



aspen

H O L D I N G S

Interim Results

31 December 2012



BUSINESS LEADER: STEPHEN SAAD
 From two rooms to R70bn

NIGEL DRYDEN, former general manager of South Africa who has been working for his multinational drug business firm SA...



BUSINESS LEADER: STEPHEN SAAD

Worthy recipients of our top awards



JSE JOHANNESBURG STOCK EXCHANGE
SRI Index



IDA Ireland Client Companies Created 12,722 New Jobs in 2012



IDA Ireland
 Not job creation of 6,579 by IDA clients represents highest level in a decade
 Job losses in FDI sector fell sharply due to company restructurings and competitiveness gain
 2013 positive promising, but challenges due to global downturn and reducing FDI competition
 JANUARY TO 2013 (Q4:2012) - IDA Ireland, the Irish Government and Investing FDI Competition
 Agency responsible for attracting foreign direct investment, has reported the creation of 12,722 new jobs during 2012. IDA client companies added a total of 6,579 new jobs. The IDA's client companies added a total of 6,579 new jobs. The IDA's client companies added a total of 6,579 new jobs.
 In total there were 145 individual investments, with 61 over 40% from companies coming to Ireland for the first time. The IDA client base has increased from 10,270 people a level not reached before the global financial crisis began in 2008. Net job creation rose to 6,579 from 5,824 last year.
 Among the biggest investments were Apple, PayPal, Northern Trust, EA Games, Fidelity, SAP, Amgen, Mylan, Cisco, Arvalo, Aetna and Eli Lilly. A notable feature of 2012 was the wide range of green field investments coming to Ireland, including Clearstream (part of Deutsche Bourse), Hubsport, Dropbox, Nestlé, Asper and Nuance.
 IDA Ireland (IRL) website (www.ida.ie)
 copy of the program is available at www.demand.com/ireland

ASPEN PHARMACARE
 A fuller medicine cabinet

Acquisitions boost pharmaceutical firm, writes TINA WEAVING
 In the past five years Aspen's list of acquisitions has grown to include more than 100 pharmaceutical companies across various therapeutic areas. In the past five years Aspen's list of acquisitions has grown to include more than 100 pharmaceutical companies across various therapeutic areas. In the past five years Aspen's list of acquisitions has grown to include more than 100 pharmaceutical companies across various therapeutic areas.



1-NET BRIDGE CONSENSUS FORECAST

Company	Estimate	Reported	Forecast
Capitec Bank	1,215	1,200	1,215
Mr Price	3,923	3,923	3,923
Concession Fund Managers	36.62	36.62	36.62
Inspire	25.49	25.67	25.92
Remoos Brands	12.78	15.41	32.37
Breco	37.46	33.08	55.65
Woolworths	22.06	21.12	41.47
Aspen Pharmacare	-1.9	26.19	46.69



pmr africa
 Golden Arrow 2012
 National Survey on Corporate Social Responsibility (CSR) Programmes and Initiatives
 Aspen Pharmacare
 Pharmaceutical Manufacturers
 Excellent - 1st overall

ERNST & YOUNG
 Quality In Everything We Do
 Home Insights Industries Services Careers
 Home > Services > Specialty Services > Climate Change and Sustainability Services > Excellence in Integrated Reporting Awards 2012

- Advisory
- Assurance
- Tax
- Transactions
- Strategic Growth Markets
- Specialty Services
 - China Overseas Investment Network
 - Climate Change and Sustainability Services
 - Family Business Services

Excellence in Integrated Reporting Awards 2012
 Excellent

- Adcock Ingram Holdings
- African Bank Investments
- Allied Electronics Corporation
- Anglo American Platinum
- Anglo American
- Aspen Pharmacare Holdings
- Avano

PRESS RELEASE
BCG Names 100 'Global Challengers' From Emerging Markets That Are Reshaping Global Industries

Leadership

Stephen Saad awarded Sunday Times "Business Leader of the Year"

■ BUSINESS LEADER: STEPHEN SAAD

From two rooms to R70bn

ADELE SHEVEL meets a genial rugby-mac Durbanite who finds it more rewarding to run his multinational drug business from SA



STEPHEN Saad saw the opportunity to develop affordable, quality medicines, and in less than 15 years has transformed the local pharmaceutical industry and created the world's ninth-largest generic drugs company.

Aspen Pharmaceu has made medicines more affordable, and sells one of every four medicines in South Africa.

Under Saad's leadership, Aspen has grown into a multinational operating out of South Africa, during a period when most pharmaceutical multinationals have sold their plants.

The group has doubled in size almost every three years, and recorded revenue of R12,2-billion for the year ending June.

Saad, 48, developed a collaborative approach with global companies — which saw generic companies a rivals — to the point where the world's fourth-largest pharmaceutical group, GSK, is Aspen's largest shareholder, with an 18.6% stake.

Along with Aspen co-founder Gus Attridge, Saad

entrepreneurship is in Saad's blood. In the early 1980s, he worked for QuickMed and merged it with Com to form Zurich, which was eventually sold for R75-million.

With a restraint of trade policy at the age of 25, he got involved with Varsity College, a private tertiary education institution. He and Attridge turned it around and sold it to LetabaNet for about R160-million.

Colleagues say Saad has an ability to develop a rapport with anyone. Saad does not care about material things.

Nevertheless, he is in ninth position on the Sunday Times Rich List, with his share in Aspen worth R6.4-billion — the company's market capital is R70-billion.

Aspen has



BUSINESS LEADER: STEPHEN SAAD

Worthy recipients of our top awards

THE HEAVENLY WINNERS of the Business Times Top 100 Companies awards demonstrated why they were worthy recipients. Between them they have been leading significant change in business in South Africa. Capitec, the winning company, has turned the banking sector on its head while Stephen Saad has created Aspen, a global pharmaceutical manufacturer from Durban. Lifetime Achiever award for 1997 went to Bobbie Gosnell for 19 years to find our way through the economy, fit times, grow the economy, fit education and create jobs. The award was handed to him by the business and political leaders who celebrate corporate excellence over the past year. The message by Godsell, Finance Minister Bryan Goolbsy, Saad and Ryan Goolbsy, the CEO of Capitec, was that, despite unemployment, strikes, ratings downgrade and social problems, people can work together to find solutions. Saad said South Africa needs to "start with ourselves in sorting out problems." He said of the emerging market countries in which Aspen operates, South Africa is one of the least corrupt. Gordon was candid about the difficulties the country faces. He said SA's credibility with investors has been hurt by the policies that are limiting growth and have led to two credit-rating downgrades. While unemployment is an "obstacle" around the neck of the country, growth and industry is worse in other parts of the world. "We need to find ways to reach out to communities and to invest in health and education. We have huge potential," Gordon said. Saad won the Corporate Social Investment award for its Project Grow, which creates employment, jobs and develops entrepreneurs. Some 3 700 jobs have been created, 80% of which are filled by women. The Top 100 awards are bestowed on listed companies that have created the most value for shareholders. Performance for shareholders over five years was calculated over the period of 2007 to 2012, ending on September 30 2012, and all bonus shares were assumed to have been reinvested. The Top 100 appeared in this week's Sunday Times. Additional Top 100 tables can be found on pages 7, 8, 11, 13 and 14.



■ ALL SMILES: From left, Ryan Goolbsy, CEO of the Top 100 Company, Capitec; Bobbie Gosnell, Lifetime Achiever; and Stephen Saad, Business Leader of the Year, at the awards ceremony. PICTURE: JONATHAN CLYDE



Return on Investment

Ranked 10th in the Sunday Times' Business Times 2012 Top 100 Companies

■ ASPEN PHARMACARE

A fuller medicine cabinet

Acquisitions boost pharmaceutical firm, writes TINA WEAVIND

In the past five years Aspen's total return to shareholders has been 34% — compounded — a year. In the period, the pharmaceutical company has expanded from being an almost entirely local operation to one that operates in more than 150 countries.

Aspen ranks number 10 in this year's Top 100 Companies.

Investec asset management analyst Neil Stuart-Findlay said much of the company's success could be attributed to the outstanding leadership and insight of CEO Stephen Saad and his deputy Gus Attridge.

From the late 1990s, when Aspen was founded, until 2007, the company focused on generic drug manufacture and distribution in South Africa. Because of the shift in demand towards cheaper off-patent generic products, the model proved to be a superb earnings provider.

But it wasn't enough for top management, which began an



■ **HEALTHY:** Gus Attridge, Aspen deputy CEO

PICTURE: TEBOGO LETSIE

acquisitive drive that has made Aspen one of the biggest pharmaceutical companies in emerging market economies. In addition to being beneficial from an earnings and share-price perspective, the global expansion helped the company diversify regulatory and currency risk.

As the rest of the world began to buckle under the global economic crisis in the third quarter of 2008,

Aspen's earnings moved upwards. Having just concluded its first deal with global drugs manufacturer GlaxoSmithKline (GSK), Aspen had not only acquired new products, it also had a pipeline into new territories through which it could introduce its own products.

Importantly, it had also acquired GSK's knowledge of the regulatory lay of these new lands. GSK's primary objective is to research and develop new products and bring them to market under patent, while Aspen's is to manufacture generic alternatives, which it markets and distributes.

collaborate with GSK to compare and contrast the regulatory development of their respective markets. Dealing with GSK's most



been debt funded. With the company being such a strong cash-flow generator, these debts are quickly paid up, leaving Aspen sufficiently capitalised to seek out new deals.

Attridge said part of Aspen's strategy was to reach more markets instead of getting bigger markets. He said it

grows, so the deals need to grow to have any real effect on the bottom line.

And they have. In January 2011, Aspen concluded its acquisition of listed Australian drug maker Sigma, which was struggling financially. Sigma was turned around operationally and Aspen is now the biggest generic pharmaceutical manufacturer in

I-NET BRIDGE CONSENSUS FORECAST									
Share name	Guideline	% EPS growth 2012	% DPS growth 2012	% EPS growth 2013	% DPS growth 2013	% EPS growth 2014	% DPS growth 2014	% EPS growth 2015	% DPS growth 2015
1 Capitec Bank	Hold+								
2 Mr Price	Hold+								
3 Coronation Fund Managers	Hold-			36.62	40.19	72.59	79.22	108.59	112.42
4 Shoprite	Hold	12.78	15.41	25.49	25.67	49.09	47.96	75.26	73.63
5 Famous Brands	Hold			32.37	33.08	55.65	58.2		
6 Assore	Buy			19.46	21.12	41.47	44.42	62.93	66.86
7 Woolworths	Sell			22.06	10.5	46.69	33.5	75.37	59.5
8 Aspen Pharmacare	Hold+			-1.9	28.18	-5.37	34.55	-16.08	29.09
9 Clicks Group	Buy			24.6	16.67	46.85	32	69.61	57.37
10 Anglovaal Industries	Hold-	9.33	21.12	27.58	27.13	46.72	46.56	71.03	90.32
	Hold+			30.48	45.04	52.06	67.92		
				19.57	23.45	33.64	35.57	40.96	49.06



Customer Service

Generic Supplier of the Year to Sigma



Tim Burrows (Aspen National Sales Manager, Generics), Alan O'Hara (Sigma General Manager Supply Chain and Transformation), Wayne Marinoff (Aspen Head of Generics), Kevin Tymensen (Aspen Marketing Manager, Generics) and Jeff Sells (Sigma CFO)

Customer Service

Supplier of the Year to Dis-Chem



Noel Guliwe (Aspen, CEO South Africa & Ivan Saltzman (Dis-Chem, CEO)



Manufacturing Achievement

President's Manufacturer of the Year in Tanzania



Issa Hango (Shelys Pharmaceuticals, Production Manager) & HE Jakaya Mrisho Kikwete (President of Tanzania)

Socially Responsible

Qualified for inclusion on the JSE's SRI Index for the third consecutive year



In the 2012 SRI Index review

- 108 companies were assessed (2011: 109)
- 76 of the companies assessed qualified for the SRI Index (2011: 74)
- Three companies are in the index for the first time ever
- The index comprises 36 Top 40 companies, 33 Mid Cap companies and seven Small Cap companies
- 10 companies have been identified as best performers (2011: 22)
- Similar to 2011, in 2012 the strongest performance has been demonstrated by Top 40 companies with 90% meeting entry level requirements.

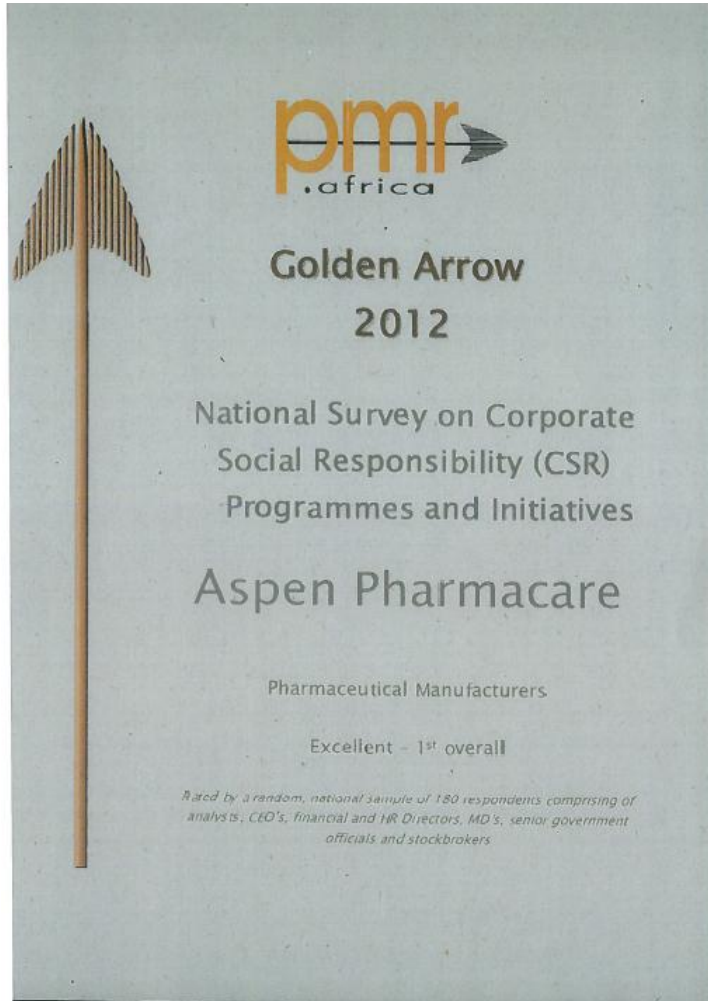


Socially Responsible

Golden Arrow Award by PMR



Jackie Tau (Aspen, Group CSI Manager)



Global Influence

1 of 5 South African Companies named in Boston Consulting Group's 100 Global Challengers

PRESS RELEASE:

BCG Names 100 'Global Challengers' From Emerging Markets That Are Reshaping Global Industries

EXHIBIT 3 | Industrial Goods and Service Sectors Topped the List—While Resources and Commodities Returned to 2006 Levels
BCG 100 global challengers

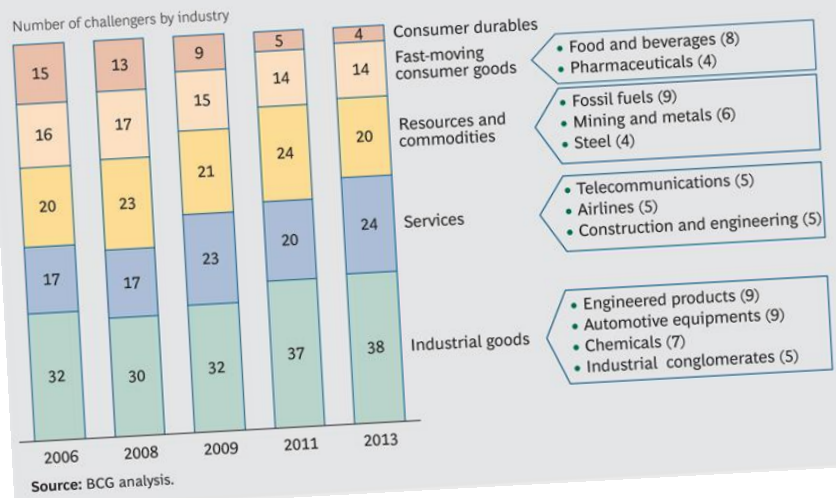
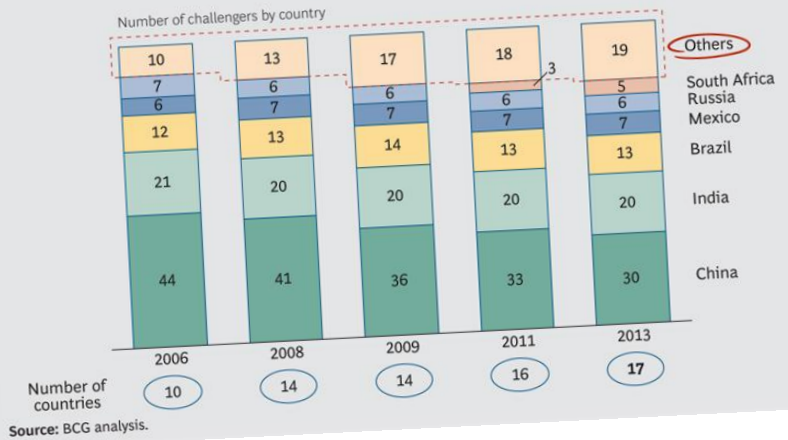


EXHIBIT 1 | There Are 26 New Global Challengers—and 2 New Challenger Graduates

- 2013 BCG Global Challengers**
- Argentina**
 - Tenaris
 - Brazil**
 - Brasil Foods
 - Camargo Corrêa Group
 - Embraer
 - Gerdau
 - lochpe-Maxion
 - JBS
 - Marcopolo
 - Natura
 - Odebrecht Group
 - Petrobras
 - Tigre
 - Votorantim Group
 - WEG
 - Chile**
 - Falabella
 - Latam Airlines Group¹
 - China**
 - Alibaba Group
 - Aviation Industry Corporation of China
 - China Communications Construction Company
 - China International Marine Containers Group
 - China Minda Group
 - PetroChina
 - Sany Group
 - Shanghai Electric Group
 - Sinochem
 - Sinohydro
 - Sinoma International Engineering
 - Sinopec
 - Trina Solar
 - Wanxiang Group
 - Yanzhou Coal Mining Company
 - Zoomlion
 - ZTE
 - Colombia**
 - Grupo Empresarial Antioqueño
 - Egypt**
 - El Sewedy Electric
 - India**
 - Bajaj Auto
 - Bharat Forge
 - Bharti Airtel
 - Crompton Greaves
 - Dr. Reddy's Laboratories
 - Godrej Consumer Products
 - Hindalco Industries
 - Infosys²
 - Larsen & Toubro
 - Malaysia**
 - AirAsia
 - Petronas
 - Mexico**
 - Alfa
 - América Móvil
 - Femsa
 - Gruma
 - Grupo Bimbo
 - Mabe
 - Mexichem
 - South Africa**
 - Aspen Pharmacare
 - Bidvest Group
 - MTN Group
 - Naspers
 - Sasol
 - Thailand**
 - Charoen Pokphand Group
 - Indorama Ventures
 - PTT
 - Thai Union Frozen Products
 - Turkey**
 - Koç Holding
 - Sabancı Holding
 - Turkish Airlines
 - United Arab Emirates**
 - Ethihad Airways
 - Qatar**
 - Qatar Airways
 - Russia**
 - Gazprom
 - Lukoil
 - Norilsk Nickel
 - Severstal
 - United Company Rusal
 - VimpelCom
 - Saudi Arabia**
 - Saudi Basic Industries Corporation (Sabic)

EXHIBIT 2 | The Global Reach of the Challengers
BCG 100 global challengers



IDA Ireland Client Companies Created 12,722 New Jobs in 2012

07/01/13

- Net job creation of 6,570 by IDA clients represents highest level in a decade
- Job losses in FDI sector fell sharply due to company transformations and competitiveness gain
- 2013 pipeline promising, but challenges due to global slowdown and increasing FDI competition

JANUARY 7th 2013 (DUBLIN) - IDA Ireland, the Irish Government agency responsible for attracting foreign direct investment, has reported the creation of **12,722 new jobs during 2012**. IDA client companies added a total of **6,570 new net jobs**, the IDA's **third consecutive year of growth in net employment**. Job losses at IDA client companies were the lowest for a decade.

In total there were 145 individual investments, with 66 (over 40%) from companies coming to Ireland for the first time. The IDA client base in Ireland **now employs 152,785 people**, a level last recorded before the global financial crisis began in 2008. Net job creation rose to **6,570** from 5,934 last year.

Among the biggest investments were Apple, PayPal, Northern Trust, EA Games, Fidelity, SAP, Amgen, Mylan, Cisco, Arvato, Allergan and Eli Lilly. A notable feature of 2012 was the wide range of green field investments coming to Ireland, including Clearstream (part of Deutsche Bourse), Hubspot, Dropbox, Nextag, **Aspen** and Nuance.



“When we launched the Action Plan for Jobs last year we set some very ambitious targets for new foreign investment for 2012. On that basis I am delighted that the results today from the IDA confirm that we have surpassed the job creation figures for 2011 and have secured the highest net job creation numbers in a decade. These investments are a superb vote of confidence in the Irish economy and the Irish people.”

