Revenue from continuing operations increased 31% to R7,5 billion

Operating profit from continuing operations increased 28% to R2 billion

Normalised diluted headline earnings per share from continuing operations increased 22% to 308,1 cents

Offshore businesses contribution to profits 61%

Unaudited interim financial results

for the six months ended 31 December 2011*

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

*These interim financial results were prepared under the supervision of the Deputy Group Chief Executive, M G Attridge CA(SA) and approved by the Board of Directors.

Commentary

Group performance

Aspen increased revenue from continuing operations by 31% to R7,5 billion and grew operating profit from continuing operations by 28% to R2,0 billion in the six months to 31 December 2011. Operating profit before amortisation, adjusted for specific non-trading items ("EBITA"), was up 32%. Normalised headline earnings, being headline earnings from continuing operations adjusted for transaction and restructure costs, were 22% higher at R1,4 billion. Diluted normalised headline earnings per share from continuing operations increased 22% to 308,1 cents. Growth in earnings was affected by higher funding costs on the debt raised to acquire the pharmaceutical division of Sigma Pharmaceuticals Limited in Australia ("the Sigma business") in January 2011.

In accordance with previously communicated expectations, the South African business recorded negative growth and the Group's strong showing for the period was the result of excellent performances across the other territories with Asia Pacific leading the way. The Asia Pacific region increased its contribution to Group EBITA from 8% to 34% in the current period.

South African business

Revenue in the South African business was 11% down at R2 908 million with the Pharmaceutical division declining 9% and the Consumer division declining 19%. Despite the headline results, the underlying performance of the Pharmaceutical division was good. Annualised revenue growth measured by IMS at 31 December 2011 indicated Aspen's generic products increased by 16,2%.

The contributing factors to the performance reversal were largely one-off in nature and, where appropriate, mitigating actions have been taken which will benefit the business going forward. These factors have been well communicated and are as follows:

- The Pharmaceutical division's two biggest products, Seretide and Truvada, both came under pressure from generic substitutes for the first time in the second half of the 2011 financial year;
- Offtakes under the antiretroviral ("ARV") tender were significantly lower than expected during 2011 as the South African government used donor sponsored products rather than accessing the tender awarded;
- Aspen retained its leading stake in the recently awarded public health AVR tender which commenced in January 2011. Aspen has both the lower volume share of this tender and reduced pricing on the prior tender. Given the supply of donor funded stock to date, these sales decreases have not been mitigated by the anticipated increases from expanded coverage.
- The license with Pfizer for a range of infant milk products which had contributed revenue of approximately R250 million per annum to the Consumer division expired; and
- Production for most of July was lost due to a union led strike.

EBITA was 17% lower at R841 million. Profit margins came under pressure due to reduced production volumes as a result of the poor ARV tender offtake, the cost of production lost through the strike, inflationary increases in wages and energy as well as the weaker Rand.

The revenue lost on the genericisation of Seretide has been recovered by Aspen's own generic, Foxair. The December 2011 launch of Tribuss, the first generic triple combination ARV to market, provides the opportunity to regain lost revenue incurred on Truvada's genericisation.

The Consumer division performance was disappointing. It was hoped that securing the major portion of the public healthcare tender for infant milk formula would help offset the loss of the Pfizer license. However, volumes ordered by the State since the tender award have been erratic and sustainable demand has yet to be established.

Investment in capital projects at the production facilities is ongoing. Major projects underway include adding tableting capacity in Port Elizabeth, moving liquids manufacture to East London and introducing new technologies in Cape Town.

Asia Pacific business

As anticipated, the Asia Pacific business was the leading growth driver for the Group. Revenue of R2 859 million is more than three times greater than the comparative period whilst EBITA has grown from R133 million to R736 million. The EBITA achieved in the past six months is 15% greater than that achieved in the full 2011 financial year.

The acquisition of the Sigma business has clearly played a material role in the exponential growth recorded by the region. The successful merger of the Sigma business with the pre-existing Aspen business in Australia has been fundamental to this achievement. The merged business is operating as a single unified structure allowing the realisation of synergies and efficiencies. Together with the delivery of the first procurement savings, this has translated into a steady improvement in operating profit margins. The strong market position of the Australian business has assisted it in concluding a co-marketing agreement with Lilly for its market leading psychotic disorder product, Zyprexa, and the generic of the molecule, Olanzapine. The consolidation and rationalisation of the Australian facilities has continued. The Tennyson site has been sold. The Croydon and Noble Park sites are in the process of phased closure. Production is now centred at the Dandenong facility and supported by the Baulkham Hills facility.

