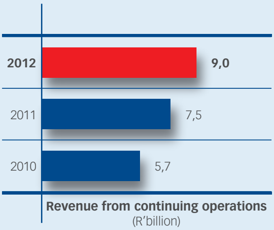
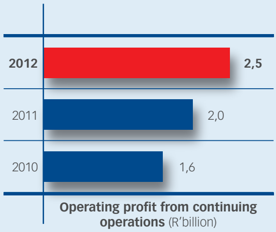
aspen HOLDINGS

Aspen Pharmacare Holdings Limited

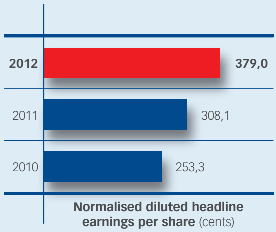
Unaudited interim financial results
for the six months ended 31 December 2012



Revenue from continuing operations increased **20% to R9,0 billion**

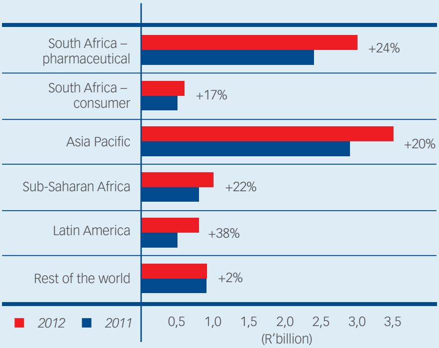


Operating profit from continuing operations increased **24% to R2,5 billion**

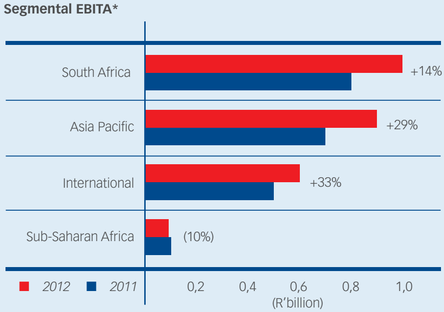


Normalised diluted headline earnings per share increased **23% to 379,0 cents**

Segmental gross revenue (analysis by customer geography)



Segmental EBITA*



**EBITA represents operating profit from continuing operations adjusted for specific non-trading items.*

Offshore contribution increased **to 63%** of Group operating profit

Earnings per share increased **7% to 369,3 cents**

Headline earnings per share increased **17% to 371,1 cents**

Commentary and renewal of cautionary announcement

Group performance

Aspen increased revenue by 20% to R9,0 billion and operating profit from continuing operations by 24% to R2,5 billion in the six months ended 31 December 2012. Normalised headline earnings, being headline earnings adjusted for restructuring costs, transaction costs and foreign exchange movements on transaction accounting, advanced by 24% to R1,7 billion. Normalised diluted headline earnings per share was 23% higher at 379 cents.

South African business

The South African business maintained the favourable momentum from the second half of the prior year, raising revenue by 23% to R3,6 billion and improving operating profit before amortisation, adjusted for specific non-trading items ("EBITA"), by 14% to R960 million. Revenue in the Pharmaceutical division increased by 24%, buoyed by ongoing organic growth, positive performances from new product launches and a strong upswing in anti-retrovirals ("ARVs") sold under the public sector tender. Higher priced raw materials due to the weakening Rand and a greater weighting towards low margin ARVs resulted in margins in the Pharmaceutical division tightening despite production efficiency gains. The Consumer division increased revenue by 17%, led by impressive advances from Infacare, Aspen's leading infant milk formula brand. Consumer margins were also negatively affected by the higher costs of imports.

Capital projects are underway at each of the Group's South African manufacturing sites. These projects are designed to add capacity and advance technologies available to Aspen as part of the enduring aim to lower cost of goods. The Aspen board of directors has recently authorised a new project for the construction of two high containment suites, one for hormonals and one for oncolytics, on the Port Elizabeth site. The high containment suites are for oral solid dose products requiring containment due to the risks associated with long term exposure to these drugs during manufacture. This highly specialised manufacture is a further initiative towards Aspen's objective of achieving a strategic advantage through its production facilities.