Minister for Jobs, Enterprise and Innovation,
Richard Bruton TD

copy of the strategy is available at www.idaireland.com/ida-ireland



Excellence in Integrated Reporting

Rated “Excellent” by Ernst & Young

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- ▶ Advisory
- ▶ Assurance
- ▶ Tax
- ▶ Transactions
- Strategic Growth Markets
- ▼ Specialty Services
 - China Overseas Investment Network
 - **Climate Change and Sustainability Services**
 - Family Business Services

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Excellence in Integrated Reporting Awards 2012

Excellent

**Listed in alphabetical order.*

- Adcock Ingram Holdings
- African Bank Investments
- Allied Electronics Corporation
- Anglo American Platinum
- Anglo American
- Aspen Pharmacare Holdings
- Avenor

Aspen Pharmacare Holdings

... Gold Mining Company

- Kumba Iron Ore
- Lonmin
- Pretoria Portland Cement Company
- Royal Bafokeng Platinum
- Sappi
- Sun International



Excellence in Integrated Reporting

Ranked 4th overall by Nkonki overall highest in healthcare



Prof. Steven Firer (Nkonki, Partner), Riaan Verster (Aspen, Company Secretary), Sindi Zilwa (Nkonki, CEO and Aspen Board Director)



Highlights

Revenue

+20% to R9.0 billion

- From continuing operations

Operating profit

+24% to R2.5 billion

- From continuing operations

Normalised diluted headline EPS

+23% to 379 cents

- From continuing operations

Cash generated from operating activities

+9% to R1.3 billion



Abridged Statement of Comprehensive Income

CONTINUING OPERATIONS

	6 months ended 31 December 2012 R'million	6 months ended 31 December 2011 R'million	% change
Revenue	8 997	7 505	+20%
Cost of Sales	(4 630)	(3 929)	
Gross profit	4 367	3 576	+22%
Operating expenses	(1 803)	(1 571)	
Other operating income	41	99	
EBITA	2 605	2 104	+24%
Amortisation	(120)	(103)	
Operating profit	2 485	2 001	+24%
Net funding costs	(263)	(272)	
Profit before tax	2 222	1 729	+29%
Tax	(539)	(383)	
Profit after tax from continuing operations	1 683	1 346	+25%
Basic Earnings per share (EPS)	369.3 cents	307.4 cents	+20%
Headline earnings per share (HEPS)	371.1 cents	316.4 cents	+17%
Normalised diluted HEPS	379.0 cents	308.1 cents	+23%



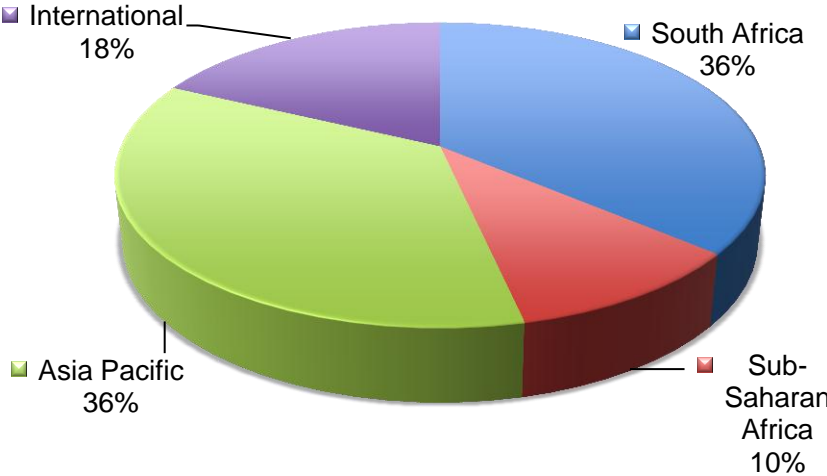
Comparative reconciliation of earnings per share

	6 months ended 31 December 2012 Cents	6 months ended 31 December 2011 Cents	% change
Basic earnings per share (EPS)	369.3	343.6	+7%
Discontinued operations	-	(36.2)	
Basic EPS from continuing operations	369.3	307.4	+20%
Impairments	1.6	9.0	
Other	0.2	-	
Headline EPS from continuing operations	371.1	316.4	+17%
Restructuring costs	3.0	2.2	
Transaction costs	5.5	0.9	
Normalised HEPS from continuing operations	379.6	319.5	+19%
Dilution	(0.6)	(11.4)	
Normalised diluted HEPS from continuing operations	379.0	308.1	+23%

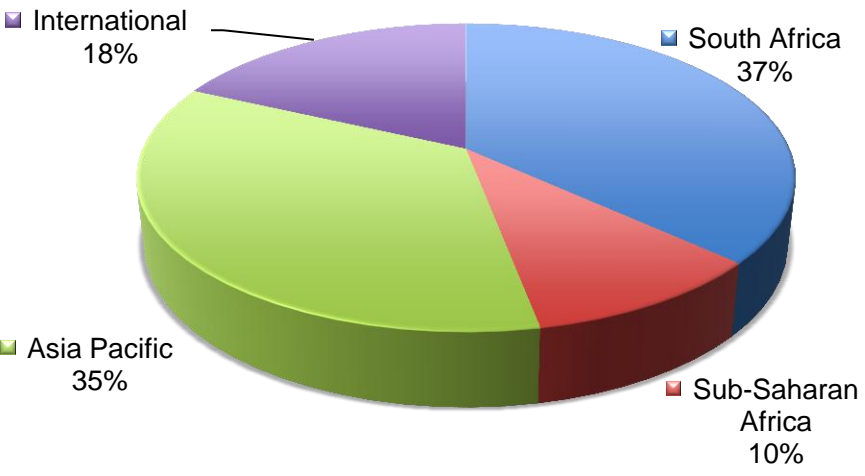


Segmental contribution for six months ended December

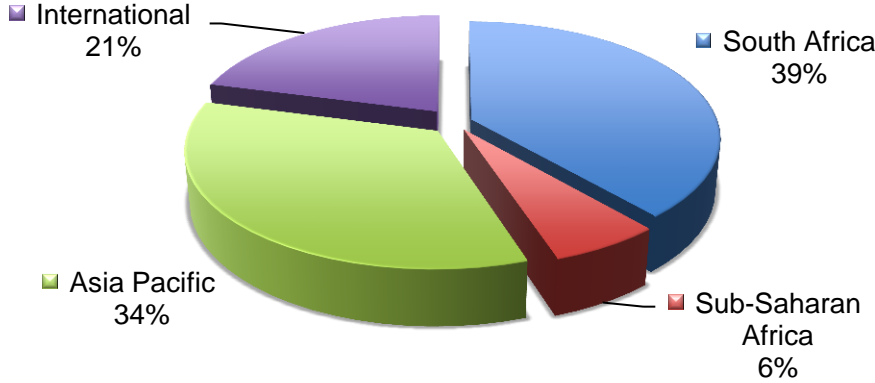
Gross Revenue 2011



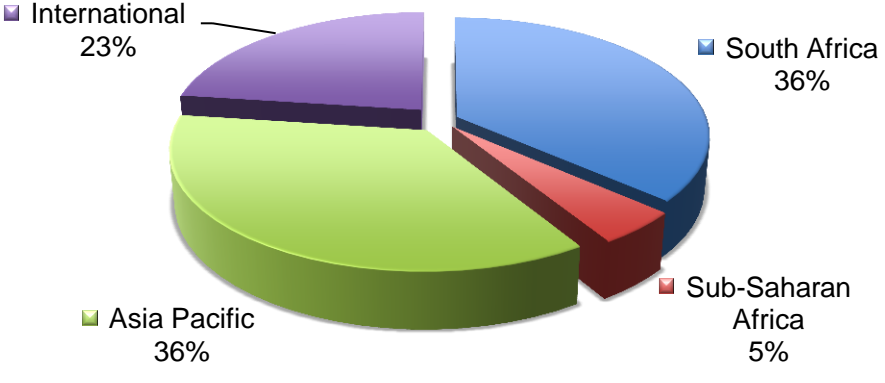
Gross Revenue 2012



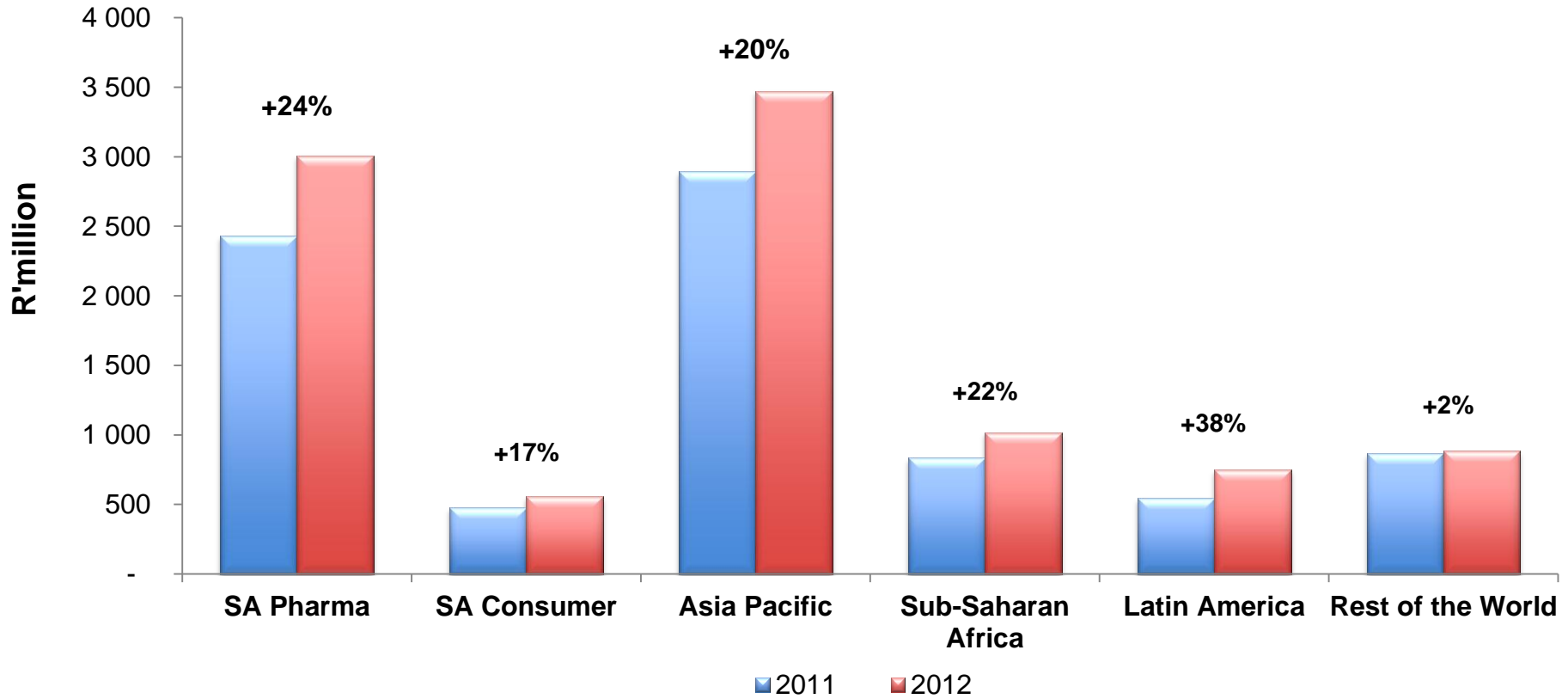
Normalised EBITA 2011



Normalised EBITA 2012

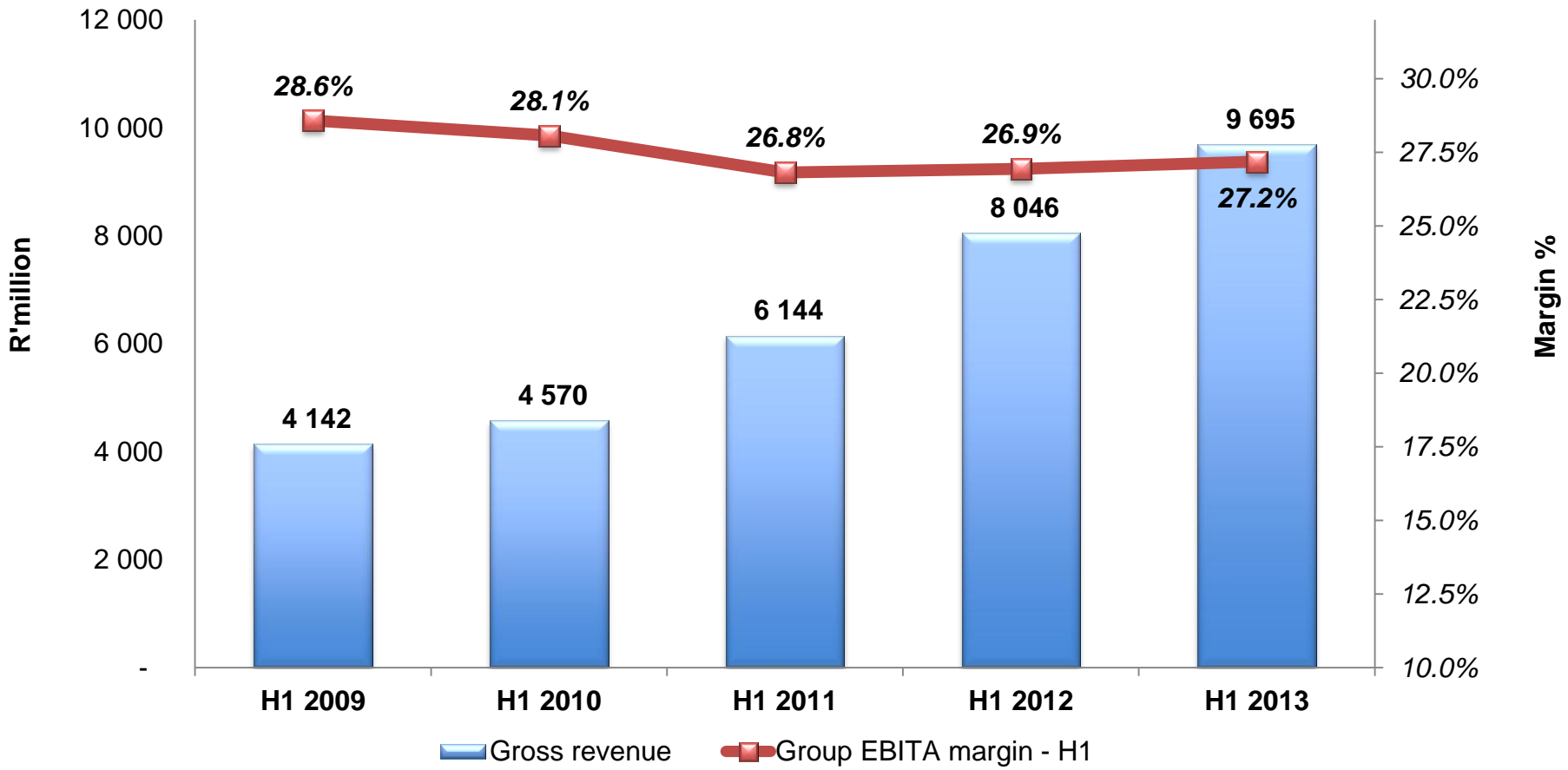


Gross revenue from continuing operations



According to customer geography

Group operating margin



EBITA – Operating profit before amortisation from continuing operations adjusted for specific non-trading items



South African business review

	2012 R'million	2011 R'million	% change
Revenue	3 566	2 908	+23%
EBITA	960	841	+14%
EBITA margin	26.9%	28.9%	

H1 performance

- Solid growth in core pharmaceutical business
- Growing public sector ARV uptake
- Greater weighting in public sector business
- Infant milks drive Consumer division increases
- Higher material and administered costs offset by product efficiencies

H2 Outlook

- SEP increase of 5.8%
- Private pharma growth to continue
- ARV demand to slow down as switch to new tender progresses
- Infant milks to maintain momentum
- Capital projects for oncolytics and hormonal suites underway

Asia Pacific business review

	2012 R'million	2011 R'million	% change
Revenue	3 383	2 859	+18%
EBITA	949	736	+29%
EBITA margin	28.0%	25.7%	

H1 performance

- Growth despite regulator price cuts
- Acquisitions add to growth
- Savings in COGS widens margin
- On-going consolidation of manufacturing sites

H2 Outlook

- Expected to be largest contributor to Group by year end
- Acquired GSK brands will add impetus to growth in region
- Unique positioning due to one-stop shop offering
- On-going price disclosures cuts by PBS
- Continuing expansion into Asia



International business review

	2012 R'million	2011 R'million	% change
Revenue	1 756	1 443	+22%
EBITA	604	455	+33%
EBITA margin	34.4%	31.5%	

H1 performance

- Strong revenue growth from Latam
- Rest of World revenue flat
- Product acquisitions bolster growth
- Improved margins by global brands
- New local operating company in Argentina

H2 Outlook

- Latam to continue positive performance
- Global brands margin expansion ongoing
- Acquisitions to further widen margins
- Assessment of opportunities to expand portfolio and geographic footprint



Sub Saharan Africa business review

	2012 R'million	2011 R'million	% change
Revenue	990	835	+19%
EBITA	122	136	-10%
EBITA margin	12.4%	16.3%	

H1 performance

- Further representation added to revenue
- Political instability in Kenya and Nigeria constrained performance
- Margin pressure from increased COGS and additional heads

H2 Outlook

- Momentum set to continue subject to constraints due to political volatility
- Measures to regain margin
- New local operating company in Nigeria



Abridged statement of financial position

ASSETS

Non-current assets

Fixed assets

Intangible assets

Goodwill

Other non-current assets

Current assets

Cash

Total assets

EQUITY AND LIABILITIES

Share capital and reserves

Non-current liabilities

Long term interest-bearing liabilities

Other non-current liabilities

Short term interest-bearing liabilities

Other current liabilities

Total equity and liabilities

As at
31 December 2012
R'million

25 442

4 022

15 566

5 592

262

7 965

3 755

37 162

18 976

6 980

6 241

739

7 942

3 264

37 162

As at
30 June 2012
R'million

21 287

3 807

11 870

5 344

266

7 118

3 314

31 719

17 398

7 000

6 254

746

4 127

3 194

31 719



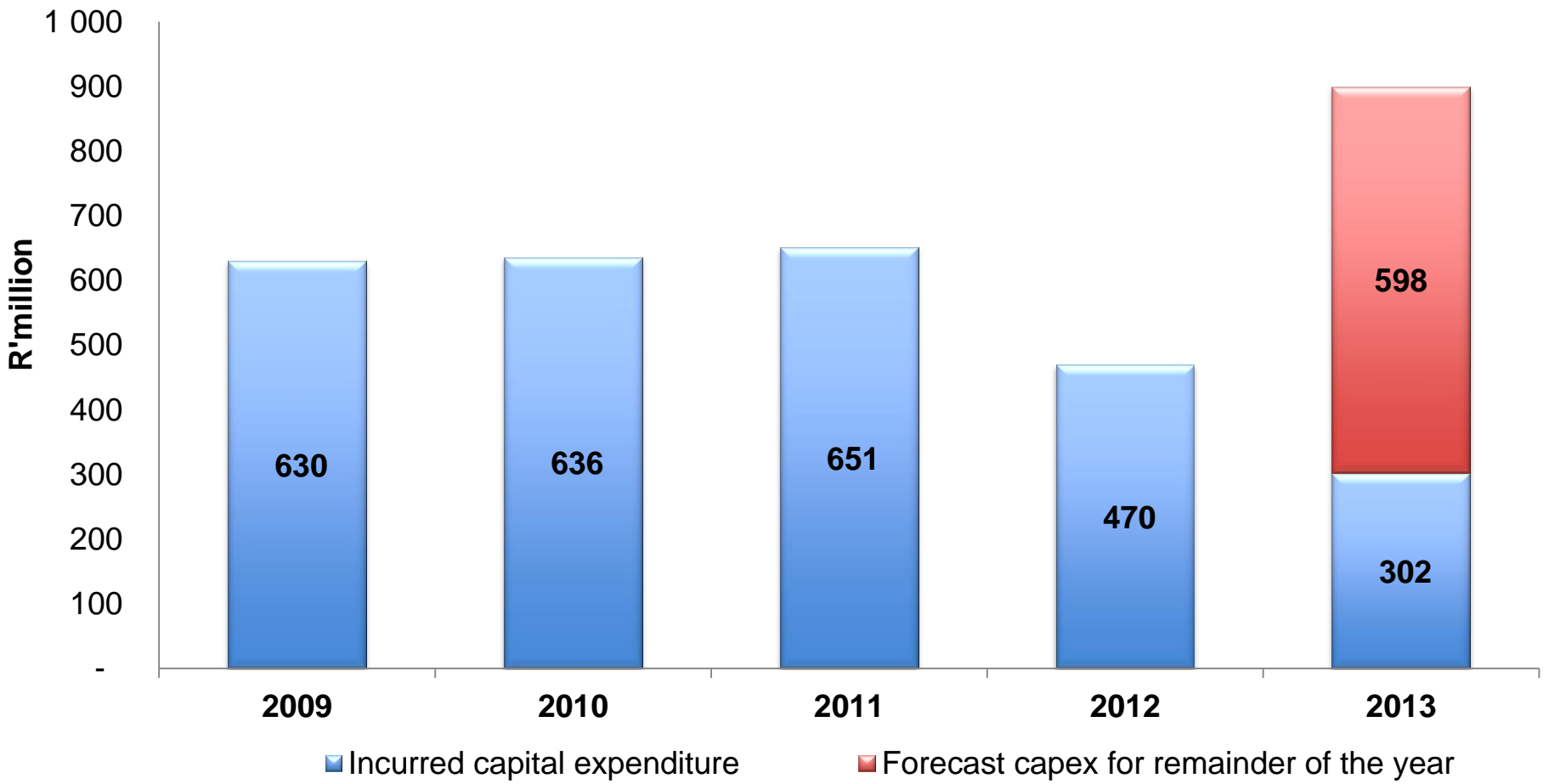
Operating cash flows

	6 months ended 31 December 2012 R'million	6 months ended 31 December 2011 R'million	% change
Cash operating profit	2 856	2 308	+24%
Changes in working capital	(867)	(497)	
Cash generated from operations	1 989	1 811	+10%
Net finance costs paid	(230)	(302)	
Tax paid	(443)	(298)	
Cash generated from operating activities	1 316	1 211	+9%
Working capital as a % of Revenue	28%	25%	