Expansion of Aspen's presence in South East Asia is receiving attention from the regional management team. The newly established business in the Philippines is in full operation with close to 100 sales representatives deployed.

International business

The International business increased revenue by 5% to R1 443 million and raised EBITA by 17% to R455 million. Latin America was a leading contributor to the growth with sales to customers in that region rising 23% while revenue in the Rest of the World territories remained unchanged on the prior year. The widening of profit margins can be attributed to a favourable position in the cycle of transitioning global brands to Aspen distribution as well as the realisation of the first savings in the global brands cost of goods reduction programme.

Sub-Saharan Africa

Gross revenue improved by 25% to R835 million and EBITA added 23% to R136 million in Sub-Saharan Africa. The primary driver in these positive results was the GSK Aspen Healthcare for Africa collaboration which performed strongly in Nigeria and French West Africa.

Funding

Borrowings, net of cash, were R6,592 billion at 31 December 2011, up from R6,348 billion at the beginning of the period. Operating cash flows remained strong. Cash generated from operating activities increased by 76% to R1,2 billion but increased investment activities, the capital distribution of R458 million and an unfavourable exchange rate effect on foreign currency denominated debt of R470 million combined to cause the increase. Gearing was 31% at the period end.

Interest paid, net of interest received, of R259 million was substantially higher than R137 million in the comparative period due to higher debt levels arising from the funding of the acquisition of the Sigma business.

Prospects

Although the South African business will continue to face the influence of unfavourable events in the second half of the 2012 financial year, it is anticipated that further progress will be made in overcoming these factors in the second six months of this financial year. A sound platform is provided by double digit growth expectations for generic and over-the-counter products. Foxair continues to gain market share, diminishing the losses experienced since the genericisation of Seretide. The first to market status of Tribuss will place Aspen as a leader in the provision of triple combination ARV therapies, helping to compensate for Truvada's genericisation. With the exhaustion of donor funds, the demand for ARVs under the public sector tender has returned to expected levels. The greater production volumes flowing from this will improve cost effectiveness of production. Profit margins will be further assisted by the 2,14% increase in the single exit price allowed by the Department of Health which becomes effective in March 2012. In the Consumer division, a re-organisation of management is aimed at achieving improved focus.

The demographic growth drivers present in South Africa are expected to continue to underpin an increasing demand for medicines in the country. As the market leader in both the private and public sectors, Aspen has a pivotal role to play in meeting this demand. Aspen is well equipped to meet this responsibility with a strong pipeline of new products to increase choice and accessibility to medicines in South Africa. Government also remains committed to supporting local manufacture which should benefit the Group as the country's leading pharmaceutical manufacturer.

In Asia Pacific, the Australian business will continue to focus on delivering improved cost of goods through various projects already underway. The Australian regulator's price disclosure cuts come into effect from 1 April 2012 and will lead to price reductions on products which were previously discounted by more than 10%. The effect of this legislation on Aspen will be more than offset by realisation of cost of goods savings and new product launches. The revenue Aspen will gain under the Zyprexa/Olanzapine agreement with Lilly, which is at low margins, will distort revenue growth and profit margins until the effect of this product's genericisation has stabilised. Further expansion of Aspen's representation in the region is planned with Thailand among the countries presently under consideration.

The International business will continue to benefit from savings realised in cost of goods on a phased basis over several years. There is ongoing assessment and consideration of opportunities to support the growth momentum in the International business with a particular focus on Latin America. An assessment of market prospects for the introduction of Aspen's infant milk formula products in this region is underway.

The good performance in Sub-Saharan Africa will be supported by the commencement of new product launches from the Aspen pipeline in the next six months. The Group has reached agreement with the minority shareholder in Shelys, Aspens East Africa business, to acquire their 40% shareholding for USD 24,5 million. The transaction remains subject to exchange control approval.