Asia Pacific business

The Asia Pacific business maintained its record of continuous growth, lifting revenue by 18% to R3,4 billion and growing EBITA by 29% to R949 million. Revenue growth was achieved in Australia, the dominant contributor to this territory, despite mandatory price cuts imposed by the regulator. A key growth driver was new products secured through acquisitions. Revenue from Aspen's products in Asia also continued to grow. Margins widened as the programme of cost of goods savings produced additional benefits. Results benefitted from the strengthening of local currencies relative to the Rand. The consolidation and rationalisation of Australia's manufacturing facilities progressed further with the decision reached to close the Baulkham Hills site. Once complete this will result in all manufacture in Australia being concentrated on the Dandenong site.

International business

The International business increased revenue by 22% to R1,8 billion and expanded EBITA by 33% to R604 million. The Latin American region was the greatest contributor to the revenue advancement due to a combination of organic and acquisitive growth. In line with Aspen's objective of extending its footprint in Latin America, a subsidiary was established in Argentina during the period. In addition to the revenue growth achieved in this territory, EBITA was also lifted by improved margins delivered by the global brands portfolio.

Commentary and renewal of cautionary announcement
(continued)

Sub-Saharan Africa business

Gross revenue from Sub-Saharan Africa was up by 19% at R1,0 billion as greater promotional activity yielded positive outcomes. An even better performance was inhibited by political unrest in both Nigeria and Kenya, two leading markets in the territory. EBITA however declined 10% to R122 million as margins were pressured by an increased investment in sales representatives and regulatory support, relative currency weakness in the territory and by a shift in sales mix.

Funding

As anticipated, borrowings, net of cash, increased from R7,1 billion at the beginning of the period to R10,4 billion as a consequence of the acquisition activity during the six months. Gearing moved up to 36% from 29% at the commencement of the financial year. An investment of R3,5 billion was made in the acquisition of products, the largest of which was the purchase from Glaxosmithkline of a portfolio of 25 established pharmaceutical productions ("the classic brands") distributed in Australia which completed on 30 November 2012 giving rise to a cash outflow of R2,2 billion. The upfront investment in inventory to support the acquisition of the classic brands portfolio added R150 million to the investment in working capital. Financing costs, net of interest received, was R263 million, covered 10 times by operating profit before amortisation.

Prospects

The South African pharmaceutical business has the most comprehensive product offering in the country and leads the industry in both the private and public sectors. Focus will remain on extensive sales representation and promotional support driving consistent organic growth supplemented by regular new introductions to the market from the prolific product pipeline. Aspen will implement the 5,8% Single Exit Price increase granted by the Department of Health during March which will provide some relief to the margin pressure created by the weakening of the Rand and high administered inflation. Aspen received a reduced share of the public sector ARV tender awarded recently and which has commenced on a phased basis. However, in achieving the largest allocation of the once-a-day triple combination, Tenofovir/Emtricitabine/Efavirenz, Aspen has secured supply of the product most favoured by clinicians as the first choice ARV treatment. Infant milk formula products are set to continue as the most important contributor to the performance of the South African Consumer division in the second half.

The Asia Pacific business is expected to replace South Africa as the Group's largest revenue generator by the end of the 2013 financial year as sales from the classic brands add impetus to the second half performance. Aspen's growing prominence in Australia and its unique offering spanning branded, generic and OTC medicines positions it well to outperform the market in this country. The demographic profile and regulator interventions limit growth prospects for the Australian market and Aspen is looking to build its influence in Asia to sustain the growth achievements of the Asia Pacific territory. Following the successful establishment of a subsidiary in the Philippines last year, Aspen will commence trade in Malaysia before the end of the financial year. Further countries in which Aspen can set up its own sales infrastructure in Asia are under consideration.

Growth of the global brands portfolio and improved profit margins from this product range have been important drivers of the increased profit contribution from the International business. The Group is continuing to vigorously explore opportunities to expand the global brands portfolio by adding value enhancing products. Prospects remain positive in the Latin American territories for both organic and acquisitive growth.

Greater coverage by sales representatives in Sub-Saharan Africa should support further revenue generation provided the volatile political situation in key areas does not constrain this activity. The decline in earnings in the first half should be reversed over the full year as measures to address margin losses take effect. A subsidiary has recently been established in Nigeria and will initially focus on Aspen's OTC and consumer products.

Significant attention is being given to the assessment of investment opportunities which will add to the Group's value proposition. It is expected that the favourable performance of the Group will continue into the second half of this financial year.