+21% excluding Classic Brands acquisition inventory



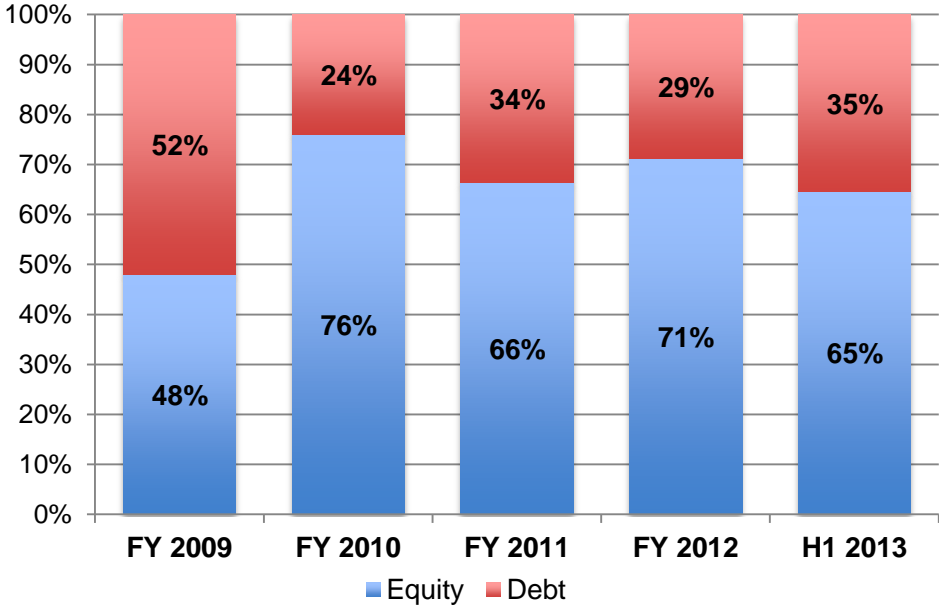
Investment in property, plant and equipment



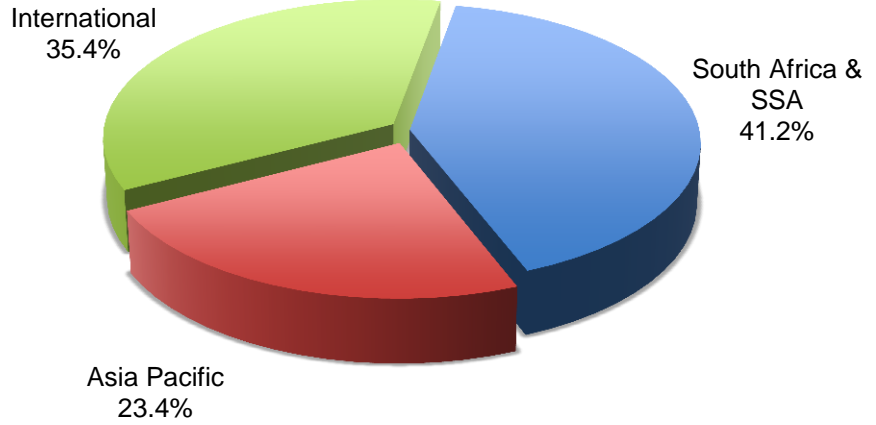
Continuing capex spend

Capital composition and debt pools

Capital composition

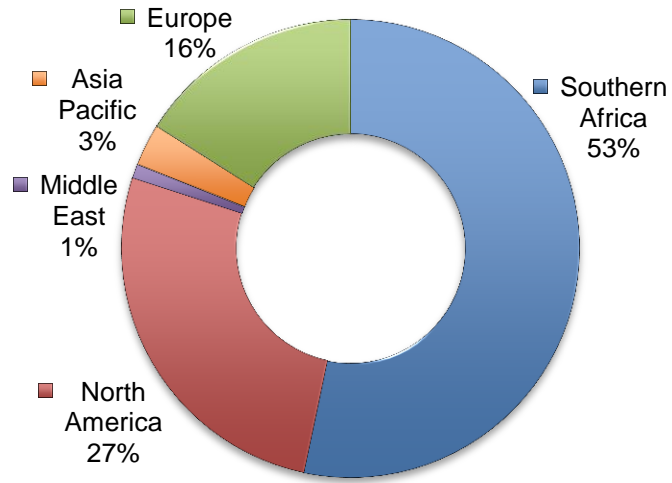


Net debt of R10.4 billion as at 31 December 2012

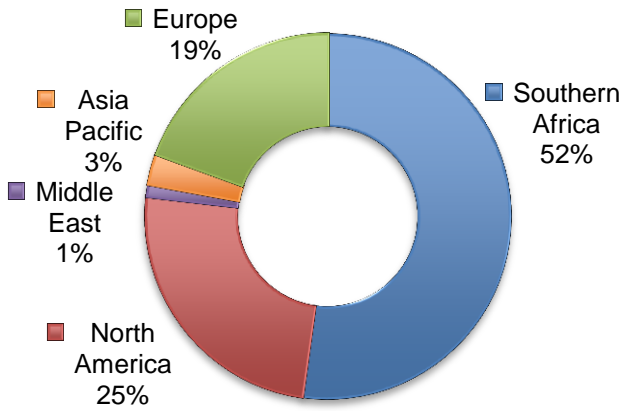


Distribution of fund managers

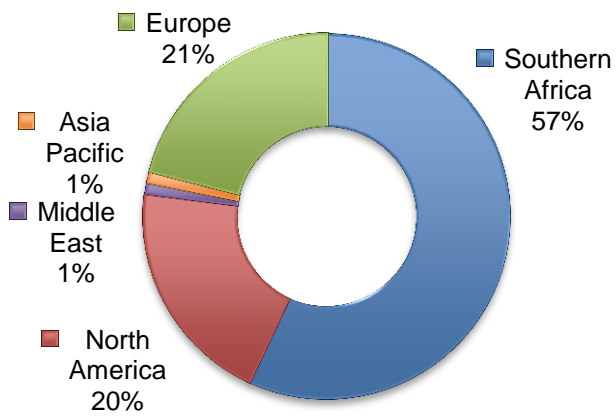
As at December 2012



As at June 2012



As at December 2011



Group Sales 6 months to December

	SALES		
	2013 Rm	2012 Rm	Growth
South Africa	3 566	2 908	23%
Asia Pacific	3 383	2 859	18%
Sub-Saharan Africa	990	835	19%
International	1 756	1 443	22%
Gross Sales	9 695	8 046	21%
Less IFRS Adjustments	(698)	(541)	29%
Total	8 997	7 505	20%



South African Market

- Typical Emerging market
 - Volume increases

Private Market

- Pricing determined by mechanism utilising exchange rates and CPI
- Leads and lags effect margin
 - 5.8% SEP increase will be implemented during March
- Value of Pharma market dominated by branded/patented products
 - Growth muted
- Volumes and growth in generic sector

23.5% of all scripts dispensed are for an Aspen product

South African Market

Public Market

- Tender driven
- Typically 2 year duration
- ARV tender dwarfs all other tenders
 - Margin challenged
 - Anticipate major shift to 3-in-1s
 - Requires specialist manufacturing technology
- Aspen has about 1-in-4 share of every solid dispensed

Consumer Market

- Aspen offering dominated by infant milk formulas



South African Market

Legislative Environment

- International Benchmarking
 - Progress being made

- Logistics fee
 - Complex

- Proud participant of the PHEF
 - PPP – healthcare sector
 - Voluntary contribution
 - Boost skills in public sector
 - More doctors/ trained administrators
 - Skills improvement key to our collective future

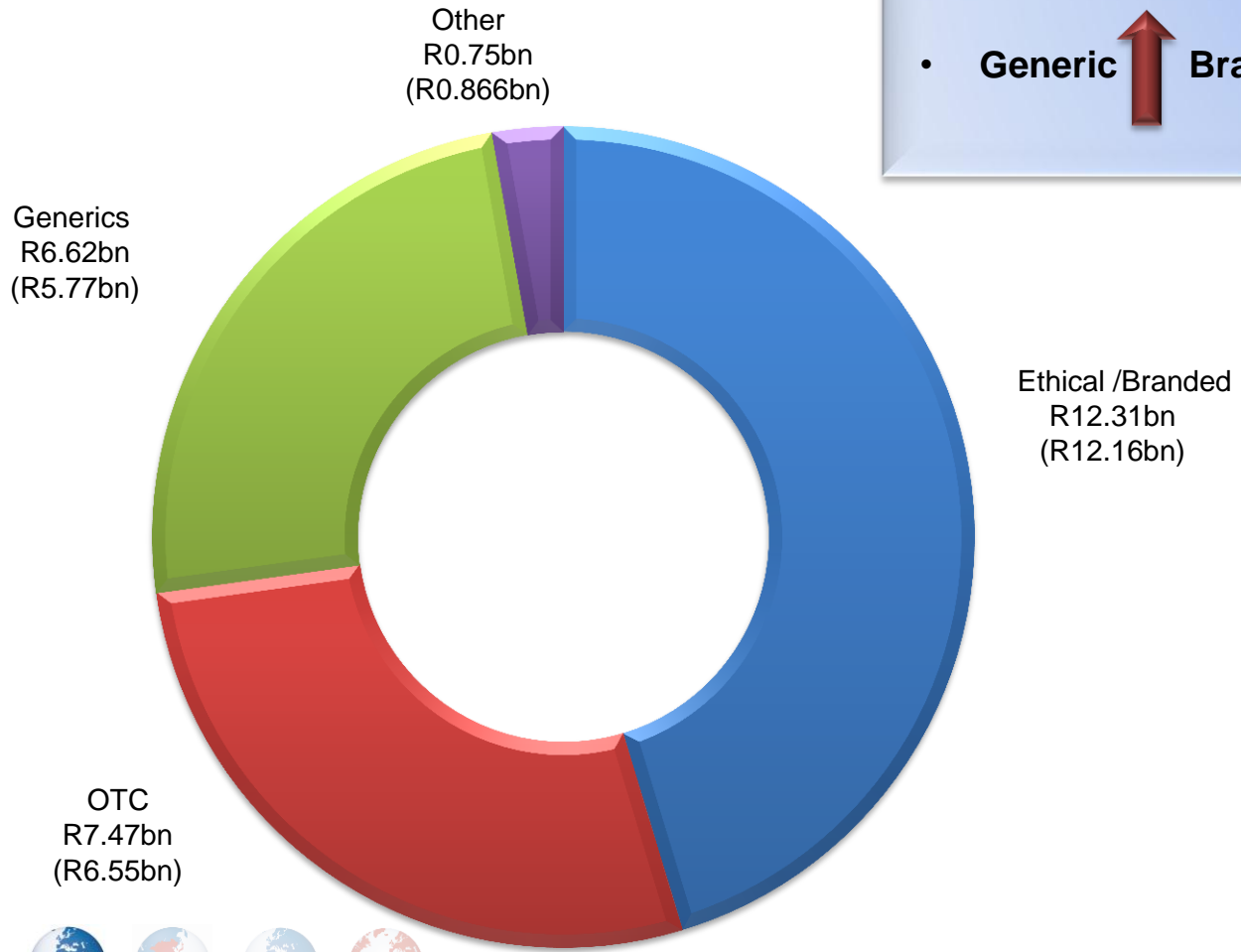
**PHEF to fund 100 of the 400
additional doctors being trained**



Pharmaceutical Market

**Total Private market as at Dec 2012 R27.17bn
(Dec 2011: R25.34bn)**

- **Market Growth 7%**
- **Generic** ↑ **Branded** ↔



Aspen South Africa

Actual Performance	SALES		
	H1 2013 Rm	H1 2012 Rm	Growth
Pharma	3 008	2 431	24%
Consumer	558	478	17%
	3 566	2 908	23%

IMS Performance	YTD Growth	MAT Growth
Pharma Division	6.65%	3.91%
Ethicals	- 0.62%	- 4.81%
Generics	13.65%	11.78%
Vaccines	0.90%	- 0.09%

Source: IMS TPM DATA DEC 2012

- Aspen’s Pharma Division accelerates growth YTD end December 2012
 - Truvada/Seretide wash out

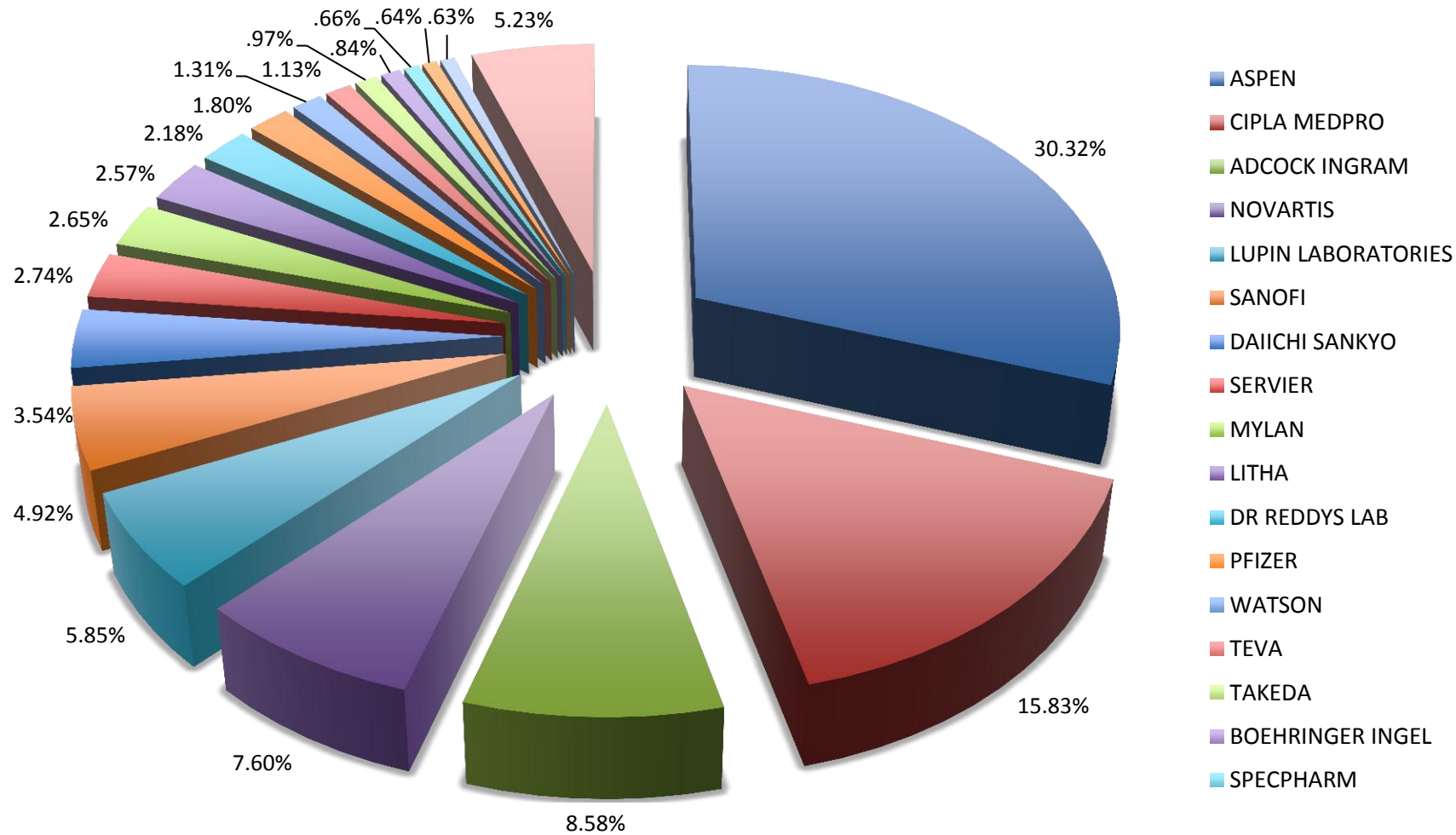
Performance of Aspen Pharmaceutical Business

	SALES		
	H1 2013	H1 2012	Growth
Pharma	3 008	2 431	24%
Less tender ARVs and Intercompany	(591)	(270)	119%
Adjusted Pharma base	2 417	2 161	12%

- Return to double digit growth as predicted
 - Drivers both new launches and organic growth
- Anticipate continued growth in H2
- Pricing increase offset by increased forex costs
 - Continuous improvement initiatives in operations negated local inflationary impact
 - Expect relative margin % neutrality

Private Market Generics – MAT Value Share

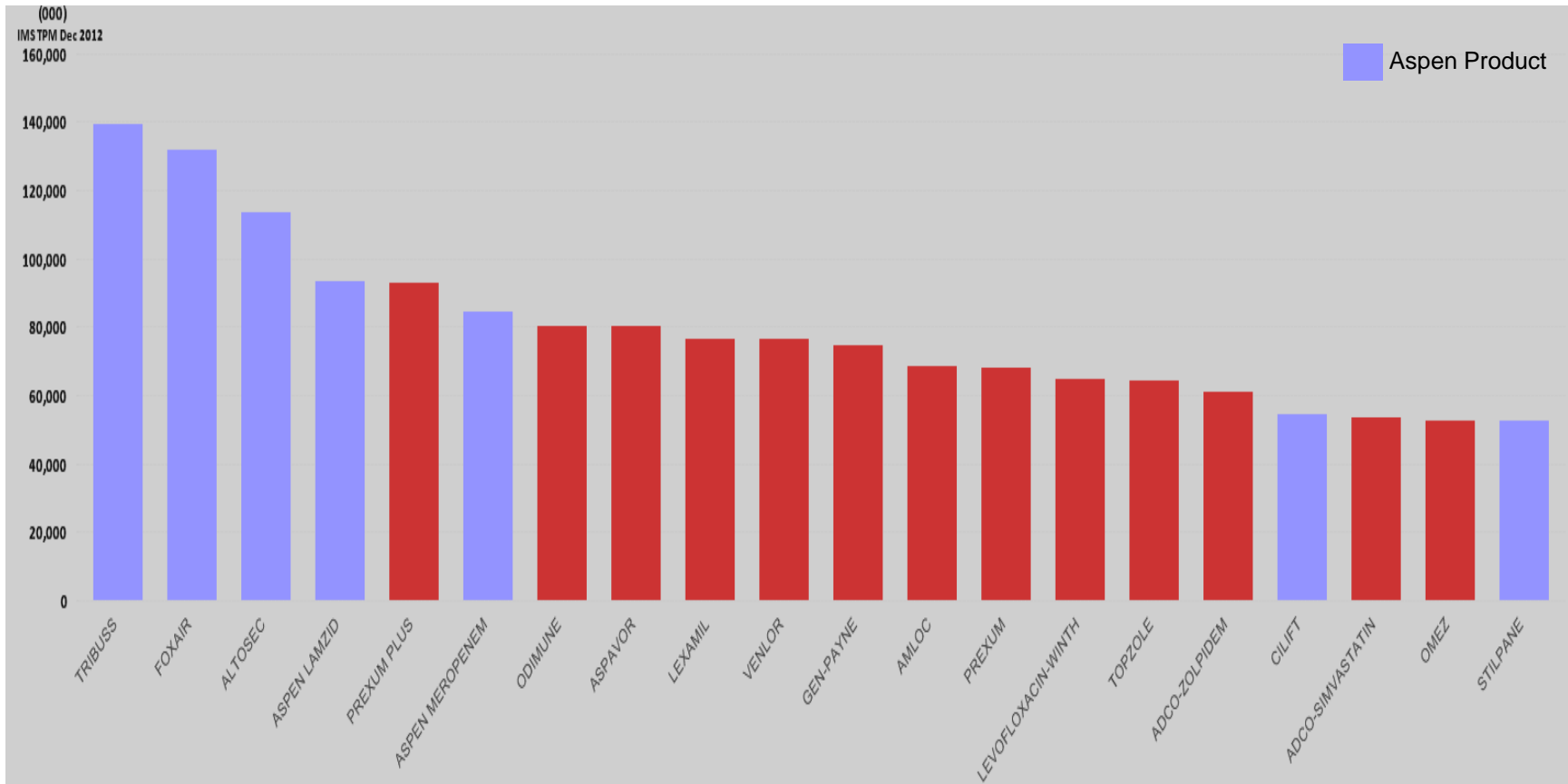
Dec 2012 MAT Value Share of the Generics Market R6.62 bn (R5.7 bn 2011)