The results of the Group over the past six months have again proven Aspen's resilience. Earnings contribution is now spread across a number of geographies, demonstrating the evolution of Aspen into a diverse pharmaceutical group with growing businesses across the globe. Management intends to continue to seek opportunities to widen the extent of the Group's territorial reach and to increase the depth of its product offering.

By order of the Board

N J Dlamini
Chairman

S B Saad
Group Chief Executive

Woodmead
7 March 2012

Group statement of financial position

		Unaudited 31 December 2011 Rm	Unaudited 31 December 2010 Rm	Audited 30 June 2011 Rm
ASSETS				
Non-current assets				
Property, plant and equipment		**3 915,3**	2 833,0	3 651,5
Goodwill		**5 263,7**	456,4	4 626,6
Intangible assets	G#	**10 223,5**	7 918,9	8 916,7
Other non-current financial receivables		**41,4**	38,8	11,8
Deferred tax assets		**200,2**	69,5	216,5
Total non-current assets		**19 644,1**	11 316,6	17 423,1
Current assets				
Inventories		**3 046,4**	2 140,2	2 628,1
Receivables, prepayments and other current assets		**3 701,5**	2 774,9	3 263,8
Cash restricted for use		**22,3**	43,6	28,7
Cash and cash equivalents		**3 330,5**	3 809,5	3 039,2
Total operating current assets		**10 100,7**	8 768,2	8 959,8
Assets classified as held for sale		**—**	558,2	414,5
Total current assets		**10 100,7**	9 326,4	9 374,3
Total assets		**29 744,8**	20 643,0	26 797,4
SHAREHOLDERS' EQUITY				
Share capital and premium (including treasury shares)		**4 322,2**	4 773,4	4 776,2
Reserves		**11 215,4**	6 263,0	8 288,0
Ordinary shareholders' equity		**15 537,6**	11 036,4	13 064,2
Equity component of preference shares		**162,0**	162,0	162,0
Non-controlling interests		**71,4**	63,8	61,1
Total shareholders' equity		**15 771,0**	11 262,2	13 287,3
LIABILITIES				
Non-current liabilities				
Preference shares – liability component		**378,9**	383,9	381,3
Borrowings		**6 449,4**	2 446,4	4 249,0
Retirement benefit obligations		**18,8**	15,4	18,8
Deferred revenue and other non-current liabilities		**148,5**	152,6	148,2
Deferred tax liabilities		**518,2**	262,8	504,9
Total non-current liabilities		**7 513,8**	3 261,1	5 302,2
Current liabilities				
Trade and other payables		**2684,9**	2 314,9	2 830,8
Borrowings		**3 473,1**	3 510,5	5 138,0*
Derivative financial instruments		**32,1**	91,9	65,6
Other current liabilities		**269,9**	202,4	142,6
Total operating current liabilities		**6 460,0**	6 119,7	8 177,0
Liabilities associated with assets held for sale		**—**	—	30,9
Total current liabilities		**6 460,0**	6 119,7	8 207,8
Total liabilities		**13 973,8**	9 380,8	13 510,1
Total equity and liabilities		**29 744,8**	20 643,0	26 797,4
Number of shares in issue (net of treasury shares) ('000)		**436 541**	433 300	433 883
Net asset value per share (cents)		**3 559,3**	2 547,1	3 011,0

#See notes on Supplementary information.
*Bank overdrafts are included within borrowings under current liabilities.