Renewal of Cautionary Announcement

Shareholders are referred to the cautionary announcement released by Aspen on 4 February 2013 in which shareholders were advised of discussions between Aspen and MSD (known as Merck in the United States and Canada) in respect of a possible transaction comprising the acquisition of an active pharmaceutical ingredient facility situated primarily in the Netherlands and a related portfolio of pharmaceutical finished dose form products.

These discussions are ongoing and may have a material effect on the price of Aspen's securities if successfully concluded and accordingly shareholders are advised to continue exercising caution when dealing in Aspen's securities.

By order of the Board

N J Dlamini
(Chairman)

S B Saad
(Group Chief Executive)

Woodmead
7 March 2013

Aspen's unaudited interim financial results for the six months ended 31 December 2012 were prepared under the supervision of the Deputy Group Chief Executive, M G Attridge CA(SA) and approved by the Board of Directors.

Group statement of financial position

	Notes	**Unaudited 31 December 2012 R'million**	Unaudited 31 December 2011 R'million	Audited 30 June 2012 R'million
ASSETS				
Non-current assets				
Property, plant and equipment		**4 021,7**	3 915,3	3 807,0
Goodwill	G#	**5 592,1**	5 263,7	5 343,9
Intangible assets	H#	**15 565,7**	10 223,5	11 869,8
Other non-current financial receivables		**27,0**	41,4	31,5
Deferred tax assets		**235,7**	200,2	234,4
Total non-current assets		**25 442,2**	19 644,1	21 286,6
Current assets				
Inventories		**3 704,4**	3 046,4	3 292,0
Receivables, prepayments and other current assets		**4 260,8**	3 701,5	3 825,2
Cash and cash equivalents		**3 754,9**	3 330,5	3 313,5
Cash restricted for use		**—**	22,3	1,2
Total current assets		**11 720,1**	10 100,7	10 431,9
Total assets		**37 162,3**	29 744,8	31 718,5
SHAREHOLDERS' EQUITY				
Share capital and share premium (including treasury shares)		**3 983,4**	4 322,2	4 703,1
Reserves		**14 981,3**	11 215,4	12 686,3
Ordinary shareholders' equity		**18 964,7**	15 537,6	17 389,4
Preference shares – equity component		**—**	162,0	—
Non-controlling interests		**11,4**	71,4	8,7
Total shareholders' equity		**18 976,1**	15 771,0	17 398,1
LIABILITIES				
Non-current liabilities				
Preference shares – liability component		**—**	378,9	—
Borrowings		**6 241,2**	6 449,4	6 254,1
Deferred revenue		**140,1**	148,5	143,6
Deferred tax liabilities		**524,4**	518,2	536,0
Retirement benefit obligations		**74,6**	18,8	66,4
Total non-current liabilities		**6 980,3**	7 513,8	7 000,1
Current liabilities				
Trade and other payables		**2 906,7**	2 684,9	2 929,2
Borrowings		**7 941,5**	3 473,1	4 127,1*
Other current liabilities		**343,3**	269,9	241,9
Derivative financial instruments		**14,4**	32,1	22,1
Total current liabilities		**11 205,9**	6 460,0	7 320,3
Total liabilities		**18 186,2**	13 973,8	14 320,4
Total equity and liabilities		**37 162,3**	29 744,8	31 718,5
Number of shares in issue (net of treasury shares) ('000)		**454 996**	436 541	454 186
Net asset value per share (cents)		**4 168,1**	3 559,3	3 828,7

#See notes on Supplementary information.

*Bank overdrafts are included within borrowings under current liabilities.