Generic Market Growth 14.36%

Aspen has 5 of the top 6 Generic Brands

Top 20 Generic Brands



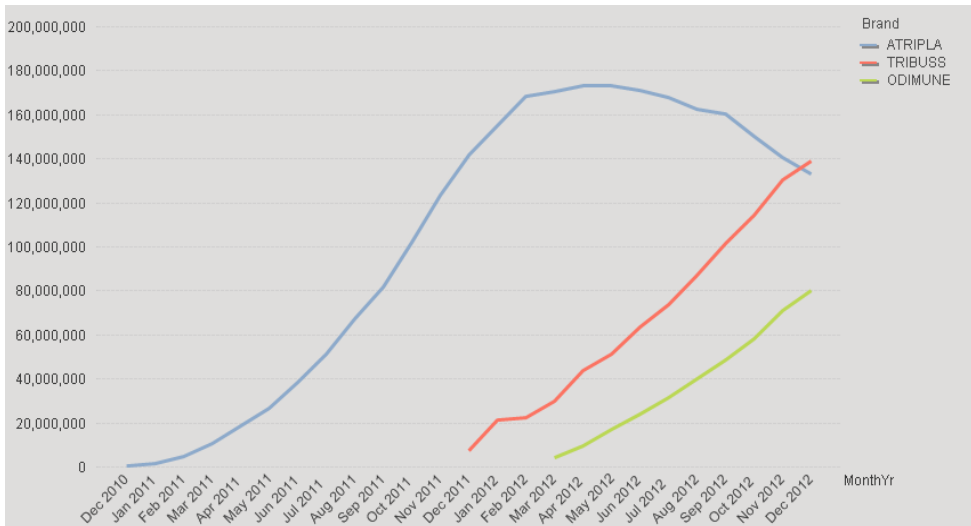
Source: IMS

Trust in Aspen

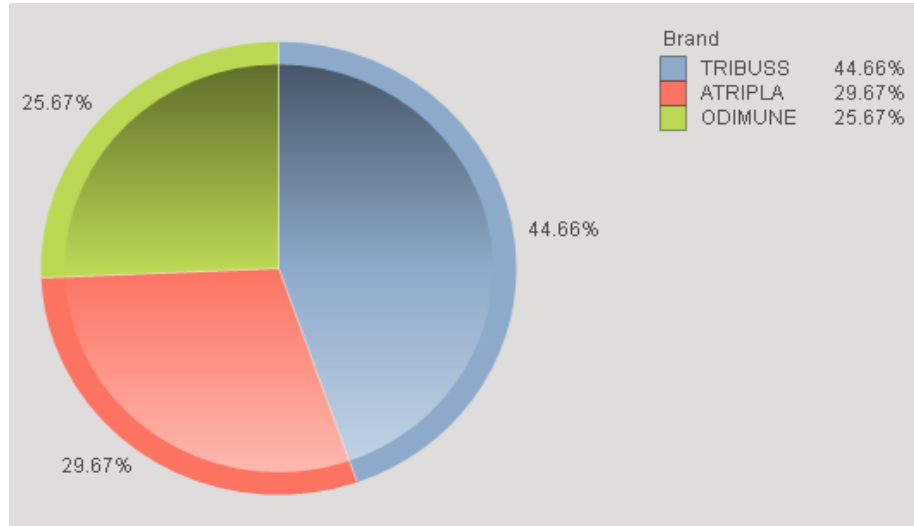


Performance of Tribuss – South Africa’s Largest Generic Brand

Mat Value Trend



December Month Market Share by Value



Now Market leader by both volume and value

Public Sector - The ARV Effect

- H1 Aspen ARV sales were about R100m per month
 - Prior year about R40m

- Momentum will continue into H2
 - Still supplying prior tender buy in awards
 - Expect to supply 3 in 1s for new tender

- Projections for 2014 difficult at this stage
 - Aspen tender award about R60m per month
 - Could increase dependent on others' performance
 - Historically Aspen volumes from defaults increase by 50%-100%
 - Sense that the pricing on many singles is not sustainable



Consumer Division Performance

	SALES		
	H1 2013 Rm	H1 2012 Rm	Growth
Consumer Division	558	478	17%

- Consumer growth excluding acquired OTCs is 14%
- SA business growth driven primarily by Infacare
 - Continues to enjoy strong organic growth
- Future growth from innovations and range extensions
 - New innovation launch in H2
 - a first to market opportunity
 - Nutrikids, our range of growing up milks
- New management in place

Prospects

- Growth to be maintained into H2
- Private market has SEP increase and volume growth
 - Pricing neutralised by forex increase
 - Aspen expects organic volume growth to increase
 - Aspen generic business - the primary growth driver
- Public Sector
 - Major tenders locked in
- ARV tender effects both sales and the facility
 - H2 sales readily forecast - 2014 hard to call
 - Profitability effect limited
 - Factory repercussions
 - Scaling up and down and uncertain volumes have negative impact
- Consumer
 - Growth rebound to continue into H2
 - IMFs to drive growth both organically and through innovation



Prospects – Volume Overview

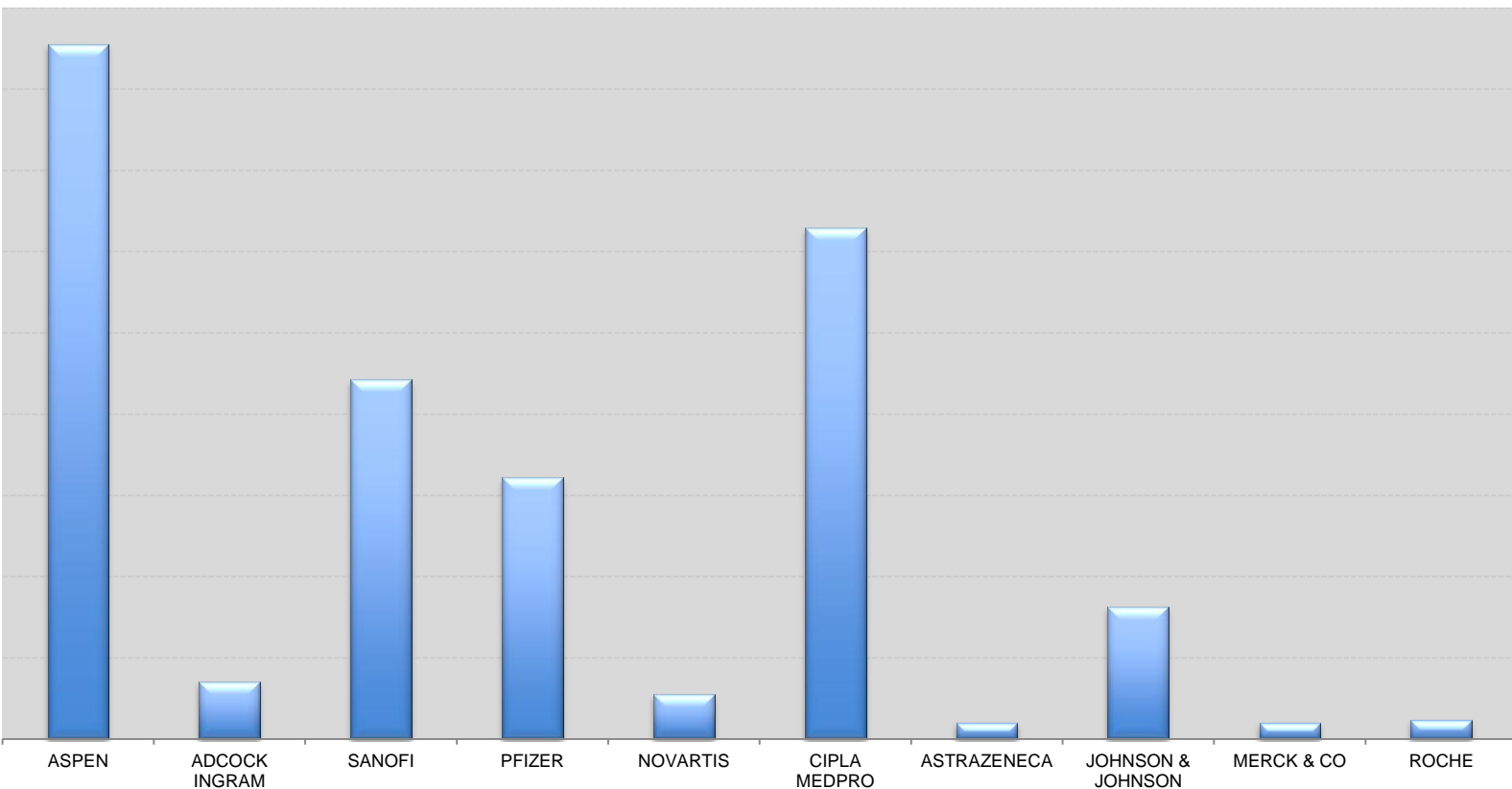
- What management review and what gives us confidence
- Organic sales growth is driven by Price and Volume
- Price is managed by the regulator
 - Leads and lags but input costs are broadly covered
- Volume growth is a function of
 - New product launches
 - Organic growth on existing products

Pricing is out of our hands so let's analyse Aspen's
new product launch income
and organic growth



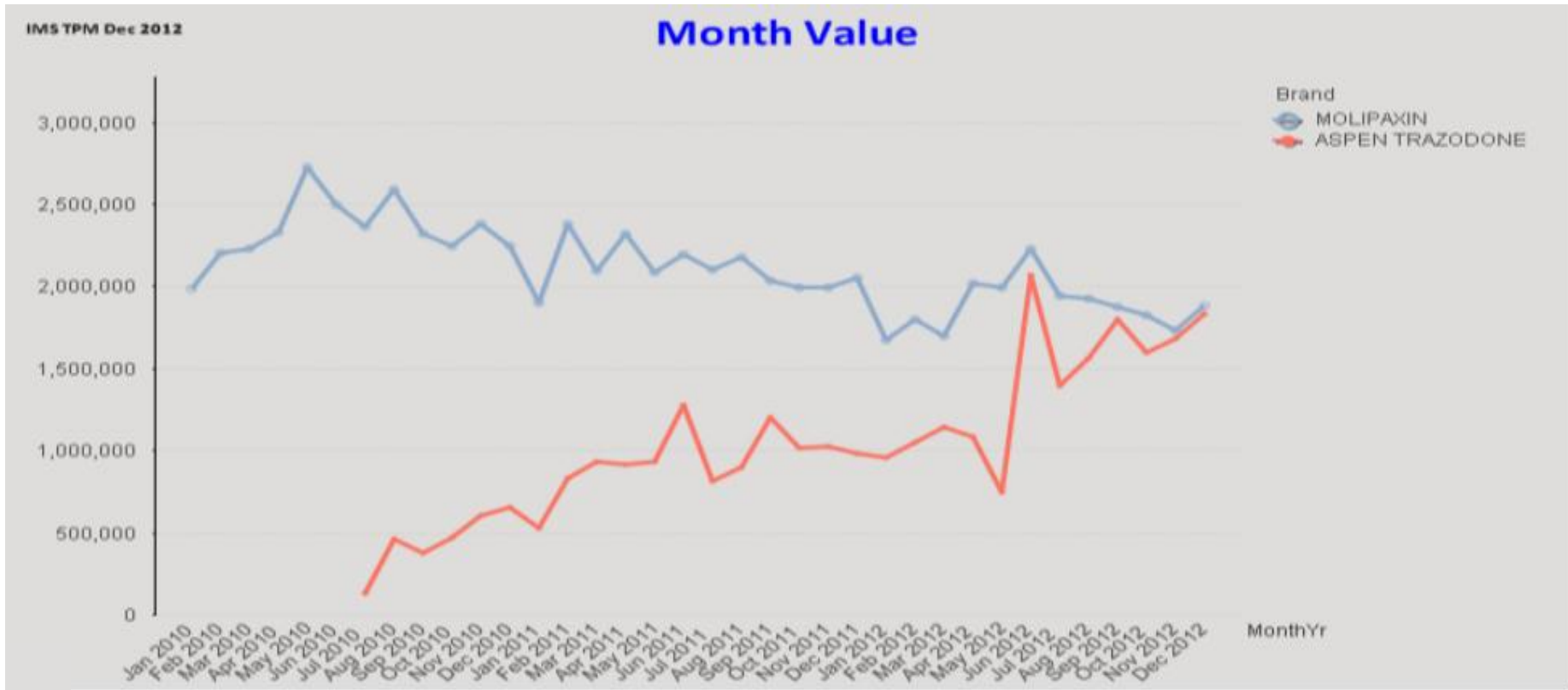
Prospects - New Launch Income

Value Generated during Dec 2012 MAT Period (New Launches < 24 Months)



South Africa's best pipeline

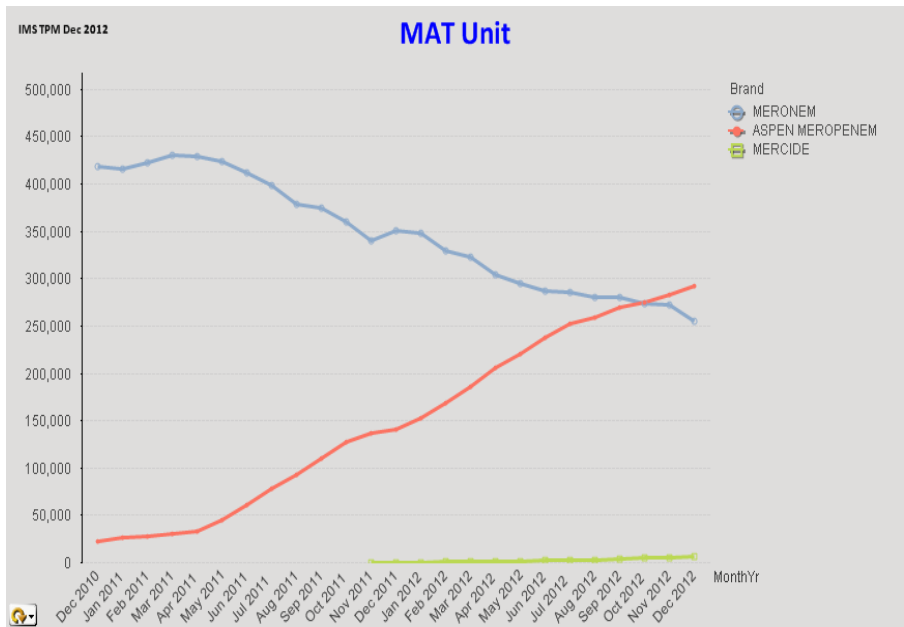
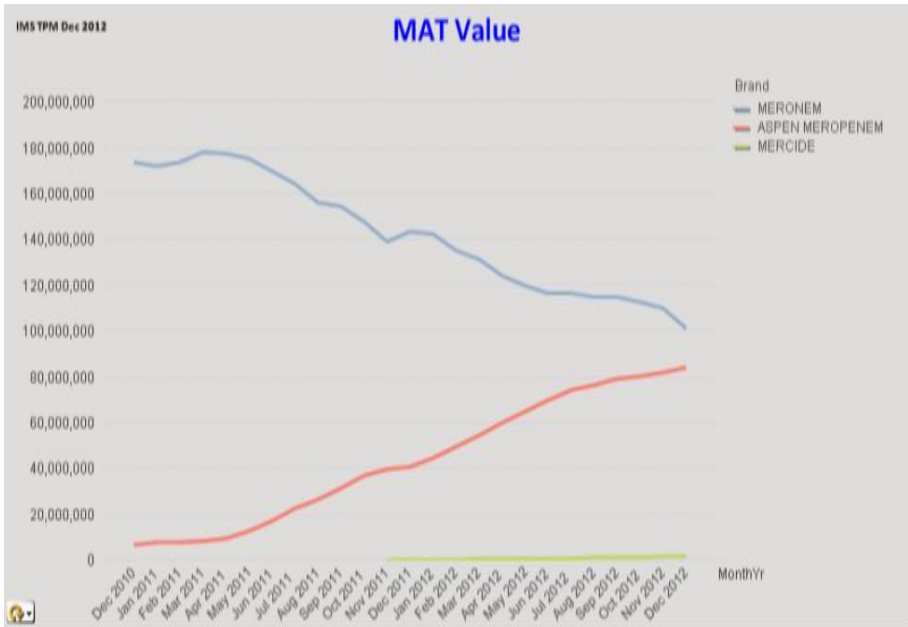
Prospects – New Launch Income - Aspen Trazadone



Significant market share captured in relatively short period in niche segment

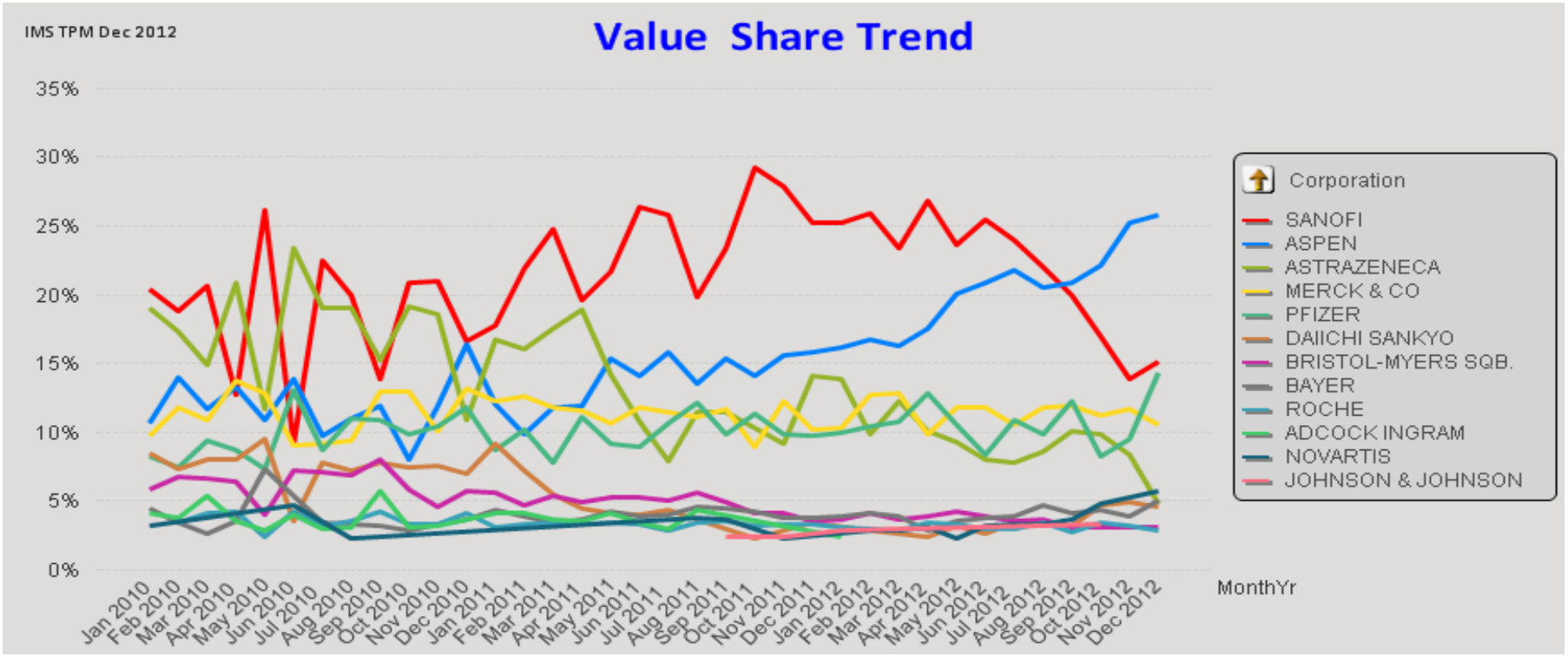
Prospects – New Launch Income – Aspen Meropenem

Trust in new launches drive Aspen's injectable value share



Performance in specialist sector of private hospital market - a multinational dominated therapeutic class

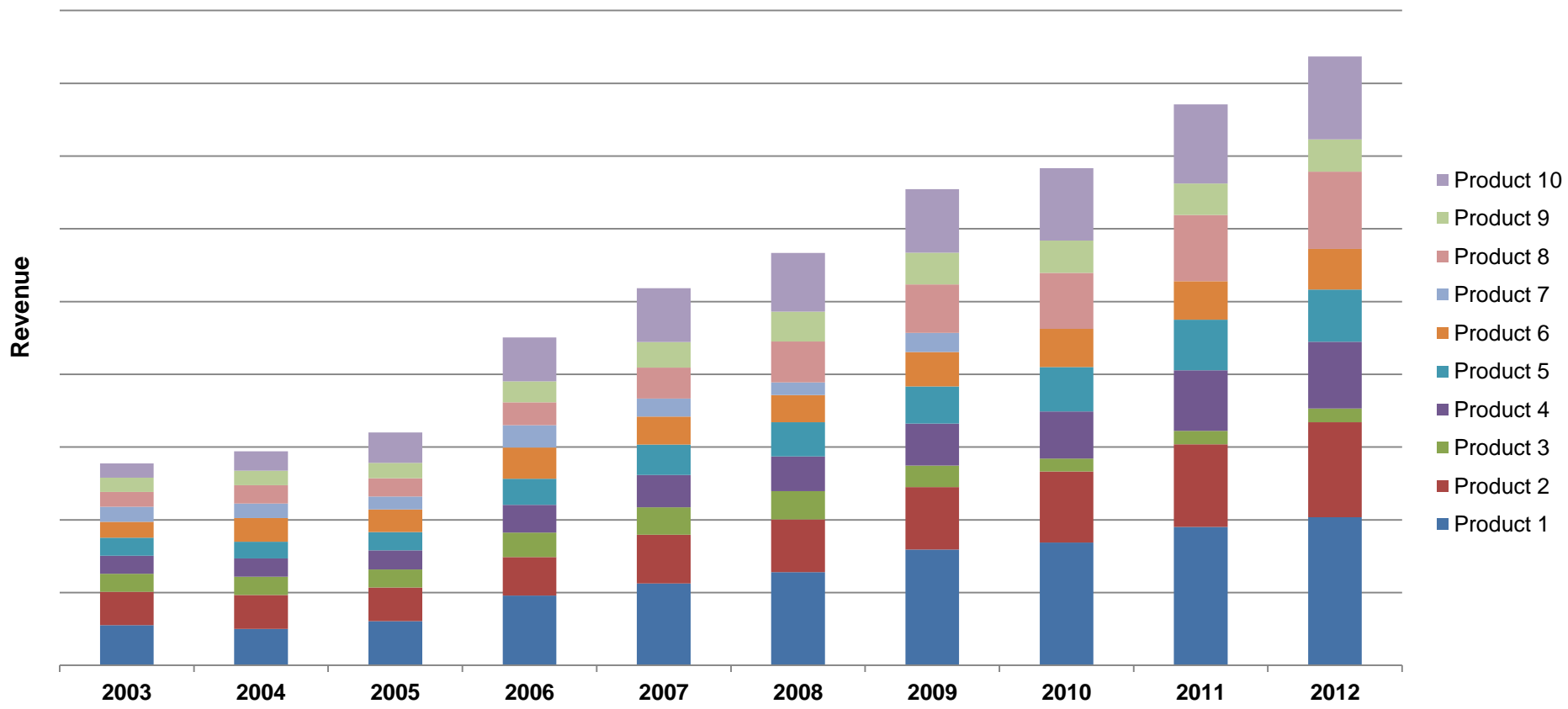
Prospects – New Launch Income – Antibiotic Injectables



Demonstration of trust in Aspen products by private hospital specialists. Historically dominated by multinationals.