Group statement of cash flows

	% change	Unaudited six months ended 31 December 2011 Rm	Unaudited restated six months ended 31 December 2010 Rm	Audited year ended 30 June 2011 Rm
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash operating profit		**2 308,2**	1 808,4	3 845,0
Changes in working capital		**(497,0)**	(875,0)	(463,2)
Cash generated from operations		**1 811,2**	933,4	3 381,8
Net financing costs paid		**(302,4)**	(119,3)	(401,3)
Tax paid		**(298,2)**	(126,7)	(534,6)
Cash generated from operating activities*		**1 210,6**	687,4	2 445,9
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure – property, plant and equipment		**(237,0)**	(309,5)	(651,5)
Proceeds on disposal of tangible assets		**1,7**	11,0	2,8
Capital expenditure – intangible assets		**(381,3)**	(78,1)	(188,7)
Proceeds on disposal of intangible assets		**11,6**	32,9	197,5
Acquisition of subsidiary and businesses		**—**	(2,6)	(5 893,2)
Proceeds on disposal of subsidiary and associate		**—**	—	628,1
Proceeds on disposal of assets held for sale	J[#]	**250,1**	—	10,3
(Increase)/decrease in non-current financial receivables		**(29,6)**	(6,6)	25,1
Advance proceeds on held for sale assets		**—**	616,1	290,2
Net investment hedge in Asia Pacific		**—**	69,1	(66,1)
Settlement of prior year acquisition of subsidiary		**(42,5)**	—	—
Settlement of sale and leaseback agreement in Asia Pacific		**(102,2)**	—	—
Cash (used in)/generated from investing activities		**(529,2)**	332,3	(5 645,5)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net (repayment of)/proceeds from borrowings		**(239,4)**	430,7	3 567,8
Capital distribution		**(457,6)**	(302,9)	(302,9)
Dividend paid		**(2,0)**	(1,7)	(1,7)
Proceeds from issue of ordinary share capital		**22,0**	7,4	10,0
Acquisition of treasury shares		**(18,6)**	(20,1)	(20,1)
Decrease/(Increase) in cash restricted for use as security for borrowings		**6,4**	(21,8)	(6,1)
Cash (used in)/generated from financing activities		**(689,2)**	91,6	3 247,0
Movement in cash and cash equivalents before translation effects of foreign operations		**(7,8)**	1 111,3	47,4
Translation effects on cash and cash equivalents of foreign operations		**253,4**	(174,1)	(107,3)
Cash and cash equivalents				
Movement in cash and cash equivalents		**245,6**	937,2	(59,9)
Cash and cash equivalents at the beginning of the period/year		**1 752,8**	1 812,7	1 812,7
Cash and cash equivalents at the end of the period/year		**1 998,4**	2 749,9	1 752,8
	% change			
***Operating cash flow per share (cents)**				
From continuing operations	82	**278,2**	152,8	554,8
From discontinued operations		**—**	6,2	10,2
	75	**278,2**	159,0	565,0
The above includes discontinued operations of:				
Cash generated from operating activities		**—**	26,9	44,2
Cash and cash equivalents per the statement of cash flows		**—**	26,9	44,2
Reconciliation of cash and cash equivalents				
Cash and cash equivalents per the statement of financial position		**3 330,5**	3 809,5	3 039,2
Less: bank overdrafts		**(1 332,1)**	(1 059,6)	(1 286,4)
Cash and cash equivalents per the statement of cash flows		**1 998,4**	2 749,9	1 752,8

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

[#]See notes on Supplementary information.

Group statement of comprehensive income

		% change	Unaudited six months ended 31 December 2011 Rm	Unaudited restated six months ended 31 December 2010 Rm	Audited year ended 30 June 2011 Rm
CONTINUING OPERATIONS					
Revenue		31	**7 504,9**	5 744,6	12 383,2
Cost of sales			**(3 929,1)**	(3 195,1)	(6 769,7)
Gross profit		40	**3 575,8**	2 549,5	5 613,5
Selling and distribution expenses			**(953,0)**	(663,7)	(1 460,7)
Administrative expenses			**(553,5)**	(328,5)	(827,3)
Other operating income			**99,1**	85,0	192,8
Other operating expenses			**(167,9)**	(78,9)	(369,3)
Operating profit	B#	28	**2 000,5**	1 563,4	3 149,0
Investment income	C#		**115,2**	127,8	193,2
Financing costs	D#		**(386,6)**	(250,3)	(605,3)
Profit before tax		20	**1 729,1**	1 440,9	2 736,9
Tax			**(383,1)**	(316,5)	(582,1)
Profit after tax from continuing operations		20	**1 346,0**	1 124,4	2 154,8
DISCONTINUED OPERATIONS					
Profit after tax for the period/year from discontinued operations	E#		**157,5**	42,6	434,0
Profit for the period/year		29	**1 503,5**	1 167,0	2 588,8
OTHER COMPREHENSIVE INCOME					
Currency (losses)/gains on net investment in Asia Pacific			**(54,4)**	—	81,2
Amounts recognised in equity due to hedge accounting of acquisitions			**—**	95,7	150,7
Currency translation gains/(losses)	F#		**1 452,0**	(631,7)	(223,0)
Cash flow hedges realised			**—**	4,6	4,6
Unrealised cash flow hedges recognised			**19,4**	47,2	59,7
Total comprehensive income			**2 920,5**	682,8	2 662,0
Profit for the period/year attributable to:					
Equity holders of the parent			**1 495,3**	1 154,8	2 577,8
Non-controlling interests			**8,2**	12,2	11,0
		29	**1 503,5**	1 167,0	2 588,8
Total comprehensive income for the period/year attributable to:					
Equity holders of the parent			**2 909,5**	672,5	2 655,3
Non-controlling interests			**11,0**	10,3	6,7
			2 920,5	682,8	2 662,0
Weighted average number of shares in issue ('000)			**435 143**	432 354	432 914
Basic earnings per share (cents)					
From continuing operations		20	**307,4**	257,2	495,2
From discontinued operations			**36,2**	9,9	100,3
		29	**343,6**	267,1	595,5
Diluted earnings per share (cents)					
From continuing operations		20	**296,5**	246,7	476,5
From discontinued operations			**34,7**	9,3	95,5
		29	**331,2**	256,0	572,0
Capital distribution					
Capital distribution per share (cents)			**105,0**	70,0	70,0
The capital distribution of 105,0 cents relates to the distribution declared on 13 September 2011 and paid on 17 October 2011 (The capital distribution of 70,0 cents relates to the distribution declared on 15 September 2010 and paid on 11 October 2010).					