Group statement of cash flows

		Unaudited six months ended 31 December 2012 R'million	Unaudited six months ended 31 December 2011 R'million	Audited year ended 30 June 2012 R'million
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash operating profit		**2 855,9**	2 308,2	4 746,0
Changes in working capital		**(866,5)**	(497,0)	(869,6)
Cash generated from operations		**1 989,4**	1 811,2	3 876,4
Net financing costs paid		**(230,6)**	(302,4)	(513,9)
Tax paid		**(443,0)**	(298,2)	(454,1)
Cash generated from operating activities		**1 315,8**	1 210,6	2 908,4
CASH FLOWS USED IN INVESTING ACTIVITIES				
Capital expenditure – property, plant and equipment		**(301,9)**	(237,0)	(469,6)
Proceeds on the sale of property, plant and equipment		**3,0**	1,7	36,5
Capital expenditure – intangible assets		**(3 457,5)**	(381,3)	(2 148,8)
Proceeds on the sale of intangible assets		**—**	11,6	2,8
Acquisition of subsidiaries and businesses		**—**	(42,5)	(315,6)
Increase in other non-current financial receivables		**(6,2)**	(29,6)	(19,7)
Proceeds on the sale of assets held-for-sale		**—**	250,1	250,4
Net investment hedge in Aspen Asia Pacific		**—**	—	6,8
Capital funding from non-controlling interests		**—**	—	0,9
Settlement of sale and leaseback agreement in Aspen Asia Pacific		**—**	(102,2)	—
Cash used in investing activities		**(3 762,6)**	(529,2)	(2 656,3)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from borrowings		**3 378,6**	(239,4)	138,3
Dividends paid		**(0,2)**	(2,0)	(2,0)
Proceeds from issue of ordinary share capital		**4,9**	22,0	25,1
Acquisition of treasury shares		**(21,1)**	(18,6)	(19,3)
Capital distribution		**(714,9)**	(457,6)	(457,6)
Decrease in cash restricted for use as security for borrowings		**1,2**	6,4	27,2
Cash generated from/(used in) financing activities		**2 648,5**	(689,2)	(288,3)
Movement in cash and cash equivalents before translation effects of foreign operations		**201,7**	(7,8)	(36,2)
Translation effects on cash and cash equivalents of foreign operations		**86,4**	253,4	273,2
CASH AND CASH EQUIVALENTS				
Movement in cash and cash equivalents		**288,1**	245,6	237,0
Cash and cash equivalents at the beginning of the period		**1 989,8**	1 752,8	1 752,8
Cash and cash equivalents at the end of the period		**2 277,9**	1 998,4	1 989,8
	Change			
Diluted operating cash flow per share (cents)				
From continuing operations	8%	**288,4**	266,4	638,6
From discontinued operations		**—**	—	0,4
	8%	**288,4**	266,4	639,0
THE ABOVE INCLUDES DISCONTINUED OPERATIONS OF				
Cash generated from operating activities		**—**	—	1,7
Cash and cash equivalents per the statement of cash flows		**—**	—	1,7
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents per the statement of financial position		**3 754,9**	3 330,5	3 313,5
Less: bank overdrafts		**(1 477,0)**	(1 332,1)	(1 323,7)
		2 277,9	1 998,4	1 989,8

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.

Group statement of comprehensive income

	Notes	Change	Unaudited six months ended 31 December 2012 R'million	Unaudited six months ended 31 December 2011 R'million	Audited year ended 30 June 2012 R'million
CONTINUING OPERATIONS					
Revenue		20%	**8 997,1**	7 504,9	15 255,8
Cost of sales			**(4 630,0)**	(3 929,1)	(7 979,5)
Gross profit		22%	**4 367,1**	3 575,8	7 276,3
Selling and distribution expenses			**(1 128,8)**	(953,0)	(1 967,4)
Administrative expenses			**(641,3)**	(553,5)	(1 101,8)
Other operating income			**40,6**	99,1	218,9
Other operating expenses			**(152,3)**	(167,9)	(485,4)
Operating profit	B#	24%	**2 485,3**	2 000,5	3 940,6
Investment income	C#		**125,4**	115,2	275,4
Financing costs	D#		**(388,5)**	(386,6)	(776,0)
Profit before tax		29%	**2 222,2**	1 729,1	3 440,0
Tax			**(538,7)**	(383,1)	(772,3)
Profit after tax from continuing operations		25%	**1 683,5**	1 346,0	2 667,7
DISCONTINUED OPERATIONS					
Profit after tax for the period from discontinued operations	E#		**—**	157,5	159,2
Profit for the period		12%	**1 683,5**	1 503,5	2 826,9
OTHER COMPREHENSIVE INCOME, NET OF TAX*					
Currency gains/(losses) on net investment in Aspen Asia Pacific			**16,1**	(54,4)	(53,3)
Net investment hedge profit on capital reduction in Aspen Asia Pacific			**—**	—	6,8
Currency translation gains	F#		**592,4**	1 452,0	1 494,4
Unrealised cash flow hedges recognised			**11,3**	19,4	32,6
Total comprehensive income			**2 303,3**	2 920,5	4 307,4
Profit for the period attributable to					
Equity holders of the parent			**1 682,4**	1 495,3	2 817,8
Non-controlling interests			**1,1**	8,2	9,1
			1 683,5	1 503,5	2 826,9
Total comprehensive income attributable to					
Equity holders of the parent			**2 300,4**	2 909,5	4 295,4
Non-controlling interests			**2,9**	11,0	12,0
			2 303,3	2 920,5	4 307,4
Weighted average number of shares in issue ('000)			**455 553**	435 143	436 303
Diluted weighted average number of shares in issue ('000)			**456 317**	454 490	455 161
EARNINGS PER SHARE					
Basic earnings per share (cents)					
From continuing operations		20%	**369,3**	307,4	609,3
From discontinued operations			**—**	36,2	36,5
		7%	**369,3**	343,6	645,8
Diluted earnings per share (cents)					
From continuing operations		24%	**368,7**	296,5	588,2
From discontinued operations			**—**	34,7	35,0
		11%	**368,7**	331,2	623,2
CAPITAL DISTRIBUTION					
Capital distribution per share (cents)			**157,0**	105,0	105,0