Prospects - Organic Growth*

Revenue growth of Top 10 products in 2003

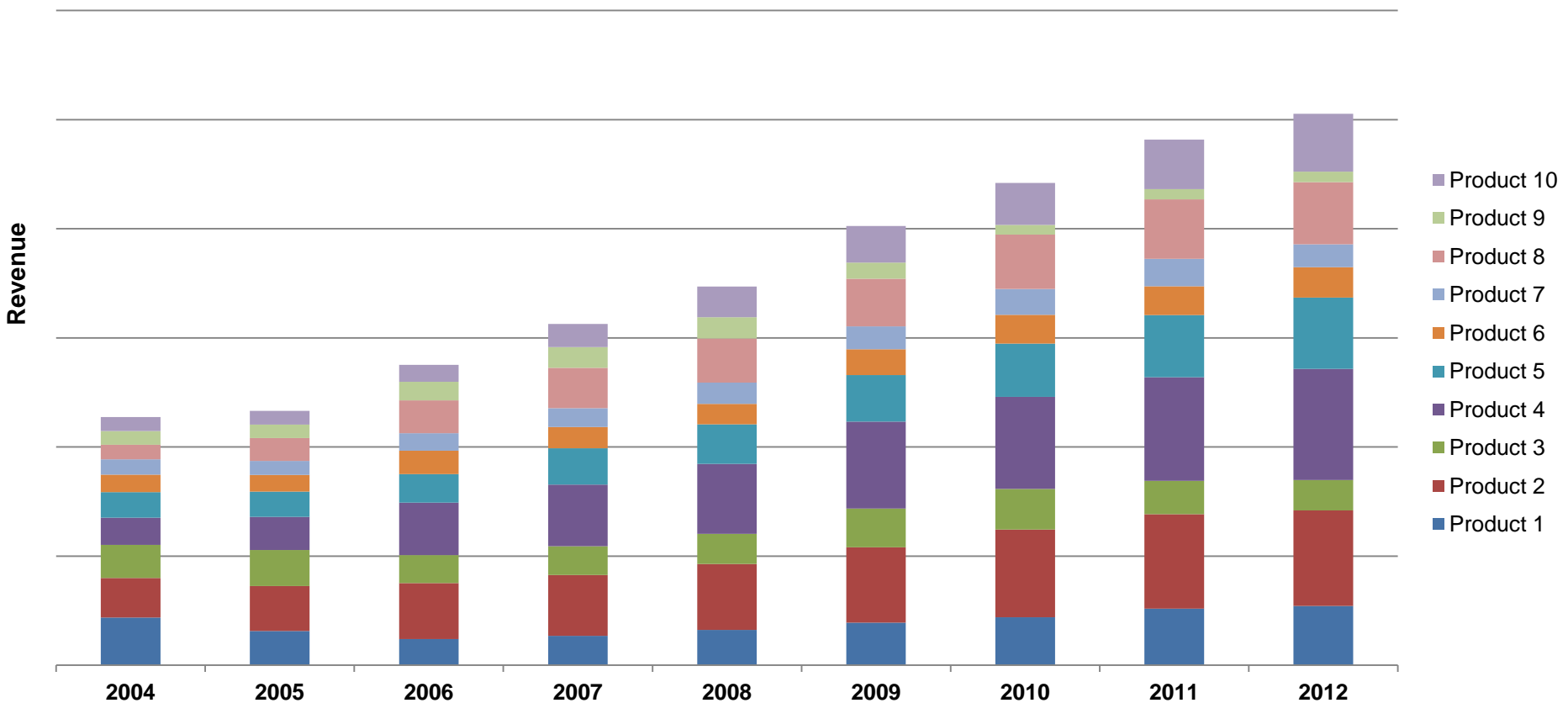


*excludes ARVs, Seretide and Foxair

9 year CAGR of 13.1%

Prospects - Organic Growth*

Revenue growth of Top 10 products in 2004

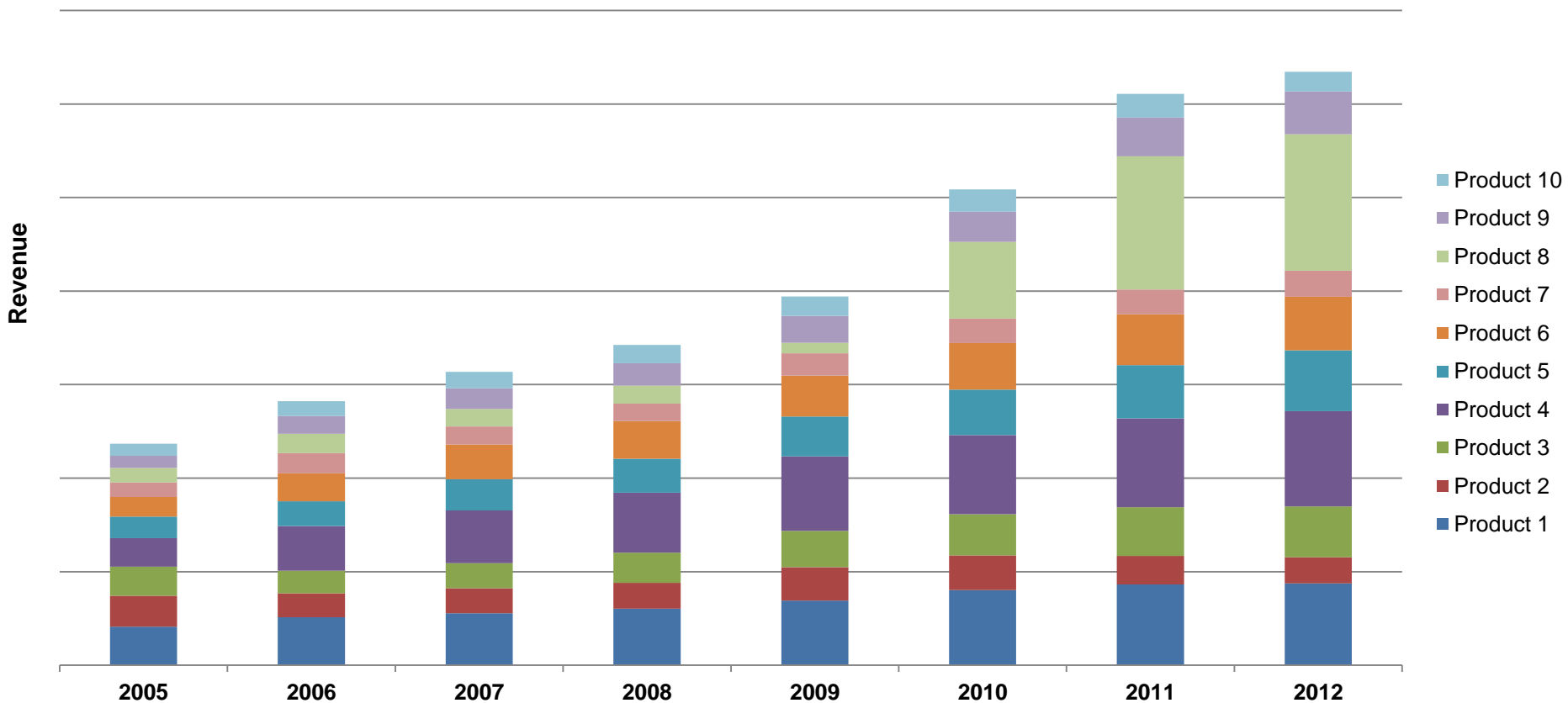


*excludes ARVs, Seretide and Foxair

8 year CAGR of 10.5%

Prospects - Organic Growth*

Revenue growth of Top 10 products in 2005

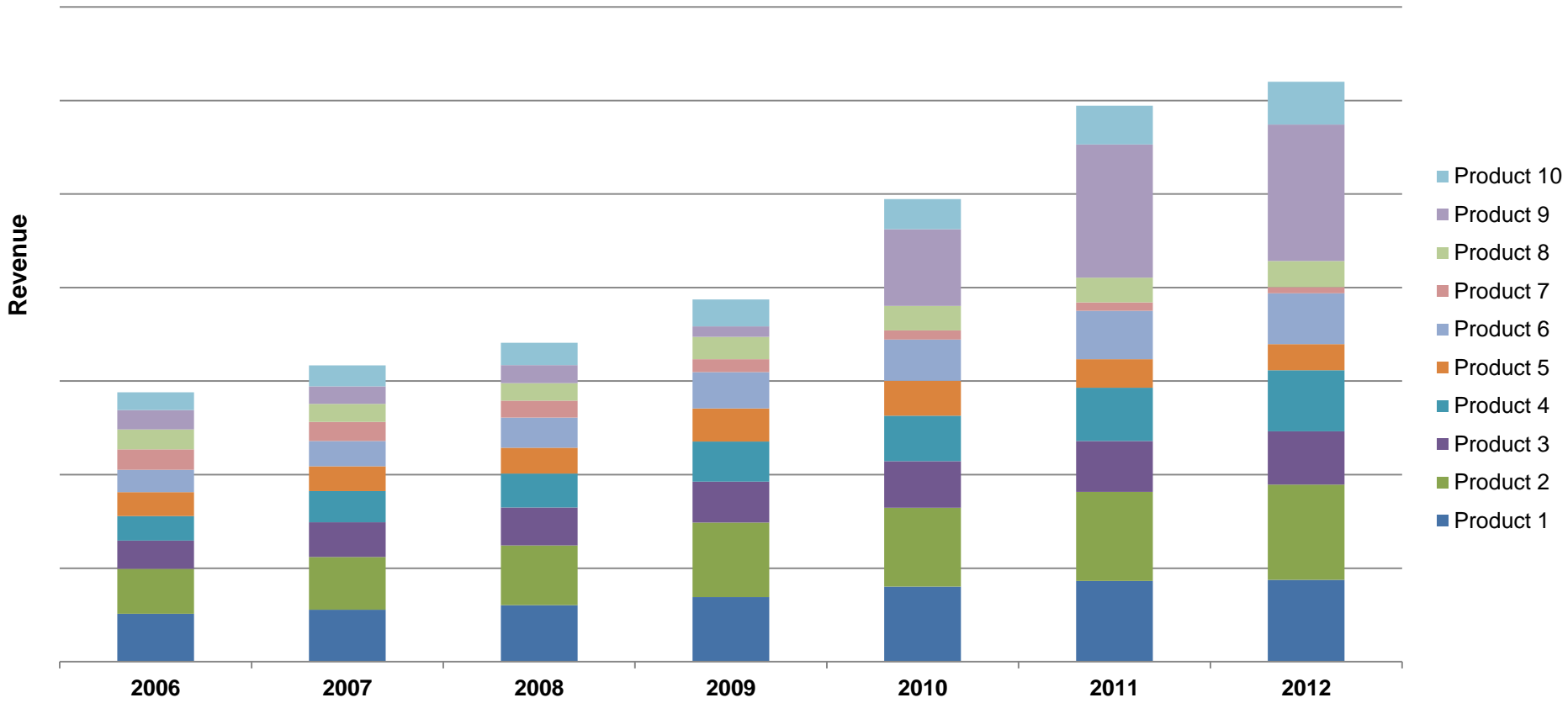


*excludes ARVs, Seretide and Foxair

7 year CAGR of 15.1%

Prospects - Organic Growth*

Revenue growth of Top 10 products in 2006

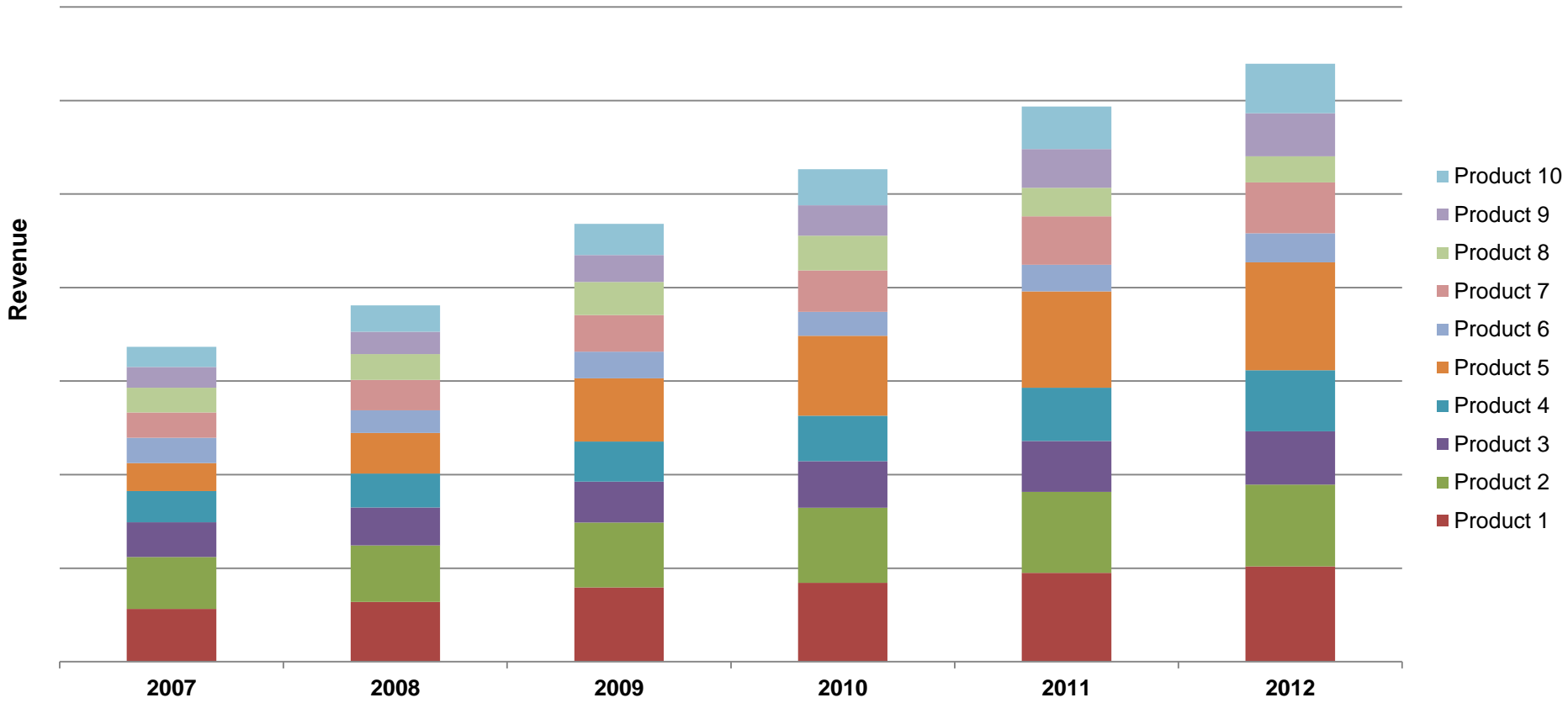


*excludes ARVs, Seretide and Foxair

6 year CAGR of 13.6%

Prospects - Organic Growth*

Revenue growth of Top 10 products in 2007

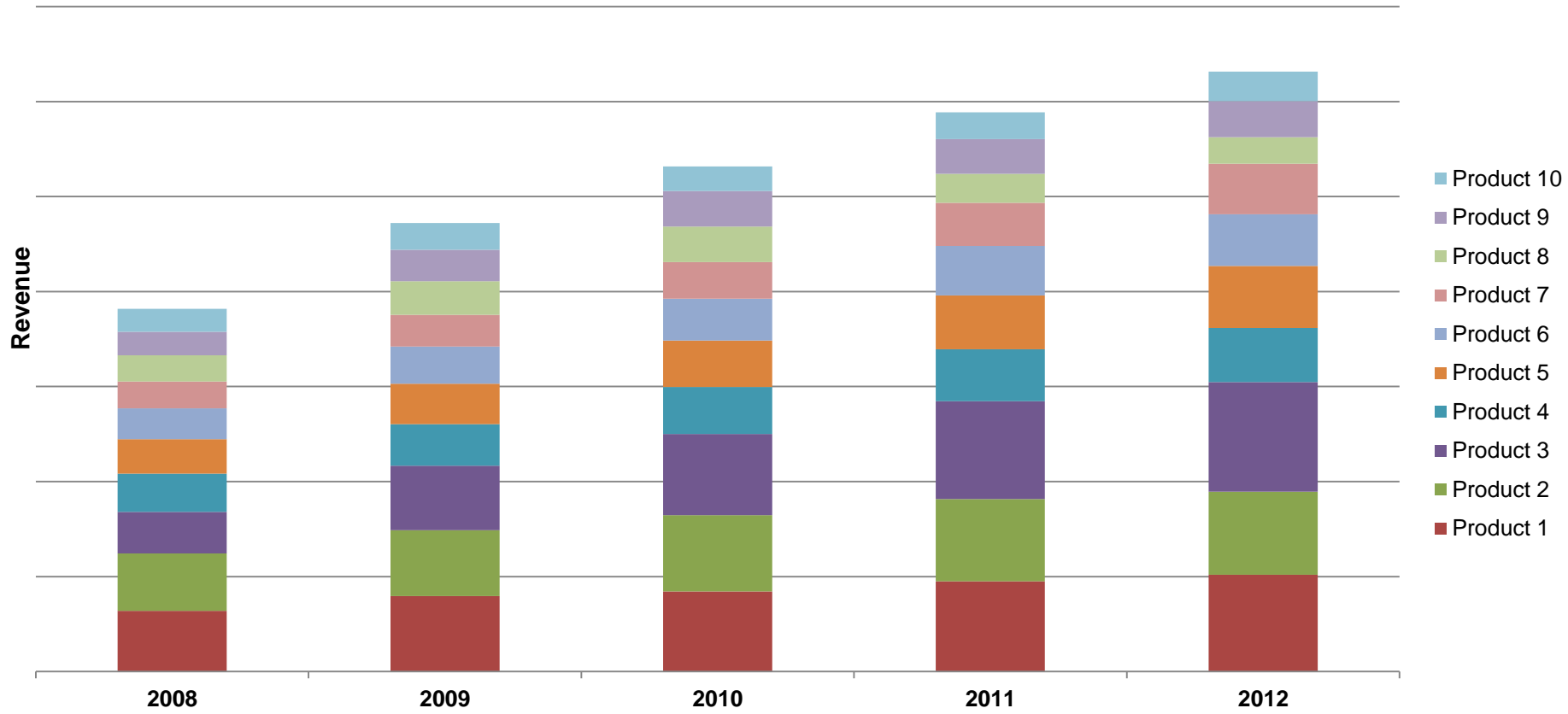


*excludes ARVs, Seretide and Foxair

5 year CAGR of 13.7%

Prospects - Organic Growth*

Revenue growth of Top 10 products in 2008

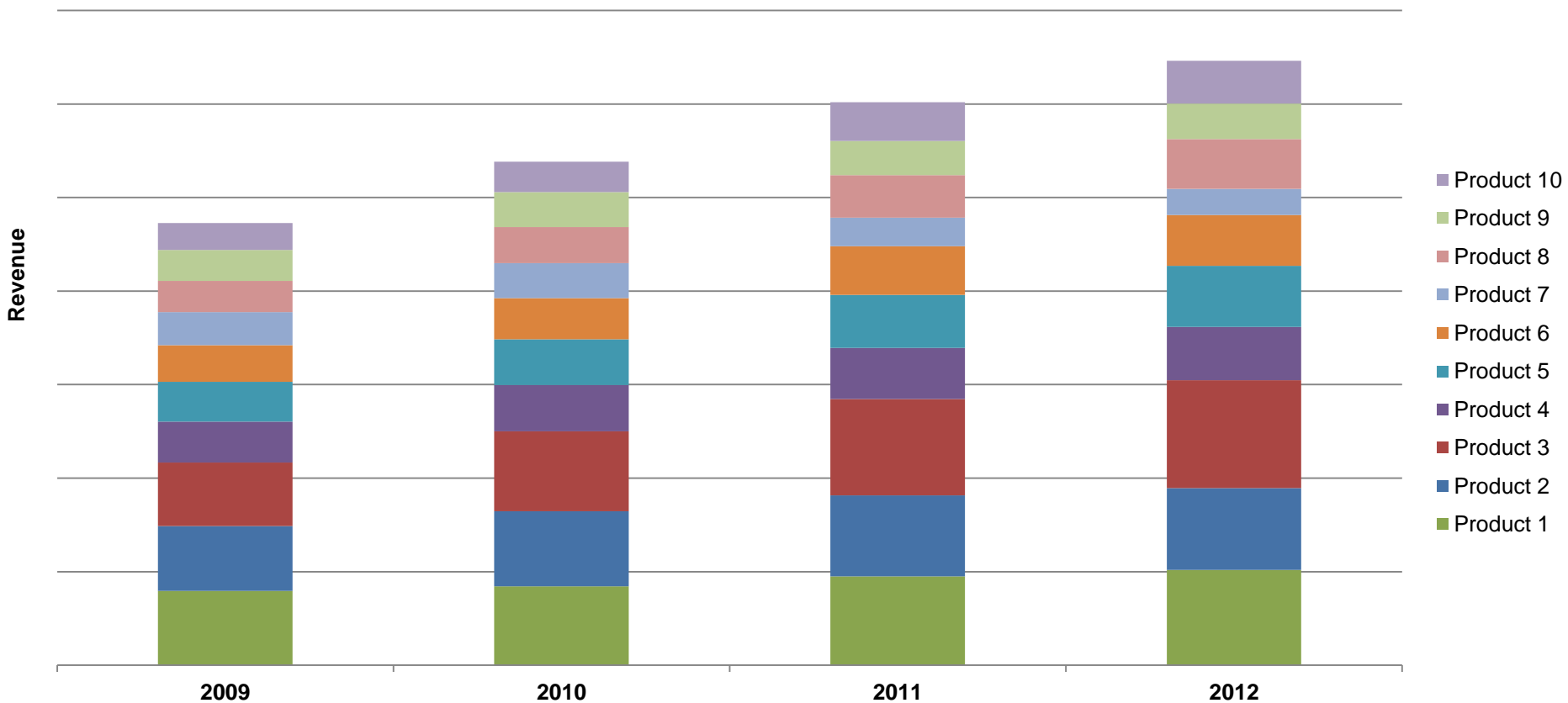


*excludes ARVs, Seretide and Foxair

4 year CAGR of 13.4%

Prospects - Organic Growth*

Revenue growth of Top 10 products in 2009

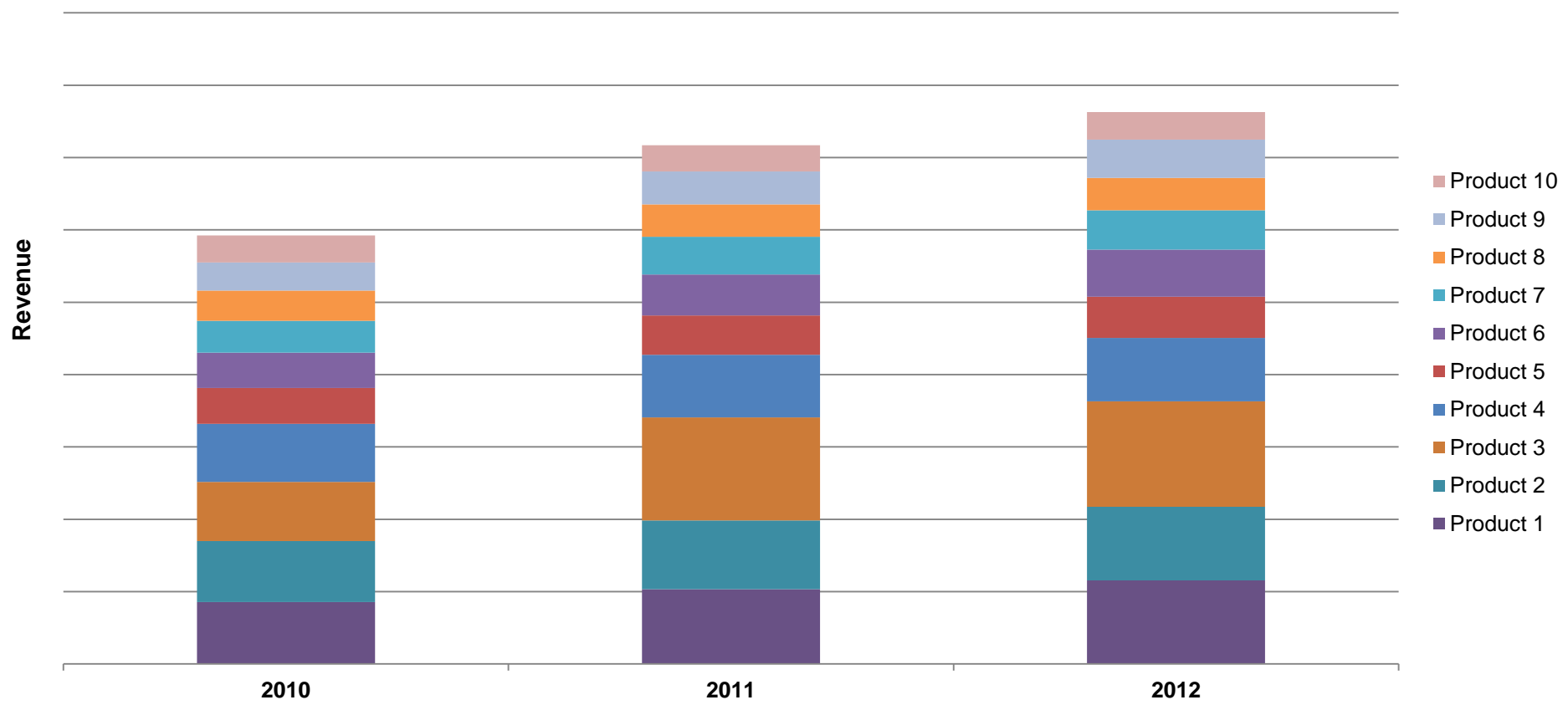


*excludes ARVs, Seretide and Foxair

3 year CAGR of 11%

Prospects - Organic Growth*

Revenue growth of Top 10 products in 2010



*excludes ARVs, Seretide and Foxair

2 year CAGR of 13.5%

Operations

- SA Operations continues to provide sustainable advantages
 - The only company in SA currently manufacturing 3 in 1 ARVs
 - Conversion increases are below inflationary increases
 - Volumes and double digit productivity improvements

- Quality Underwrite
 - SVPs inspected and approved by both the FDA and the TGA
 - TGA also approved remaining solid plants in PE

- Contributing to Australian margin growth

Our manufacture and supply chain have been a key enabler in realising commercial deal closure

High Potency Suite

- Niche technology
- Site preparation has commenced
- Expected construction completion – Sept 2014

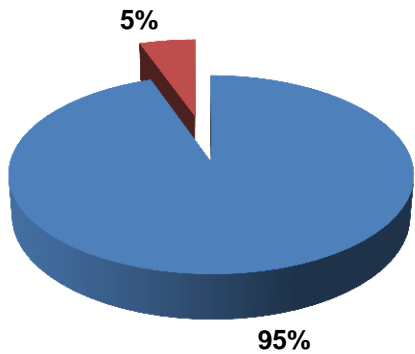


- Commissioning of equipment/utilities completed – Feb 2015