#See notes on Supplementary information.

Group statement of headline earnings

	% change	Unaudited six months ended 31 December 2011 Rm	Unaudited restated six months ended 31 December 2010 Rm	Audited year ended 30 June 2011 Rm
HEADLINE EARNINGS				
Reconciliation of headline earnings				
Profit attributable to equity holders of the parent		**1 495,3**	1 154,8	2 577,8
Adjusted for:				
Continuing operations				
– Impairment of property, plant and equipment (net of tax)		**3,6**	—	7,4
– Profit on disposal of tangible and intangible assets (net of tax)		**(0,1)**	(2,1)	(11,8)
– Net impairment of intangible assets (net of tax)		**35,7**	21,5	83,8
– Insurance compensation – capital component (net of tax)		**—**	(3,6)	(11,5)
Discontinued operations				
– Profit on the sale of the Campos facility and related non-core hospital products in Brazil (net of tax)		**(121,9)**	—	—
– Profit on the sale of the Oncology business (net of tax)		**—**	—	(367,9)
– Profit on sale of Co-Pharma Ltd (net of tax)		**—**	(7,4)	(7,4)
– Profit on disposal of personal care products in South Africa (net of tax)		**(35,6)**	(16,1)	(18,1)
	20	**1 377,0**	1 147,1	2 252,3
Headline earnings				
From continuing operations	22	**1 377,0**	1 128,0	2 211,7
From discontinued operations		**—**	19,1	40,6
	20	**1 377,0**	1 147,1	2 252,3
Headline earnings per share (cents)				
From continuing operations	21	**316,4**	260,9	510,9
From discontinued operations		**—**	4,4	9,4
	19	**316,4**	265,3	520,3
Headline earnings per share – diluted (cents)				
From continuing operations	22	**305,2**	250,1	491,4
From discontinued operations		**—**	4,2	8,9
	20	**305,2**	254,3	500,3
NORMALISED HEADLINE EARNINGS				
Reconciliation of normalised headline earnings				
Headline earnings		**1 377,0**	1 147,1	2 252,3
Adjusted for:				
Continuing operations				
– Restructuring costs (net of tax)		**9,3**	—	23,1
– Transaction costs (net of tax)		**4,1**	14,5	121,7
Discontinued operations				
– Restructuring costs (net of tax)		**—**	—	3,7
	20	**1 390,4**	1 161,6	2 400,8
Normalised headline earnings				
From continuing operations	22	**1 390,4**	1 142,5	2 356,5
From discontinued operations		**—**	19,1	44,3
	20	**1 390,4**	1 161,6	2 400,8
Normalised headline earnings per share (cents)				
From continuing operations	21	**319,5**	264,3	544,3
From discontinued operations		**—**	4,4	10,2
	19	**319,5**	268,7	554,5
Normalised headline earnings per share – diluted (cents)				
From continuing operations	22	**308,1**	253,3	523,3
From discontinued operations		**—**	4,2	9,7
	20	**308,1**	257,5	533,0