The capital distribution of 157,0 cents relates to the distribution declared on 12 September 2012 and paid on 15 October 2012. (The capital distribution of 105,0 cents relates to the distribution declared on 13 September 2011 and paid on 17 October 2011).

*All items included in other comprehensive income may subsequently be reclassified to profit or loss.

Group statement of headline earnings

	Change	**Unaudited six months ended 31 December 2012 R'million**	Unaudited six months ended 31 December 2011 R'million	Audited year ended 30 June 2012 R'million
HEADLINE EARNINGS				
Reconciliation of headline earnings				
Profit attributable to equity holders of the parent	13%	**1 682,4**	1 495,3	2 817,8
Continuing operations				
– Impairment of goodwill (net of tax)		**—**	—	43,6
– Impairment of property, plant and equipment (net of tax)		**7,4**	3,6	25,2
– Net impairment of intangible assets (net of tax)		**0,2**	35,7	107,9
– Loss/(Profit) on the sale of tangible and intangible assets (net of tax)		**0,7**	(0,1)	(0,7)
Discontinued operations				
– Profit on the sale of the personal care products in South Africa (net of tax)		**—**	(35,6)	(35,6)
– Profit on the sale of the Campos facility and related products in Brazil (net of tax)		**—**	(121,9)	(121,9)
	23%	**1 690,7**	1 377,0	2 836,3
Headline earnings				
From continuing operations	23%	**1 690,7**	1 377,0	2 834,6
From discontinued operations		**—**	—	1,7
	23%	**1 690,7**	1 377,0	2 836,3
Headline earnings per share (cents)				
From continuing operations	17%	**371,1**	316,4	649,7
From discontinued operations		**—**	—	0,4
	17%	**371,1**	316,4	650,1
Diluted headline earnings per share (cents)				
From continuing operations	21%	**370,5**	305,2	626,9
From discontinued operations		**—**	—	0,4
	21%	**370,5**	305,2	627,3
NORMALISED HEADLINE EARNINGS				
Reconciliation of normalised headline earnings				
Headline earnings	23%	**1 690,7**	1 377,0	2 836,3
Continuing operations				
– Restructuring costs (net of tax)		**13,5**	9,3	52,0
– Transaction costs (net of tax)		**25,1**	4,1	24,8
– Foreign exchange gain on transaction funding (net of tax)		**—**	—	(34,5)
	24%	**1 729,3**	1 390,4	2 878,6
Normalised headline earnings				
From continuing operations	24%	**1 729,3**	1 390,4	2 876,9
From discontinued operations		**—**	—	1,7
	24%	**1 729,3**	1 390,4	2 878,6
Normalised headline earnings per share (cents)				
From continuing operations	19%	**379,6**	319,5	659,4
From discontinued operations		**—**	—	0,4
	19%	**379,6**	319,5	659,8
Normalised diluted headline earnings per share (cents)				
From continuing operations	23%	**379,0**	308,1	636,2
From discontinued operations		**—**	—	0,4
	23%	**379,0**	308,1	636,6