- This facility fully funded by savings on products moved from other sites
 - Savings of over 80% in conversion
 - Additional capacity available to drive future niche product opportunities
 - Benefits from existing infrastructure and economics of sale

Niche capability – Margin opportunity

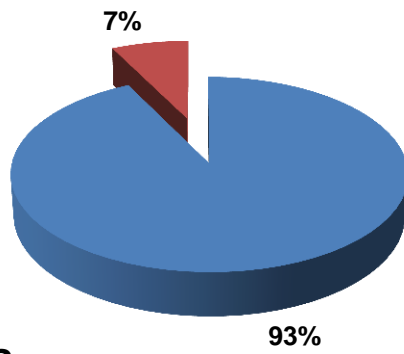
Aspen Asia Pacific

2011



- Australia/NZ
- Asia

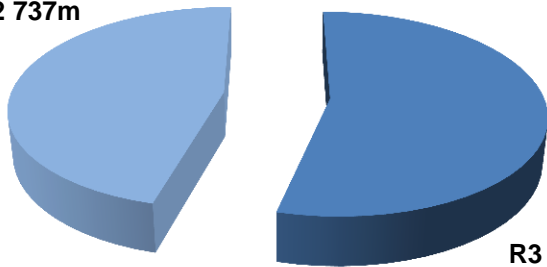
2012



- Australia/NZ
- Asia

Asia now at 7% of sales (by customer geography)

R2 737m

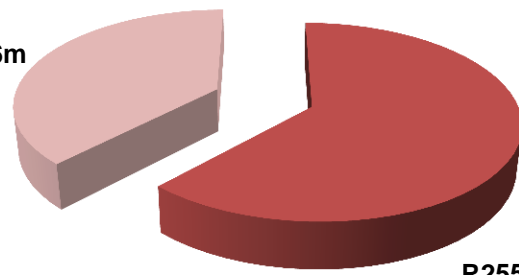


- 2012
- 2011

R3 217m

Australia/NZ - 18% growth

R156m



- 2012
- 2011

R255m

Asia - 64% growth

Our target is for Asia to have increasing share of this pie

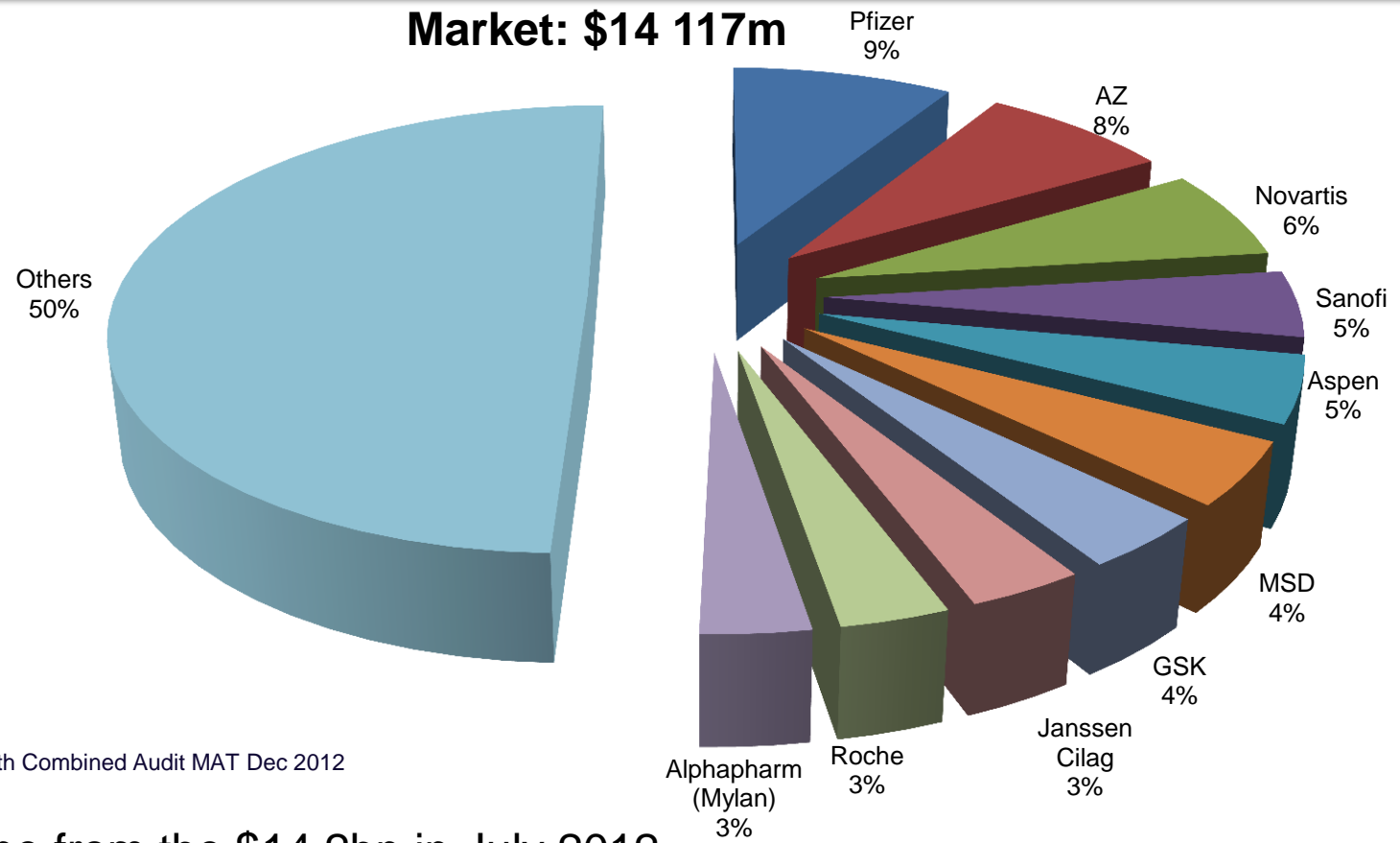
Aspen Australia

	DEC-2012	DEC-2011	
	TOTAL	TOTAL	Growth
	Rm	Rm	
Australia	3 131	2 663	18%
NZ	86	74	16%
Aspen Australia total	3 217	2 737	18%

- Aspen's portfolio consists of branded, generic and OTC products
 - one stop shop
- Aspen sells about 700 products
- Aspen has more prescriptions written than any other company in Australia
 - 1 in 5 prescriptions written is for an Aspen distributed product
 - Aspen sells more generic product than any other company in Australia
 - Almost 70 million packs of product are sold annually
 - Including grocery and export, packs exceed 100 million
 - Aspen has more than twice as many scripts written as our closest competitor
- Aspen in the top 5 by sales value in Australia



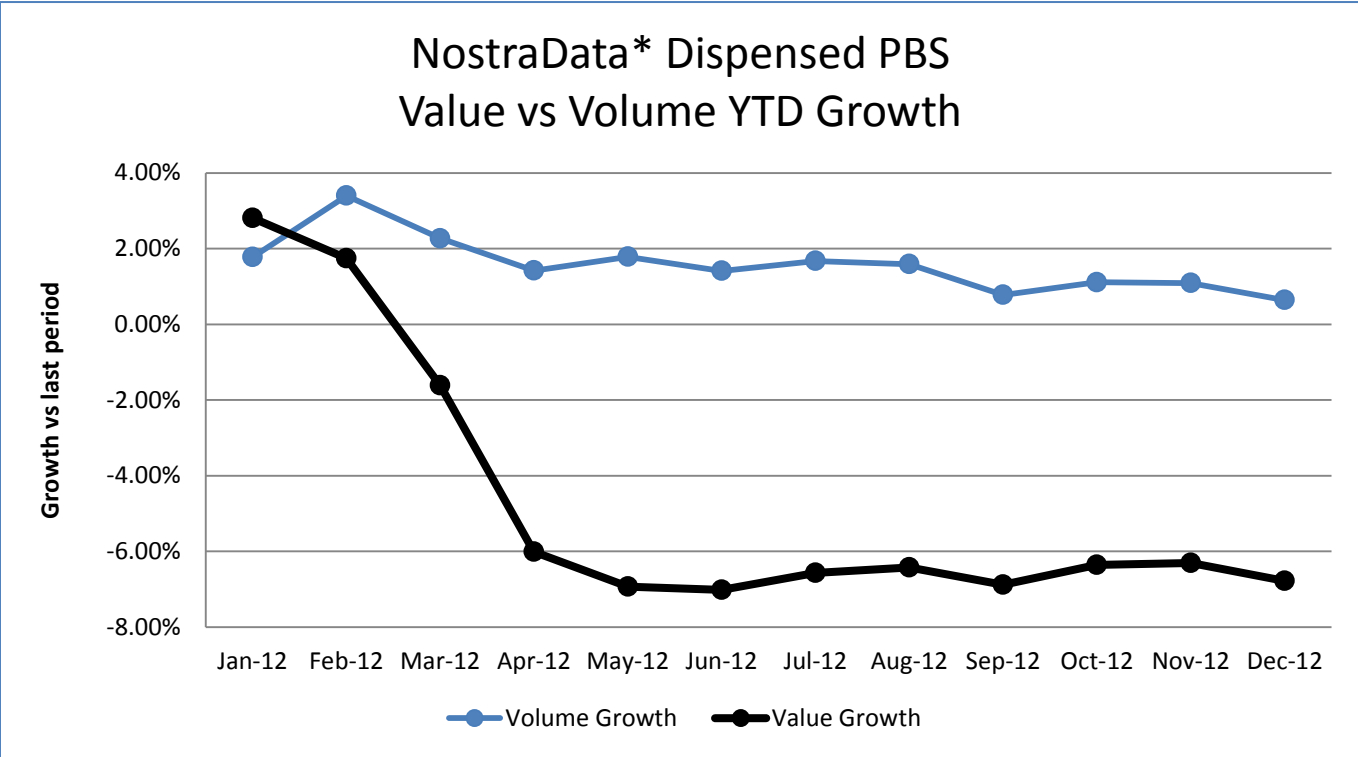
Australia Market – December 2012



Source: IMS Health Combined Audit MAT Dec 2012

- Decline from the \$14.2bn in July 2012
 - Generic volume growth
 - Price cuts and increased discounting

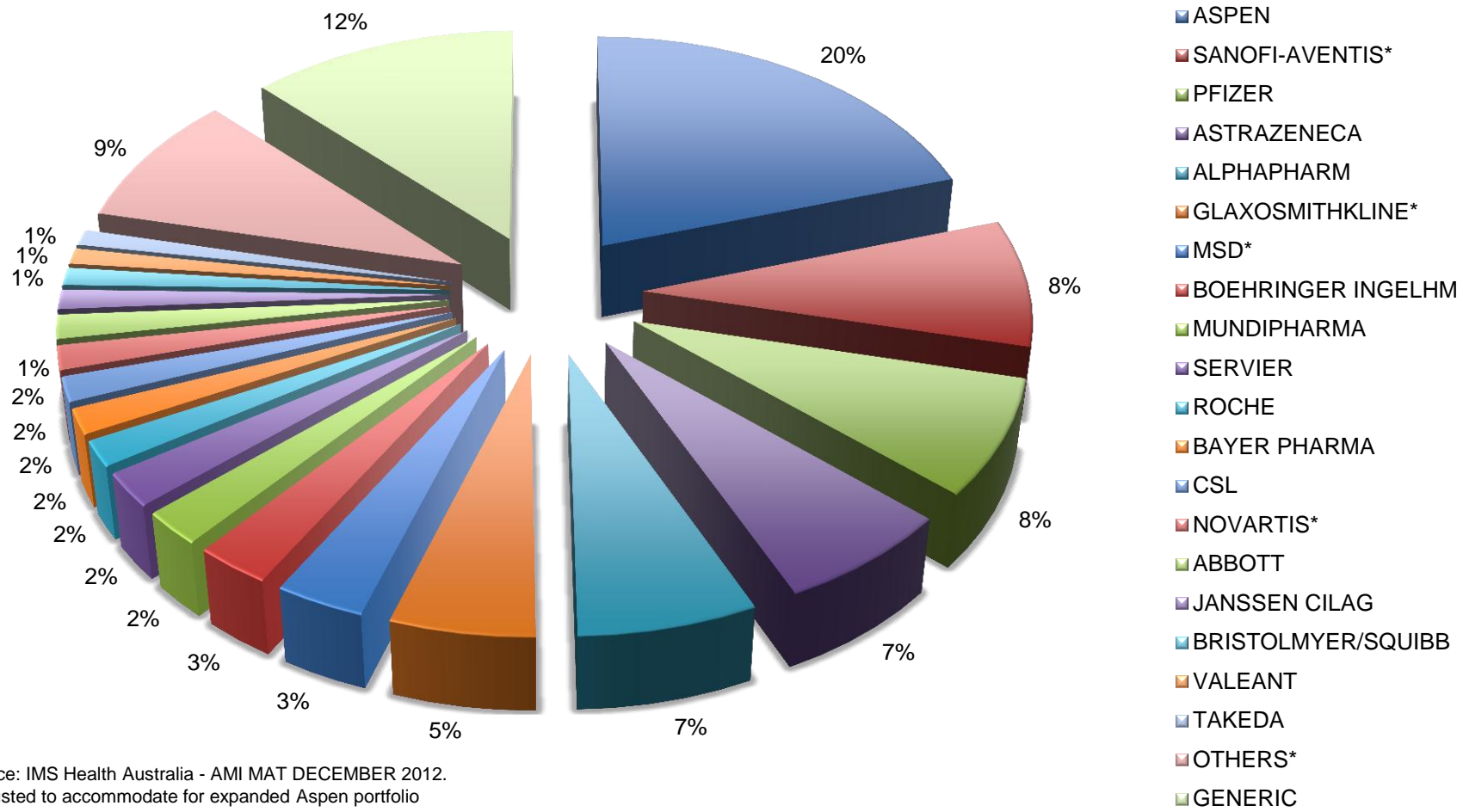
Australia Market – Price and Volume



* NostraData uses dispensing data from a panel of 2,000 pharmacies. Values are based on official reimbursed prices. The steep fall in value in March / April is due to forced price cuts to a wide range of molecules, as well as the patent expiry for atorvastatin.