Group statement of change in equity

	Share capital and share premium (Including treasury share) Rm
Balance at 30 June 2010	**5 089,0**
Total comprehensive income	—
Profit for the year	—
Other comprehensive income	—
Capital distribution	(302,9)
Dividend paid	—
Issue of ordinary share capital – share schemes	10,0
Treasury shares purchased	(20,1)
Share options and appreciation rights expensed (including deferred incentive bonus)	—
Deferred bonus shares released	0,2
Equity portion of tax claims in respect of share schemes	—
Hyperinflationary adjustment – Venezuela	—
Balance at 30 June 2011	**4 776,2**
Total comprehensive income	—
Profit for the period	—
Other comprehensive income	—
Capital distribution	(457,6)
Dividend paid	—
Issue of ordinary share capital – share schemes	22,0
Treasury shares purchased	(18,6)
Share options and appreciation rights expensed (including deferred incentive bonus)	—
Deferred bonus shares released	0,2
Hyperinflationary adjustment – Venezuela	—
Balance at 31 December 2011	**4 322,2**

Reserves Rm	Equity component of preference shares Rm	Total attributable to equity holders of the parent Rm	Non-controlling interests Rm	Total Rm
5 580,0	**162,0**	**10 831,0**	**55,2**	**10 886,2**
2 655,3	—	2 655,3	6,7	2 662,0
2 577,8	—	2 577,8	11,0	2 588,8
77,5	—	77,5	(4,3)	73,2
—	—	(302,9)	—	(302,9)
—	—	—	(1,7)	(1,7)
—	—	10,0	—	10,0
—	—	(20,1)	—	(20,1)
26,3	—	26,3	—	26,3
(0,2)	—	—	—	—
23,6	—	23,6	—	23,6
3,0	—	3,0	0,9	3,9
8 288,0	**162,0**	**13 226,2**	**61,1**	**13 287,3**
2 909,5	—	2 909,5	11,0	2 920,5
1 495,3	—	1 495,3	8,2	1 503,5
1 414,2	—	1 414,2	2,8	1 417,0
—	—	(457,6)	—	(457,6)
—	—	—	(2,0)	(2,0)
—	—	22,0	—	22,0
—	—	(18,6)	—	(18,6)
13,3	—	13,3	—	13,3
(0,2)	—	—	—	—
4,8	—	4,8	1,3	6,1
11 215,4	**162,0**	**15 699,6**	**71,4**	**15 771,0**

Segmental analysis

	Unaudited six months ended 31 December 2011 Rm	% of total
REVENUE FROM CONTINUING OPERATIONS		
South Africa	2 908,2	36
Sub-Saharan Africa	835,3	10
Asia Pacific	2 858,9	36
International	1 443,2	18
Total gross revenue	8 045,6	100
Adjustment*	(540,7)	
Total revenue	7 504,9	
OPERATING PROFIT BEFORE AMORTISATION FROM CONTINUING OPERATIONS		
Adjusted for specific non-trading items		
South Africa	840,6	39
Operating profit	798,8	
Amortisation of intangible assets	33,4	
Insurance compensation – capital component	—	
Restructuring costs	3,4	
Impairment of assets	5,0	
Sub-Saharan Africa	135,8	6
Operating profit	135,3	
Amortisation of intangible assets	0,5	
Profit on sale of non-current assets	—	
Asia Pacific	735,8	34
Operating profit	677,3	
Amortisation of intangible assets	49,8	
Profit on sale of non-current assets	—	
Transaction costs	—	
Restructuring costs	8,7	
International	455,0	21
Operating profit	389,1	
Amortisation of intangible assets	19,5	
Transaction costs	—	
Impairment of assets	46,4	
	2 167,2	100
ENTITY WIDE DISCLOSURE – REVENUE FROM CONTINUING OPERATIONS		
Analysis of revenue in accordance with customer geography		
South Africa – pharmaceuticals	2 430,7	30
South Africa – consumer	477,5	6
Sub-Saharan Africa	835,3	10
Asia Pacific	2 892,4	36
Latin America	543,9	7
Rest of the world	865,8	11
Total gross revenue	8 045,6	100
Adjustment*	(540,7)	
Total revenue	7 504,9	

*The profit share from the GSK Aspen Healthcare for Africa collaboration has been disclosed as revenue in the statement of comprehensive income. For segmental purposes the total revenue for the collaboration has been included to provide enhanced revenue visibility in this territory.