Group statement of changes in equity

	Share capital and share premium (including treasury shares) R'million
BALANCE AT 1 JULY 2011	4 776,2
Total comprehensive income	—
Profit for the year	—
Other comprehensive income	—
Capital distribution	(457,6)
Subsidiary capital reduction	—
Acquisition of non-controlling interests in subsidiaries	—
Capital funding from non-controlling interest	—
Dividends paid	—
Issue of ordinary share capital	401,9
Issue of ordinary share capital – share schemes	25,1
Issue of ordinary share capital – conversion of preference shares	376,8
Treasury shares purchased	(19,3)
Deferred incentive bonus shares excercised	1,9
Share options and appreciation rights expensed (including deferred incentive bonus)	—
Equity portion of tax claims in respect of share schemes	—
Conversion of preference shares	—
Hyperinflationary adjustment – Venezuela	—
BALANCE AT 30 JUNE 2012	**4 703,1**
Total comprehensive income	**—**
Profit for the period	**—**
Other comprehensive income	**—**
Capital distribution	**(714,9)**
Dividends paid	**—**
Issue of ordinary share capital – share schemes	**4,9**
Treasury shares purchased	**(21,1)**
Deferred incentive bonus shares excercised	**11,4**
Share options and appreciation rights expensed (including deferred incentive bonus)	**—**
BALANCE AT 31 DECEMBER 2012	**3 983,4**

	Reserves R'million	Preference shares – equity component R'million	Total attributable to equity holders of the parent R'million	Non-controlling interests R'million	Total R'million
	8 288,0	162,0	13 226,2	61,1	13 287,3
	4 295,4	—	4 295,4	12,0	4 307,4
	2 817,8	—	2 817,8	9,1	2 826,9
	1 477,6	—	1 477,6	2,9	1 480,5
	—	—	(457,6)	—	(457,6)
	1,0	—	1,0	—	1,0
	(117,3)	—	(117,3)	(64,3)	(181,6)
	—	—	—	0,9	0,9
	—	—	—	(2,0)	(2,0)
	—	—	401,9	—	401,9
	—	—	25,1	—	25,1
	—	—	376,8	—	376,8
	—	—	(19,3)	—	(19,3)
	(1,9)	—	—	—	—
	24,5	—	24,5	—	24,5
	30,6	—	30,6	—	30,6
	162,0	(162,0)	—	—	—
	4,0	—	4,0	1,0	5,0
	12 686,3	**—**	**17 389,4**	**8,7**	**17 398,1**
	2 300,4	**—**	**2 300,4**	**2,9**	**2 303,3**
	1 682,4	**—**	**1 682,4**	**1,1**	**1 683,5**
	618,0	**—**	**618,0**	**1,8**	**619,8**
	—	**—**	**(714,9)**	**—**	**(714,9)**
	—	**—**	**—**	**(0,2)**	**(0,2)**
	—	**—**	**4,9**	**—**	**4,9**
	—	**—**	**(21,1)**	**—**	**(21,1)**
	(11,4)	**—**	**—**	**—**	**—**
	6,0	**—**	**6,0**	**—**	**6,0**
	14 981,3	**—**	**18 964,7**	**11,4**	**18 976,1**

Segmental analysis

	Unaudited six months ended 31 December 2012 R'million	% of total
REVENUE FROM CONTINUING OPERATIONS		
South Africa‡	3 565,7	37
Asia Pacific	3 383,3	35
International^	1 756,0	18
Sub-Saharan Africa	990,1	10
Total gross revenue	9 695,1	100
Adjustment*	(698,0)	
Total revenue	8 997,1	
OPERATING PROFIT BEFORE AMORTISATION FROM CONTINUING OPERATIONS		
Adjusted for specific non-trading items ("EBITA")		
South Africa	960,4	36
Operating profit#	923,9	
Amortisation of intangible assets	33,3	
Restructuring costs	1,0	
Impairment of assets	2,2	
Asia Pacific	948,7	36
Operating profit#	874,1	
Amortisation of intangible assets	56,3	
Restructuring costs	18,3	
International	603,9	23
Operating profit#	568,5	
Amortisation of intangible assets	26,5	
Impairment of assets	8,9	
Sub-Saharan Africa	122,3	5
Operating profit#	118,8	
Amortisation of intangible assets	3,5	
Restructuring costs	—	
Impairment of assets	—	
Total EBITA	2 635,3	100
ENTITY WIDE DISCLOSURE – REVENUE FROM CONTINUING OPERATIONS		
Analysis of revenue in accordance with customer geography		
South Africa – pharmaceutical	3 008,1	31
South Africa – consumer	558,1	6
Asia Pacific	3 472,1	36
Sub-Saharan Africa	1 018,7	10
Latin America	750,9	8
Rest of the world	887,2	9
Total gross revenue	9 695,1	100
Adjustment*	(698,0)	
Total revenue	8 997,1	

‡Excludes inter-segment revenue of R20,5 million (2011: R1,2 million).