Limited volume growth – Price cuts effecting the market

Australia Market - Leading Manufacturers by Scripts Written

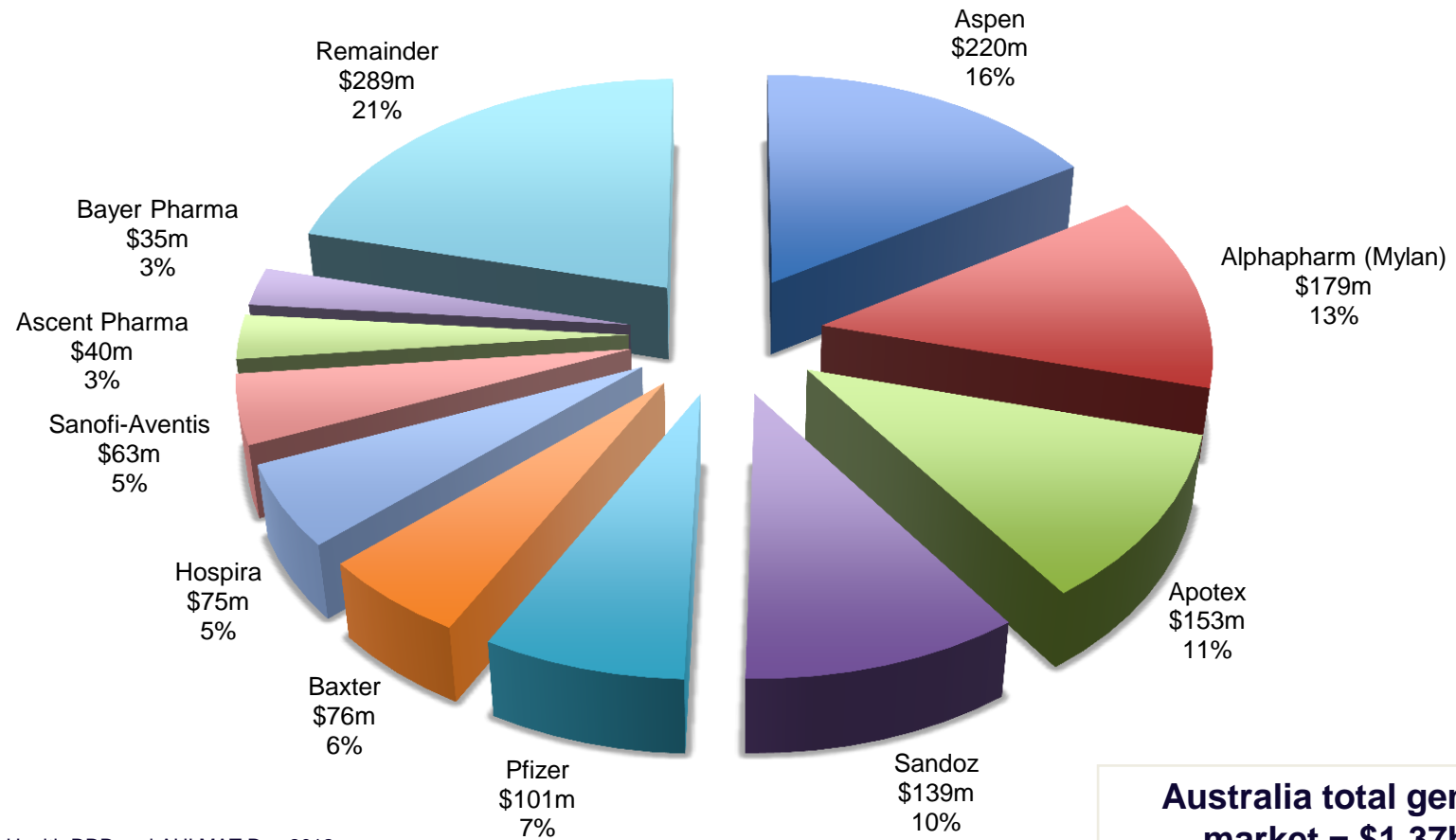


Source: IMS Health Australia - AMI MAT DECEMBER 2012.
 *Adjusted to accommodate for expanded Aspen portfolio

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

Australia's Largest Generic Company by Value – 16%

Australia: Top Generic Players

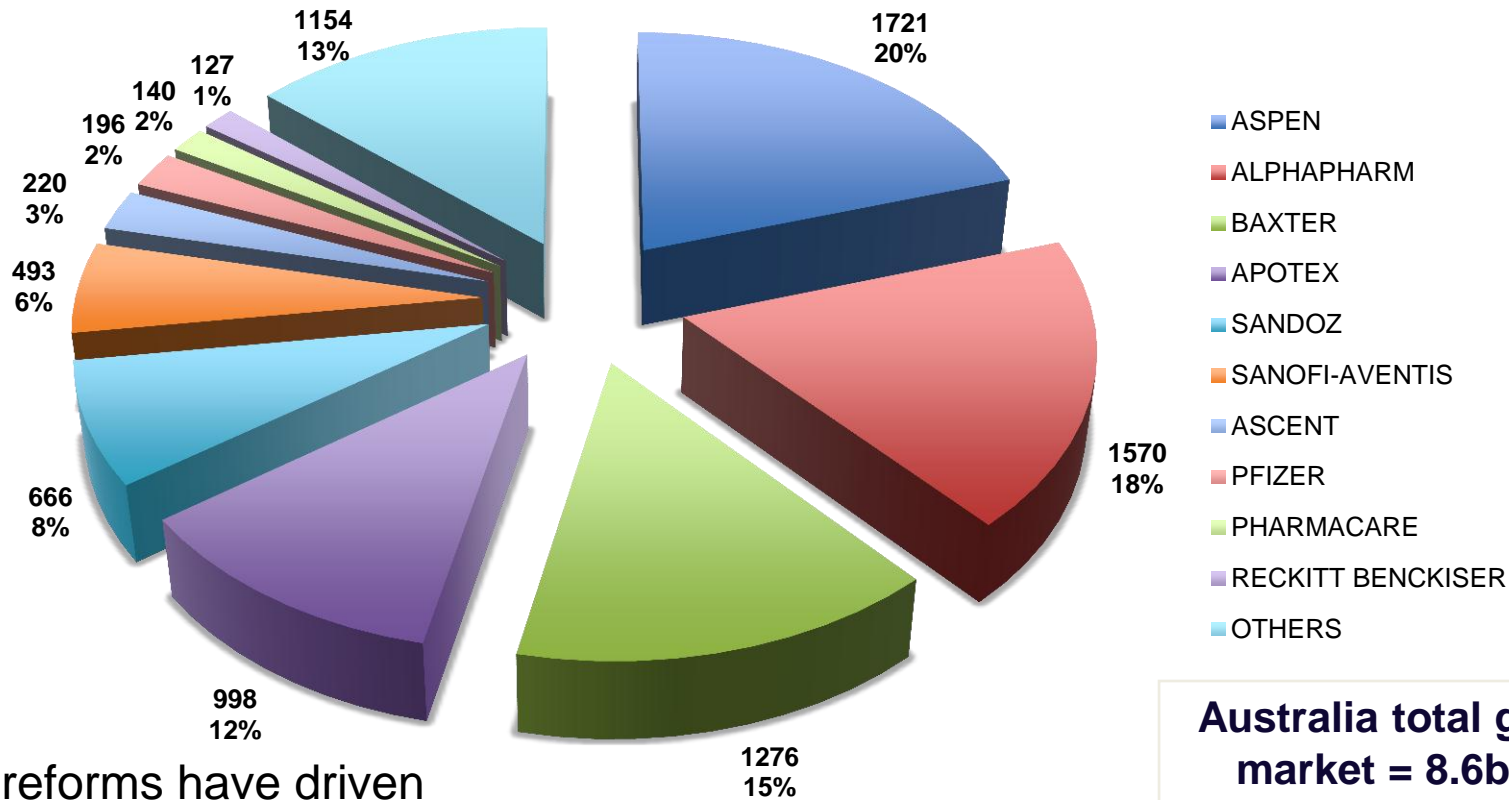


Australia total generic market = \$1.37bn

Source: IMS Health DDD and AHI MAT Dec 2012.
Figures are net sales: invoiced discounts and free stock are excluded from sales.
IMS figures have been adjusted for 9 products that IMS considers as Spirit and MSD products, but which are distributed by Aspen.

Australia's Largest Generic Company by Volume

In terms of volume, Aspen is the leading generic player with 20% market share



Australia total generic market = 8.6bn SU

Source: IMS Health MIDAS MAT Dec 2012
Licensed generics have been re-allocated to Aspen.
SU = Standard Units. Eg 1 tablet = 1 SU.

- PBS reforms have driven
 - 26% volume growth
 - Value growth muted by discounting



20% volume share

Australia - Sales Performance

	DEC-2012	DEC-2011	
	TOTAL	TOTAL	Growth
	Rm	Rm	
Australia/NZ	3 217	2 737	18%
Less: Recent acquisitions			
OTC brands	76	represents 5 months sales	
GSK Prescription brands	38	represents 1 months sales	
Australia Base	3 103	2 737	13%

- Base business continues to perform
- Sales performance needs to be measured against
 - The PBS price cuts over this period
 - The discontinuation of brands that were not giving any return
 - Increased discounting within the market



Australia – Sales Performance

- Price cuts have been steeper than anticipated
 - Initial value erosion higher than budgeted
 - Iterative price reduction will have impact
 - New base price is being discounted

- Challenging market and Aspen continues to out-perform
 - Great team, great portfolio and are strategically well positioned
 - Other players will need to reach out for credible partners

- New brands
 - Successfully integrated
 - Add impetus and mass to our basket approach

Keeping up the momentum



Australia - Sigma Acquisition Update

- Factory closures tracking to plan
- In-house Distribution centres closed
 - All distribution now channelled through a single outsourced third party
- Ability to now divest redundant properties at Nobel Park and Croydon
- Sales and marketing teams fully integrated
- Acquired GSK Prescription brands seamlessly integrated (80 SKU's)
- New Sales team has been recruited and trained to promote acquired products

Proper planning – Proper execution



Australia - Operating Performance

- Operating profit margins increased to 28%
 - Benefits of promised synergies
 - Improved procurement and COGS
 - Margin increase in a declining price environment
 - Synergies greater than price erosion

- On going benefits still to harness
 - Process of moving manufacture takes time
 - Expect savings to continue filtering through
 - On existing business, further savings expected to exceed price reductions
 - Margins on base business should maintain or improve

- Commitment to double acquired Sigma EBIT attained
 - Real achievement in this environment

Good People Make Good Businesses

Australia - Prospects

- Extrapolated the OTC and prescription brands
 - Yields annualised sales of R641m

- Have a competent team
 - Define the Aspen culture
 - Can be relied upon to deliver the Aspen's broader objectives for Asia

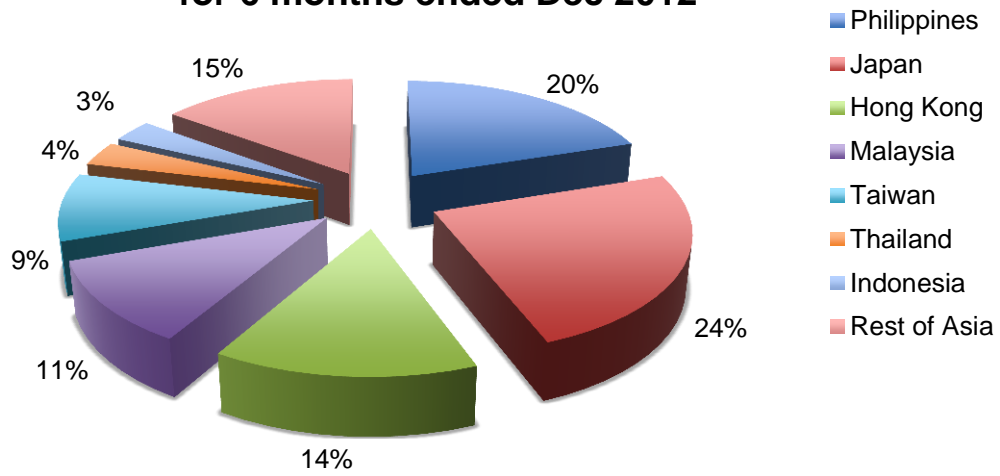
- Aspen is really well positioned to take advantage
 - Of both market strength and weakness; and
 - Be the base for Asia Pacific growth

Great performance
Exporting this culture into Asia

Asia Performance

	DEC-2012	DEC-2011	
	TOTAL Rm	TOTAL Rm	Growth
- Asia base	190	156	22%
- OTC brands acquired	65	-	
Total Asia	255	156	64%

Revenue of R255m for 6 months ended Dec 2012



Aspen Asia with limited resource applied to date is showing exceptional growth

Philippines

- Sales growth of 148%
 - 84% excluding OTC brands
- Sales and promotion deals executed and more in discussion
 - Merck
- Developing strong organic pipeline
- Current headcount 106
- Already ranked 34th per IMS



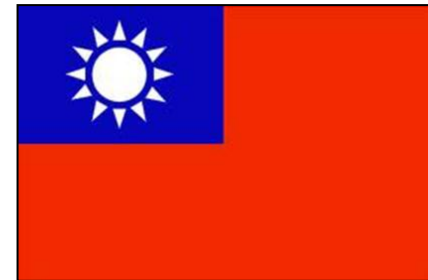
Malaysia

- All key staff appointed
- All business licences obtained
- Trading to begin as Aspen on 1 May 2013
- Pipeline being added
- 34% growth largely driven by OTC products



Taiwan

- Business license obtained
- Staff recruitment ongoing
- Trading hoped to commence 1 July 2013
- Pipeline products being developed
- Sales growth of 8% even after mandatory price decreases



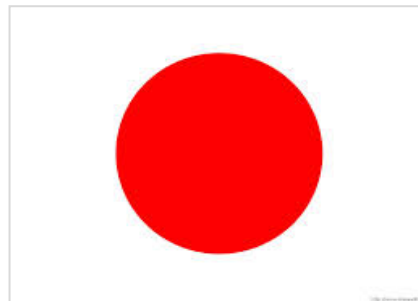
Indonesia/Japan/Thailand Under Assessment

- Currently
 - Reviewing opportunities
 - Ambition of opening subsidiaries

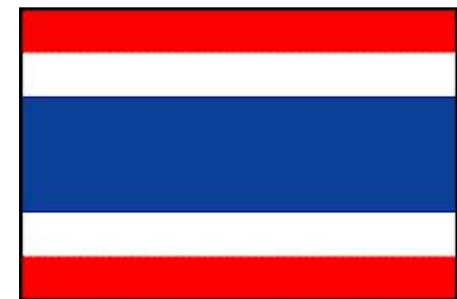
- Challenging markets
 - Indonesia has local manufacturing requirements
 - Japan
 - World's second largest market
 - High barriers to entry



Indonesia



Japan



Thailand



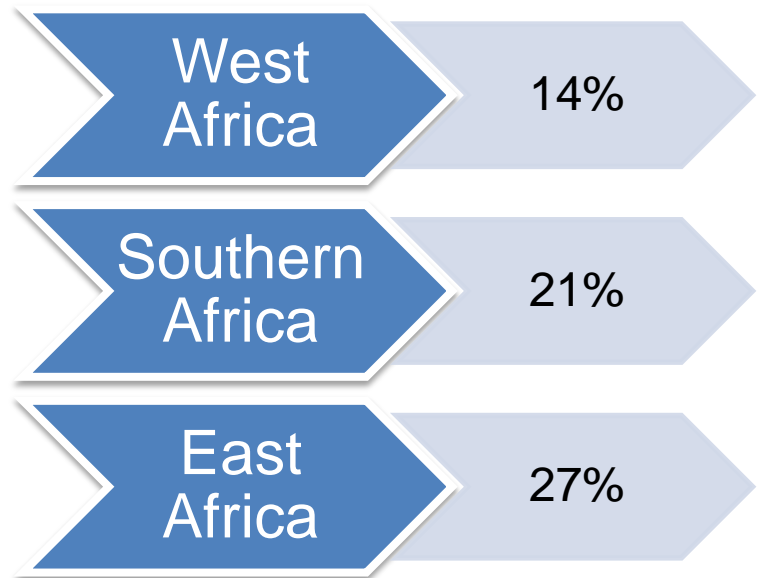
Asian Prospects

- Key focus area for Aspen
 - Recruiting resource to drive the business
 - Reviewing both organic and inorganic opportunities
 - Tangible opportunities to create further regional mass
 - Further licensing opportunities also being explored
- Increased critical mass important
 - Facilitates establishment of Aspen controlled representatives base
- Derive confidence from Philippines' success
 - Expect to be an important player in this market
- H1 growth sustainable into H2
- Anticipated to continue to be a growth driver within Aspen
 - Vibrant region, good fit for our Aspen offering

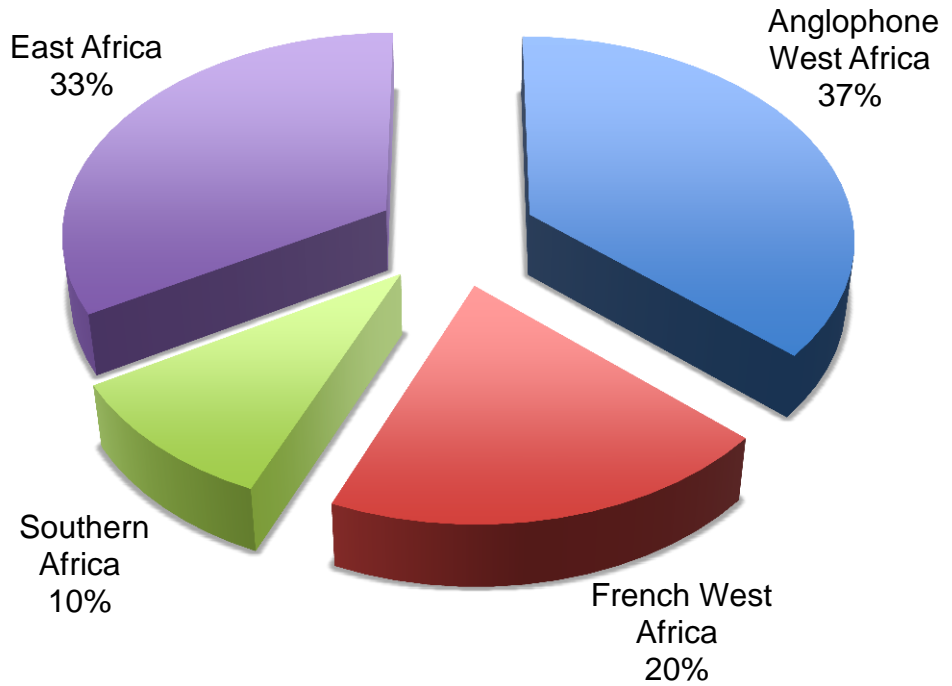


Regional Growth Rates

Relative Regional Revenue Growth Rates



Sales R990m (2011: R835m)



SSA sales growth of 19%

Highlights

- Sales growth despite political instability in key markets
 - Kenya and Nigeria
- Strong organic growth
- Strategic decision made to increase our footprint
 - More than 650 sales representatives
- Private market focus at Shelys
 - Double digit growth maintained
- 29 Aspen products launched into SSA Collaboration
 - Sustained pipeline roll out to drive growth
- Aspen Nigeria to commence on 1 April 2013
 - Focus on OTC and consumer



Highlights

- West Africa
 - Strong performance in Nigeria despite unrest
 - Additional sales representation
 - Especially in French speaking countries

- Southern Africa and East Africa
 - Additional sales representatives
 - Improved revenue in Shelys Africa
 - Political instability in Kenya affected performance
 - Growth in smaller East African markets contributed to performance

- Regional political instability is a key challenge
 - Kenya and Nigeria
 - Smaller markets of DRC & Mali



Outlook for the Remaining 6 Months

- March elections in Kenya will impact performance
- Benefits of additional representation to be realised
 - Will help sustain current sales growth
- Focus on reducing operating expenses
 - Will not impact representation
 - Will impact future margins favourably