Unaudited restated six months ended 31 December 2010 Rm	% of total	% change	Restated year ended 30 June 2011 Rm	% of total
3 268,3	54	(11)	6 296,2	48
666,1	11	25	1 300,9	10
840,5	14	240	3 003,5	23
1 368,6	21	5	2 613,5	19
6 143,5	100	31	13 214,1	100
(398,9)			(830,9)	
5 744,6		31	12 383,2	
1 013,5	62	(17)	1 934,1	55
981,1		(19)	1 857,4	
24,1			51,1	
(4,6)			(14,3)	
—			11,3	
12,9			28,6	
110,8	7	23	177,4	5
118,6		14	182,4	
1,4			3,7	
(9,2)			(8,7)	
133,1	8	453	641,7	18
121,6		457	551,1	
11,5			51,2	
—			(6,4)	
—			24,5	
—			21,3	
389,9	23	17	735,4	22
342,1		14	558,1	
14,5			37,0	
18,8			61,6	
14,5			78,7	
1 647,3	100	32	3 488,6	100
2 681,7	44	(9)	5 177,6	39
586,6	10	(19)	1 118,5	9
666,1	11	25	1 300,9	10
900,0	15	221	3 090,9	23
442,5	7	23	924,9	7
866,6	13	0	1 601,3	12
6 143,5	100	31	13 214,1	100
(398,9)			(830,9)	
5 744,6		31	12 383,2	

Supplementary information

	Unaudited six months ended 31 December 2011 Rm	Unaudited restated six months ended 31 December 2010 Rm	Audited year ended 30 June 2011 Rm
A. CAPITAL EXPENDITURE			
Incurred	**618,3**	387,6	840,2
– tangible assets	**237,0**	309,5	651,5
– intangible assets	**381,3**	78,1	188,7
Contracted			
– tangible assets	**156,5**	52,1	134,2
– intangible assets	**75,3**	25,1	49,0
Authorised but not contracted for			
– tangible assets	**19,6**	164,4	275,3
– intangible assets	**9,2**	—	58,1
B. OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING)			
Depreciation of property, plant and equipment	**125,1**	96,1	215,0
Amortisation of intangible assets	**103,2**	51,5	143,0
Impairment of property, plant and equipment	**4,8**	—	10,0
Impairment of intangible assets	**46,6**	27,4	97,3
Share-based payment expenses – employees	**15,1**	12,1	30,6
Transaction costs	**—**	18,8	86,1
Restructuring costs	**12,1**	—	32,6
Insurance compensation	**(63,0)**	(62,3)	(156,5)
C. INVESTMENT INCOME			
Interest received	**115,2**	127,8	193,2
D. FINANCING COSTS			
Interest paid	**(374,3)**	(265,1)	(611,1)
Capital raising fees	**(5,4)**	—	(33,2)
Net foreign exchange (losses)/gains	**(30,8)**	39,7	60,8
Fair value gains/(losses) on financial instruments	**34,5**	(13,4)	1,2
Notional interest on financial instruments	**1,7**	1,4	3,3
Preference share dividends paid	**(12,3)**	(12,9)	(26,3)
	(386,6)	(250,3)	(605,3)
E. PROFIT AFTER TAX FOR THE PERIOD/YEAR FROM DISCONTINUED OPERATIONS			
Profit after tax for the period/year from discontinued operations	**—**	19,2	40,6
Profit on the sale of the Campos facility and related non-core hospital products in Brazil	**121,9**	—	—
Profit on sale of personal care products in South Africa	**35,6**	16,0	18,1
Profit on sale of Co-Pharma Ltd	**—**	7,4	7,4
Profit on sale of the Oncology business	**—**	—	367,9
	157,5	42,6	434,0

Supplementary information (continued)

	Unaudited six months ended 31 December 2011 Rm	Unaudited restated six months ended 31 December 2010 Rm	Audited year ended 30 June 2011 Rm

F. CURRENCY TRANSLATION MOVEMENTS

Currency translation movements on the translation of the international businesses is as a result of the difference between the weighted average exchange rate used for trading results and the closing exchange rate applied in the statement of financial position. For the reporting period the weaker closing ZAR translation rate significantly increased the Group net asset value.