^Excludes inter-segment revenue of R426,0 million (2011: R220,3 million).

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

#The aggregate segmental operating profit total of R2 485,3 million (2011: R2 000,5 million) agrees to the statement of comprehensive income.

Unaudited six months ended 31 December 2011 R'million	% of total	Change	Audited year ended 30 June 2012 R'mllion	% of total
2 908,2	36	23%	6 159,9	38
2 858,9	36	18%	6 021,0	37
1 443,2	18	22%	2 522,9	15
835,3	10	19%	1 651,7	10
8 045,6	100	21%	16 355,5	100
(540,7)			(1 099,7)	
7 504,9		20%	15 255,8	
840,6	39	14%	1 768,4	40
798,8		16%	1 616,2	
33,4			66,8	
3,4			3,4	
5,0			82,0	
735,8	34	29%	1 460,2	33
677,3		29%	1 291,6	
49,8			100,2	
8,7			68,4	
455,0	21	33%	938,5	21
389,1		46%	790,9	
19,5			41,1	
46,4			106,5	
135,8	6	(10%)	247,9	6
135,3		(12%)	241,9	
0,5			4,2	
—			1,7	
—			0,1	
2 167,2	100	22%	4 415,0	100
2 430,7	30	24%	5 161,7	32
477,5	6	17%	998,2	6
2 892,4	36	20%	6 088,8	37
835,3	10	22%	1 651,7	10
543,9	7	38%	1 023,7	6
865,8	11	2%	1 431,4	9
8 045,6	100	21%	16 355,5	100
(540,7)			(1 099,7)	
7 504,9		20%	15 255,8	

Supplementary information

	Unaudited six months ended 31 December 2012 R'million	Unaudited six months ended 31 December 2011 R'million	Audited year ended 30 June 2012 R'million
A. CAPITAL EXPENDITURE			
Incurred	**3 759,4**	618,3	2 618,4
– Tangible assets	**301,9**	237,0	469,6
– Intangible assets	**3 457,5**	381,3	2 148,8
Contracted	**456,7**	231,8	171,5
– Tangible assets	**373,3**	156,5	158,8
– Intangible assets	**83,4**	75,3	12,7
Authorised but not contracted for	**733,3**	28,8	3 713,6
– Tangible assets	**700,7**	19,6	456,4
– Intangible assets	**32,6**	9,2	3 257,2
B. OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING)			
Depreciation of property, plant and equipment	**141,0**	125,1	252,7
Amortisation of intangible assets	**119,6**	103,2	212,3
Impairment of property, plant and equipment	**10,9**	4,8	32,3
Impairment of intangible assets	**0,2**	46,6	112,7
Impairment of goodwill	**—**	—	43,6
Share-based payment expenses – employees	**17,5**	15,1	31,5
Restructuring costs	**19,3**	12,1	73,5
Insurance compensation	**—**	(63,0)	(63,0)
C. INVESTMENT INCOME			
Interest received	**125,4**	115,2	275,4
D. FINANCING COSTS			
Interest paid	**(399,6)**	(374,3)	(754,7)
Debt raising fees on acquisitions	**(26,8)**	(5,4)	(26,8)
Net foreign exchange gains/(losses)	**46,7**	(30,8)	2,5
Fair value gains on financial instruments	**(7,6)**	34,5	24,0
Notional interest on financial instruments	**(1,2)**	1,7	2,1
Preference share dividends paid	**—**	(12,3)	(23,1)
	(388,5)	(386,6)	(776,0)

	Unaudited six months ended 31 December 2012 R'million	Unaudited six months ended 31 December 2011 R'million	Audited year ended 30 June 2012 R'million
E. PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS			
Profit after tax for the period from discontinued operations	—	—	1,7
Profit on the sale of the Campos facility and related non-core hospital products in Brazil	—	121,9	121,9
Profit on the sale of the personal care products in South Africa	—	35,6	35,6
	—	157,5	159,2
F. CURRENCY TRANSLATION MOVEMENTS			
Currency translation movements on the translation of the offshore 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 year the weaker closing Rand translation rate increased the Group net asset value.			
G. GOODWILL MOVEMENT			
Opening balance	5 343,9	4 626,6	4 626,6
Acquisition of subsidaries	—	65,9	104,3
Impairment of goodwill	—	—	(43,6)
Translation of foreign operations	248,2	571,2	656,6
	5 592,1	5 263,7	5 343,9

