supply of the ARV APIs to Aspen accounted for almost half of the Astrix revenue.

Investment income, finance costs and cash flows

Interest paid, net of interest received, has increased by R18 million to R64 million. The higher cost of borrowing, as well as increased investment in capital expenditure and working capital, are the main reasons for this increase. Higher borrowing costs have also given rise to higher notional interest on financial instruments and increases in preference shares dividends, both received and paid. Foreign exchange gains net of fair value losses on financial instruments amounted to R3 million (2006: R8 million).

Net cash from operating activities amounted to R709 million, almost on parity with earnings of R717 million. Working capital increased by R353 million. Increases in stock and debtors were in line with increased trading activity, however creditors decreased by R83 million to sustainable levels. Factors influencing the decrease in creditors were the move to 50% owned Astrix as the supplier of ARV APIs and various arrangements which had allowed for extended trading terms coming to an end or not recurring.

Prospects

The Group is well set to maintain its leadership position in the South African pharmaceutical market. Continuous nurturing of the product pipeline is expected to be rewarded in the forthcoming year by a high volume of new product launches. Aspen's sales and marketing teams have proven to be the best distributors of product into this market. Announcement of the public sector tender awards for the next two years is imminent. Based upon extensive planning and preparation for the tenders, Aspen is optimistic that it will secure an increased share of this business. The ARV tender is due for submission later this year for award early in 2008. Increased competition will be encountered, but with an expanded product offering and increasing capacity in the public health sector to service demand, Aspen expects to remain an important supplier of ARVs to the South African government.

The legislative environment for pharmaceuticals remains uncertain. This is by no means a circumstance confined to the South African market. The responsibility for delivery of healthcare which is borne by governments throughout the world inevitably give rise to interventions by the regulator which can influence business prospects. Aspen continues to engage actively with the Department of Health on matters such as international benchmarking and the annual price review. The nomination of pharmaceuticals as a strategic industry by the South African government is taken to be an extremely positive development. Aspen looks forward to working with government in building the industry in South Africa.

The investment that has been made and continues to be made by the Group in its manufacturing facilities is of great strategic importance. This investment has allowed Aspen to raise its manufacturing standards which is particularly pertinent with South Africa's entry into the Pharmaceutical Inspection Convention ("PIC") with effect from 1 July 2007. The manufacturing standards and capacity being established by Aspen have positioned the Group to reach export markets and to enter into manufacturing and trade partnerships with leading multi-national pharmaceutical companies.

Aspen has achieved strong growth in the export of ARVs into Africa and is one of the leading suppliers of ARVs on the continent, reaching some 500 000 patients. The growth momentum in ARVs is expected to be maintained. This will however, be dependent on African governments continuing to build capacity to deliver to those in need. The Group has the production capacity and the product offering to deliver to the increased demand for ARVs as the World Health Organisation works towards its target of universal access by 2010. Building on the success of its ARV business, the Group is actively assessing opportunities to grow its business into Africa.

In an increasingly competitive global pharmaceutical market Aspen will seek to utilise the strength of the business it has developed in South Africa to establish partnerships and create opportunities to extend its business in international markets.

Growth prospects for the year ahead are positive, with the investment made in the product pipeline and the production facilities expected to give added momentum to the Group's performance.

Capital distribution

Taking into account the earnings performance for the year ended 30 June 2007, notice is hereby given that, in terms of a general authority to distribute the company's capital granted by shareholders at the annual general meeting held on 16 November 2006, a capital distribution of 70 cents per ordinary share (2006: 62 cents) has been declared, payable out of share premium to shareholders recorded in the share register of the company at the close of business on Friday, 21 September 2007.

This represents an increase of 13% over the previous year's capital distribution and is covered 3 times by headline earnings per share.

In compliance with IAS 10, Events after the Balance Sheet Date, the capital distribution will only be accounted for in the financial statements in the year ending 30 June 2008.

In compliance with STRATE, the company has determined the following salient dates for the payment of the capital distribution:

Last day to trade *cum* capital distribution	Friday, 14 September 2007
Shares commence trading *ex* capital distribution	Monday, 17 September 2007
Record date	Friday, 21 September 2007
Payment date	Tuesday, 24 September 2007

Share certificates may not be dematerialised or rematerialised between Monday, 17 September 2007 and Friday, 21 September 2007, both days inclusive.

By order of the board

SB Saad *(Group Chief Executive)*

MG Attridge *(Deputy Group Chief Executive)*

HA Shapiro *(Company Secretary)*

Woodmead: 20 August 2007

Directors:
AJ Aaron (Chairman)*, MG Attridge, MR Bagus*, L Boyd*, JF Buchanan*, NJ Dlamini*, P Dyani*, M Krok*, CN Mortimer*, DM Nurek*, SB Saad, D Thomas* (alternate to P Dyani), S Zilwa*.
* Non-executive directors

Company secretary:
HA Shapiro

Transfer secretaries:
Computershare Investor Services 2004 (Pty) Limited
(Registration number 1987/003382/06)
70 Marshall Street, Johannesburg 2001
PO Box 61051, Marshalltown 2107

Registered office:
Building 8, Healthcare Park, Woodlands Drive, Woodmead

aspen HOLDINGS

BASTION GRAPHICS