	Unaudited six months ended 31 December 2011 Rm	Unaudited restated six months ended 31 December 2010 Rm	Audited year ended 30 June 2011 Rm
G. INTANGIBLE ASSETS MOVEMENT			
Opening balance	**8 916,7**	8 609,9	8 609,9
Acquisition of subsidiaries	**—**	22,4	1 083,9
Additions – other	**381,3**	78,1	188,7
Disposals	**(11,6)**	(17,1)	(179,0)
Amortisation	**(103,2)**	(52,4)	(144,4)
Translation of foreign operations	**1 079,8**	(717,1)	(547,2)
Transferred to assets held for sale	**—**	—	(29,4)
Software projects implemented	**7,1**	22,5	31,5
Impairment of intangible assets	**(46,6)**	(27,4)	(97,3)
	10 223,5	7 918,9	8 916,7
H. CONTINGENT LIABILITIES			
There are contingent liabilities in respect of:			
Additional payments in respect of the Quit worldwide intellectual property rights	**8,1**	6,6	6,7
Contingency arising from product liability claim	**21,1**	—	17,6
Contingencies arising from labour cases	**24,8**	—	24,8
Guarantees covering loan and other obligations to third parties	**17,2**	15,0	1,7
Tax duty contingencies	**11,7**	8,3	10,3
I. GUARANTEES TO FINANCIAL INSTITUTIONS			
Material guarantees given by Group companies for indebtness of subsidiaries to financial institutions	**3 659,5**	2 201,8	5 787,6
J. NET ASSETS CLASSIFIED AS HELD FOR SALE			
Onco Laboratories	**—**	226,9	—
Campos facility and related products in Brazil	**—**	331,3	348,5
Personal care products in South Africa	**—**	—	35,1
	—	558,2	383,6

Campos facility and related products in Brazil

An agreement was reached in June 2011 for the sale of the Campos facility and related products in Brazil to Strides Arcolab Ltd as the specialised manufacture of penicillins and penems, primarily for the public sector and contract manufacturing business is not considered to be core to the product offering of the Brazilian company. The conditions precedent were fulfilled in December 2011.

Personal care products in South Africa

The sale of the South African toothpaste business to the Unilever group was concluded in September 2011.

Basis of accounting

The consolidated interim financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 – Interim Financial Reporting, the Listings Requirements of the JSE Ltd and the South African Companies Act (2008).

The accounting policies used in the preparation of these interim results are consistent with those used in the annual financial statements for the year ended 30 June 2011.

The statement of comprehensive income, statement of cash flows and the segmental analysis for the six months ended 31 December 2010 were restated to exclude the discontinued operations.

Operations classified as discontinued include the following:

– The South African personal care products disposed of during the previous and current period;

– The products acquired from GSK for the territories of India, Pakistan, Bangladesh, Sri-Lanka and Afghanistan; and

– The Campos facility and related non-core hospital products in Brazil.

The results of the Sigma business are included for the full six months with no comparative in the prior period. The segmental analysis for the year ended 30 June 2011 was restated to disclose the Asia Pacific region as a separate segment due to the increased materiality of this region to the Group.

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 will not be achieved. If one or more of these risks materialise, 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.

DIRECTORS
N J Dlamini (Chairman)*, R C Andersen*, M G Attridge, M R Bagus*, J F Buchanan*, S A Hussain*, C N Mortimer*, S B Saad, S V Zilwa*

*Non-executive director

D Nurek resigned as a non-executive director with effect from 1 December 2011.

COMPANY SECRETARY
R Verster

R Verster replaced H A Shapiro as company secretary with effect from 1 December 2011.

REGISTERED OFFICE
Building no 8, Healthcare Park, Woodlands Drive, Woodmead

TRANSFER SECRETARY
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BASTION GRAPHICS

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