Supplementary information *(continued)*

	Unaudited six months ended 31 December 2012 R'million	Unaudited six months ended 31 December 2011 R'million	Audited year ended 30 June 2012 R'million
H. INTANGIBLE ASSETS MOVEMENT			
Opening balance	**11 869,8**	8 916,7	8 916,7
Additions	**3 457,5**	381,3	2 148,8
GSK pharmaceutical products*	**2 193,5**	—	—
Novartis pharmaceutical products#	**459,5**	—	—
GSK OTC products^	**575,4**	—	1 589,2
Other	**229,1**	381,3	559,6
Disposals	**—**	(11,6)	(2,8)
Amortisation	**(119,6)**	(103,2)	(212,3)
Acquisition of subsidiaries	**—**	—	4,2
Software projects implemented	**0,4**	7,1	22,2
Impairment	**(0,2)**	(46,6)	(112,7)
Hyperinflationary adjustment – Venezuela	**—**	—	0,4
Translation of foreign operations	**357,8**	1 079,8	1 105,3
	15 565,7	10 223,5	11 869,8

*Competition approval authority was granted in November 2012 for the acquisition from GSK of a portfolio of 25 established pharmaceutical products distributed in Australia.

#A selected territory agreement was concluded in July 2012 with Novartis Pharma AG for the acquisition of two pharmaceutical products, Enablex and Tofranil.

^A multi-territory agreement was concluded with GSK in April 2012 for the acquisition of a portfolio of OTC products in selected territories including South Africa, Australia and Brazil. The leading products include recognised household brands such as Phillips Milk of Magnesia, Dequadin, Solpadeine, Cartia, Zantac and Borstol. The deal was effective 1 May 2012 except for certain markets which required competition authority approval: South Africa, Swaziland, Namibia, Kenya, Tanzania and the product, Zantac, in Australia. Competition authority approval was granted in Australia, South Africa and Swaziland during July and August 2012. Namibia, Kenya and Tanzania received competition authority approval in September 2012, October 2012 and February 2013 respectively.

	Unaudited six months ended 31 December 2012 R'million	Unaudited six months ended 31 December 2011 R'million	Audited year ended 30 June 2012 R'million
I. CONTINGENT LIABILITIES			
There are contingent liabilities in respect of:			
Additional payments in respect of the Quit worldwide intellectual property rights	**8,5**	8,1	8,1
Contingency arising from product liability claim	**22,4**	21,1	21,3
Contingencies arising from labour cases	**3,4**	24,8	4,2
Guarantees covering loan and other obligations to third parties	**2,4**	17,2	3,3
Import duty contingency	**9,0**	11,7	10,8

J. TAX CONTINGENCY

Following an audit, the South African Revenue Services ("SARS") notified Aspen by way of letter of findings and letters of assessment of its intention to impose tax on various South African companies relating to prior years. The letters deal mainly with corporate income tax and employees' tax issues. Aspen has responded to these letters and believes that all issues raised by SARS are defendable and that Aspen has sufficient evidence in support of its views and treatment of these tax matters. Due to the uncertainties inherent in the process, particularly in the early stages, the quantum of the amounts claimed by SARS and the timing of resolution of these matters cannot be determined.

K. GUARANTEES TO FINANCIAL INSTITUTIONS			
Guarantees given by Group companies for indebtedness of subsidiaries to financial institutions	**5 312,0**	3 659,5	5 003,0

Basis of accounting

The condensed interim financial results have been prepared in accordance with IAS 34 – Interim Financial Reporting, the Listings Requirements of the JSE Limited 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 2012.

* 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.

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", "indicate", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward looking statements will not be achieved. If one or more of these risks 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.

ASPEN PHARMACARE HOLDINGS LIMITED
(Registration number 1985/002935/06)
Share code: APN ISIN: ZAE000066692

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

*Non-executive director

Company Secretar: R Verster

There have been no changes in the directorate and company secretary of Aspen during the reporting period.

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BASTION GRAPHICS