We are investing now to lay the foundations
of future growth

A Strategic Focus

- Sales Growth 39% vs previous half year

	DEC-2012	DEC-2011	
	TOTAL	TOTAL	Growth
	Rm	Rm	
Brazil	386	320	21%
Spanish Latam	371	224	66%
	<hr/> 757	<hr/> 544	<hr/> 39%

- Last year we had a sell in during H1
 - Annual sales were R1 026m
 - If H1 is repeated growth for the year would be close to 50%
 - Excluding the acquired OTC brands, growth was 16% (23% annualised)

**Sustained Private market growth driving growth.
OTCs added needed critical mass**

Market Segmentation

- Divided into 6 focus areas
 - Aspen Brazil
 - Aspen Mexico
 - Aspen Venezuela
 - Aspen Andean
 - Columbia
 - Ecuador
 - Peru
 - Bolivia
 - Aspen Argentina
 - Argentina
 - Chile
 - Paraguay
 - Uruguay
 - Aspen Caricom
 - Central America; plus
 - The Caribbean

Venezuela CEO

COO Spanish Speaking Latam & Mexico

Andean/Caricom Commercial Manager

Brazil CEO

Country Executive Argentina

Effectiveness of the Introduction of Commercial Teams into Brazilian Market

Pharmacy Panel

- ✓ Brazilian market is dominated by focus on detail strategies i.e. doctors exclusively
- ✓ Aspen introduced strategy so effective in SA and Australia
- ✓ We added a commercial team that focuses on pharmacy

Roles

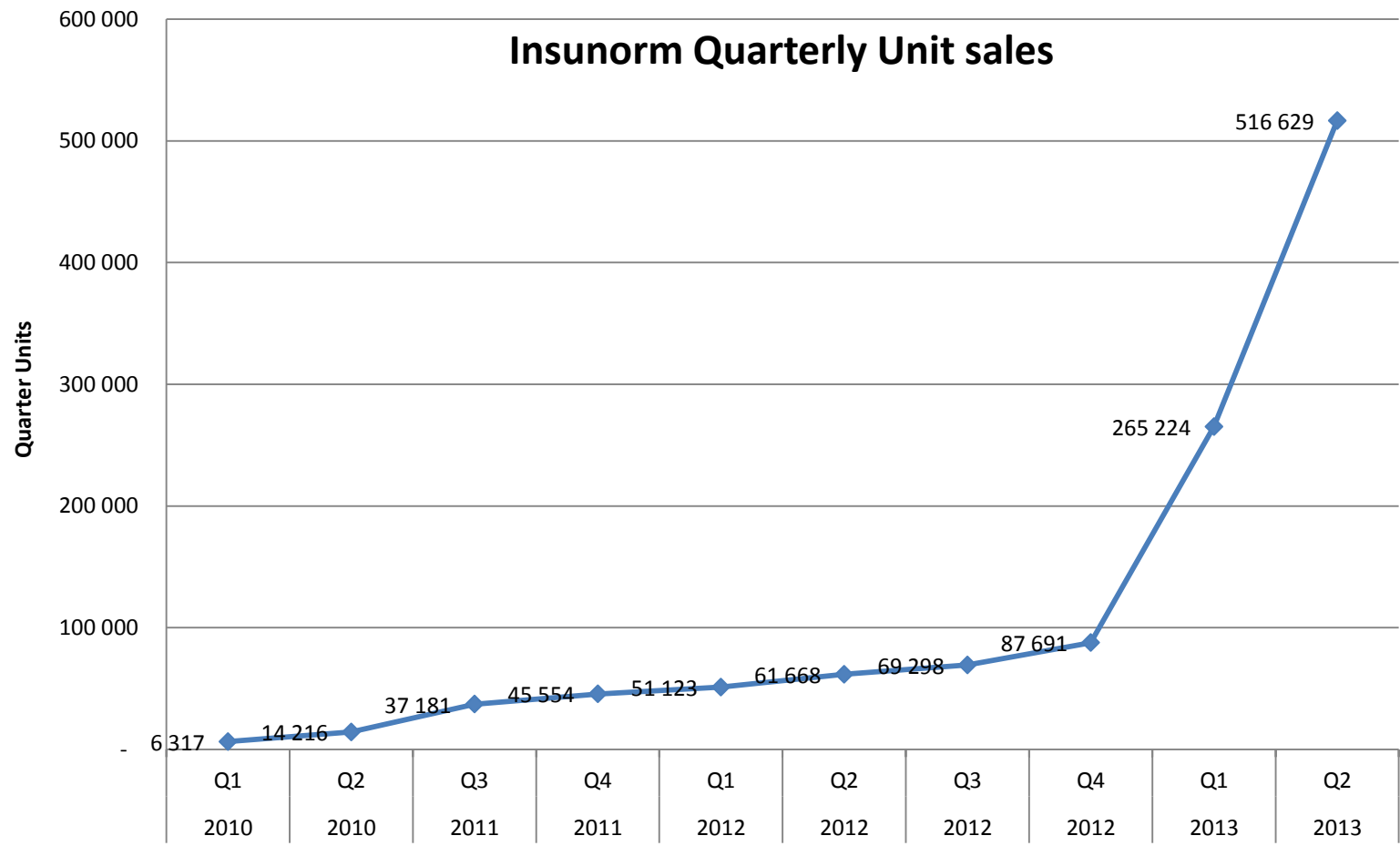
- ✓ Increase demand through shelf pressure
- ✓ Improve shelf positioning and space
- ✓ Merchandising
- ✓ Manage pharmacy inventory
- ✓ Marketing campaigns implementation
- ✓ Price research
- ✓ Goodwill with ultimate dispenser

Measurement

- ✓ Daily control of transfer orders volume.
- ✓ Daily reporting of sales to headoffice
- ✓ Monthly product purchases by pharmacy
- ✓ Variable remuneration dependent on Aspen's revenue and performance vs market



Creating Brands in Brazil

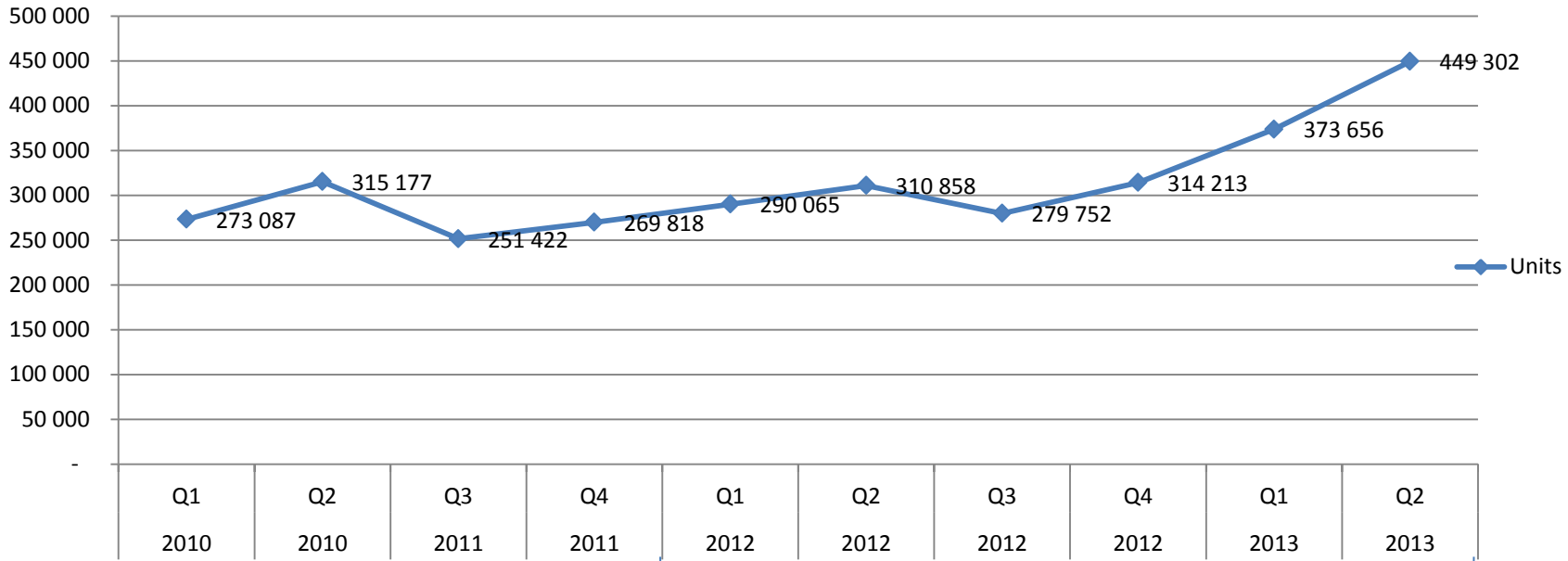


◆ Units

**Aspen Launch -
Sales targeted to exceed \$1m per month**

Demonstration of Effectiveness of the Sales Force in Brazil

Calman Sales Units



Direct sales Management system

- Achieved market leadership in Q4 2012
 - Volume growth of 40%
 - 25% share of the market (from < 20%)



OTC – Marketing Campaign makes the difference in Brazil

TV Merchandising



Magazines Ads



Magazines



Website and Social Networks

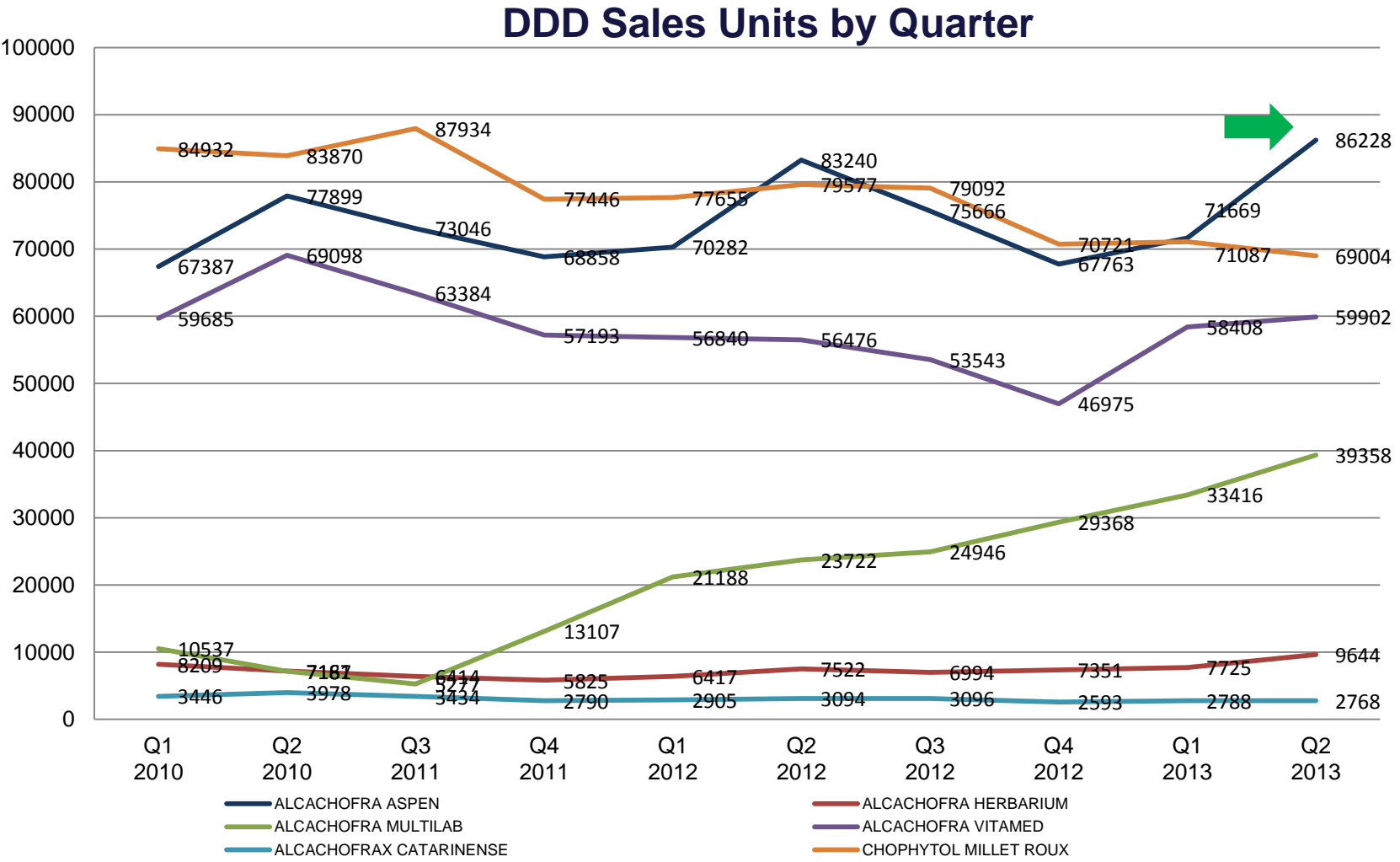


POS Material – Shelf space



Slimming is a crowded sector

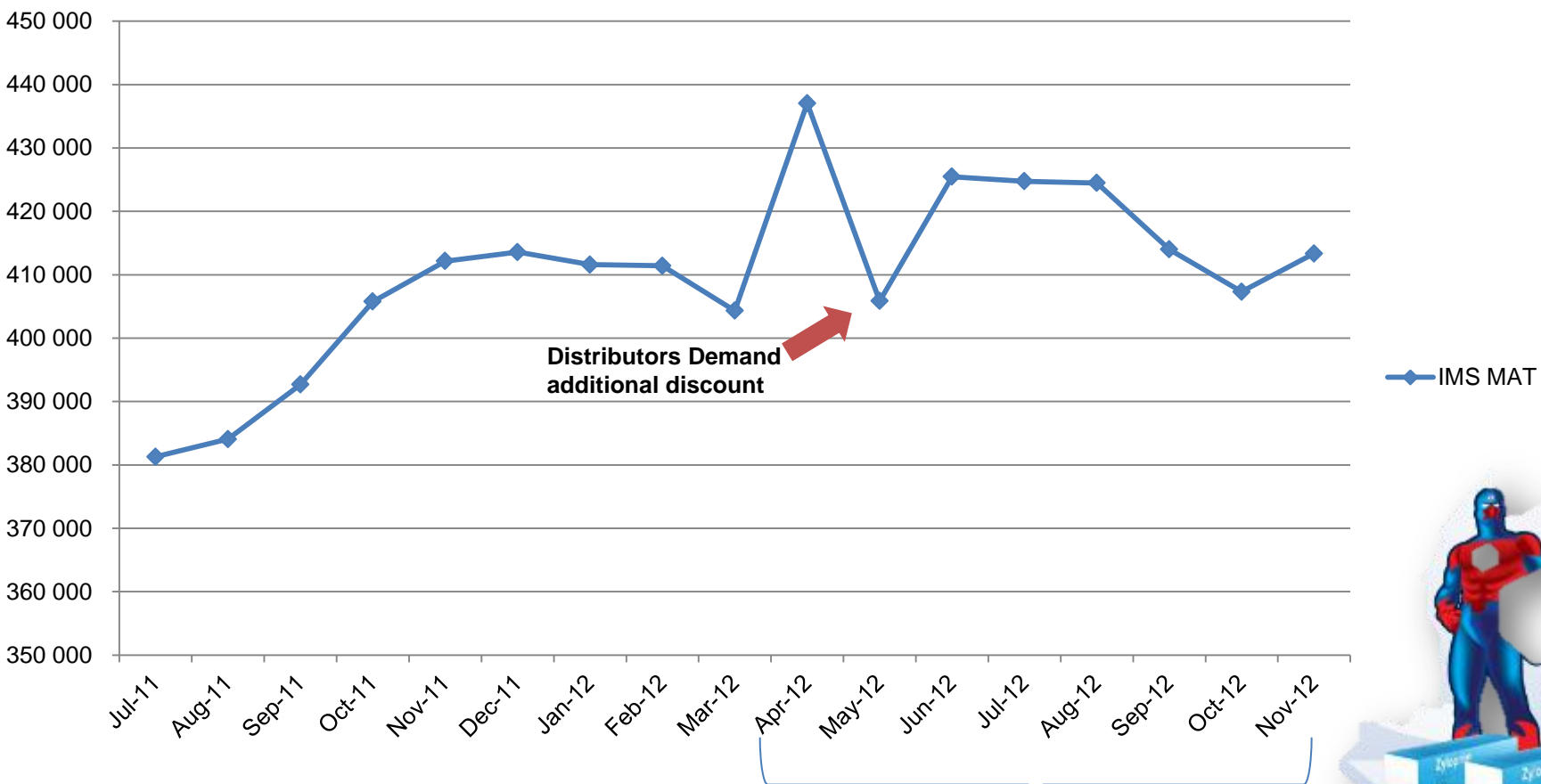
Leadership - Alcachofra Brazil



But we have market leadership now in Alcachofra

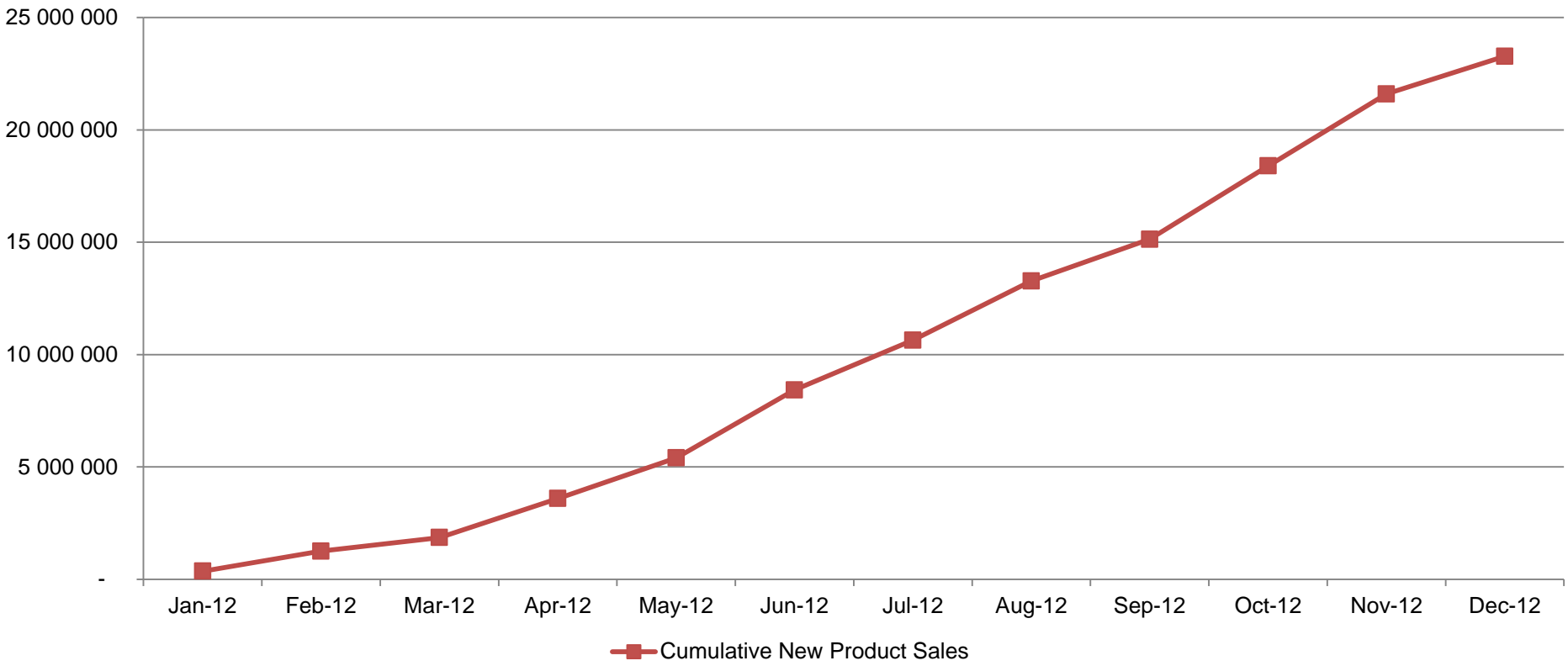
Mexico Private Market

Zyloprim - IMS MAT Mexico



Venezuela New Product Launches

Venezuela Cumulative New Product Sales January 2012 to December 2012



New Products Generated about \$6m in 12 months

Prospects


- H2 sales to continue current H1 momentum
- Replicate successful Brazil pharmacy/commercial strategy
 - Mexico and Venezuela
- Looking for acquisition/partnering or set up opportunities
 - Caricom, Andean and Argentina
- Leverage brand equity of acquired brands
 - Credibility for our organic pipeline

Comfortable that we now understand the region
and have the team to deliver on our
aspirations for Latam



Summary and Prospects

Operational Performance

- Impressive Financial Performance
 - Revenue and profits 
 - Margins maintaining
 - Acquisitions have been bedded down
- Performance in all regions encouraging
 - Strong H1 to continue into H2

Strong Growth both Organically and Acquisitively

Corporate Activity

- Cautionary
- Roll out Aspen presence across more geographies
 - Acquire more products
 - Critical mass
 - Convert from distribution model to an owned model
 - Enhanced pipeline
 - Differentiated, relevant and niche

TO REST IS TO RUST



Q & A