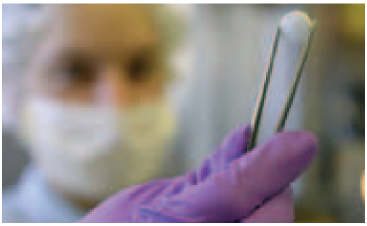
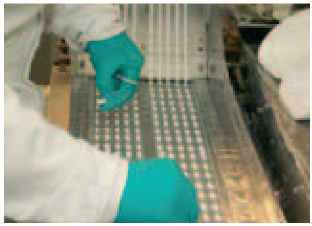
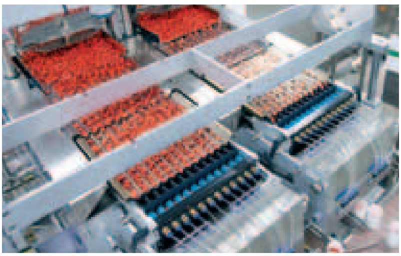
Aspen Pharmacare Holdings Limited ("Aspen")
(Registration number 1985/002935/06)
Share code: APN ISIN: ZAE000066692

Unaudited interim financial results for the six months ended 31 December 2010

Revenue from continuing operations ↑ 33%

Headline earnings from continuing operations ↑ 35%

Headline earnings per share from continuing operations ↑ 15%

Sigma transaction completed

Commentary

GROUP PERFORMANCE

Aspen increased headline earnings from continuing operations by 35% to R1,147 billion in the six months ended 31 December 2010. Revenue from continuing operations was up 33% to R5,990 billion and operating profit from continuing operations grew 28% to R1,614 billion. Headline earnings per share from continuing operations improved 15% to 265,3 cents. The rise in headline earnings per share was diluted by an increase in the weighted average number of shares in issue as a consequence of the issue of shares on 1 December 2009 in settlement of the transaction with GlaxoSmithKline ("GSK") concluded on that date.

SOUTH AFRICAN BUSINESS

The South African business increased revenue by 29% to R3,300 billion and improved operating profit by 23% to R0,996 billion. The pharmaceutical division led the growth in revenue raising sales by 36% to R2,682 billion. Consumer division sales were up 8% to R0,618 billion. Profit margins benefited from production efficiencies, procurement savings and the strength of the Rand. The higher insurance compensation received in the prior period inflated the comparative profit margin for that period.

The pharmaceutical business grew ahead of the market in the private sector, increasing Aspen's share as measured by IMS to 16,7%. Aspen remains the leader in generic pharmaceutical supply and has also taken the top position in the branded product segment with the successful integration of the GSK business. Sales of the GSK products for the six months to 31 December 2010 were R463 million against R53 million from one month of sales in the prior period. In the recently adjudicated anti-retroviral ("ARV") tender, Aspen was awarded 41% by value of the anticipated ARV requirements of the South African government over a two year period. This validates the cost competitiveness of the Group's production capabilities.

There has been ongoing investment in the manufacturing capabilities of the Group in South Africa. Most capital projects are well advanced. The focus of these projects has been adding capacity, enhancing technical standards and improving efficiency.

SUB-SAHARAN AFRICA BUSINESS

Revenue in the sub-Saharan Africa business more than doubled from R279 million to R666 million due to the full period contribution from the GSK Aspen Healthcare for Africa collaboration. Operating profit followed a similar trend, growing from R41 million to R119 million. Performance at Shelys, Aspen's 60% owned subsidiary in East Africa, improved on the unsatisfactory showing in the second half of the 2010 financial year.

INTERNATIONAL BUSINESS

The international business increased revenue by 39% to R2,423 billion. Revenue benefited by R600 million (2009: R108 million) from the inclusion of the brands and the Bad Oldesloe production facility acquired from GSK in December 2009 for the full period. All territories contributed to the growth. Asia Pacific revenue was up 28% to R957 million, Latin America revenue was up 20% to R599 million and revenue in the Rest of the World region was up 76% to R867 million.

Operating profit before amortisation and once-off items rose 27% to R551 million. Margins in the International business narrowed, primarily as a consequence of the cost of transitioning products recently acquired from GSK to Aspen's global distribution network which incorporates independent distributors.

The AUD 900 million (approximately R6,3 billion) acquisition of the pharmaceutical business of Sigma, Australia's largest listed pharmaceutical company, completed on 31 January 2011. Integration of this business with Aspen Australia is well underway and is progressing to plan.

FUNDING

Borrowings net of cash were reduced by almost R900 million to R2,147 billion due in part to capital receipts and favourable foreign exchange movements. Gearing at the period end was down to 18%. Following the January settlement of the purchase consideration of AUD 900 million paid to Sigma, gearing has increased to around 40%.

Interest paid, net of interest received of R138 million, was covered 12 times by operating profit before amortisation.

PROSPECTS

The South African pharmaceutical business has strengthened its position as the market leader over the past period. The fundamental demand for medicines in the country also remains strong. Performance in the second half of the year will however be affected by the reduced value of the recent ARV tender award. The Minister of Health has announced that no consideration will be given to an increase in the Single Exit Price before the end of 2011.

The South African consumer business will be adversely affected by the ending in April 2011 of the Pfizer infant milk license agreement which generated annual sales of approximately R250 million. Pfizer has taken the decision to enter the South African market itself following the acquisition of the infant milk franchise as part of its take-over of Wyeth. Aspen has expanded its own infant milk offering with the introduction of the Infacare Gold range in order to replace the Pfizer brands.

The sub-Saharan African business is on a firm footing and the positive performance of the first half of the year should be maintained in the second half.

The Asia Pacific region of the International business is set for strong growth as the Sigma pharmaceutical business is integrated into Aspen Australia. The earnings per share impact for this financial year is likely to be close to neutral due to the expensing of transaction fees, stamp duties and restructuring costs expected to exceed R100 million. In years thereafter the transaction is anticipated to be earnings accretive as synergistic benefits are realised.

The International business will continue to transition products acquired from GSK to the Aspen global distribution network. Once complete, the Group will be well positioned to realise procurement and marketing opportunities with these brands.

At a time where there are heightened tensions in currency markets results could be influenced by exchange rate movements.

The Group remains well placed for growth into the medium term. The launch of new products from the extensive product pipeline will provide organic growth across all major markets. The expanded business in the Asia Pacific region is expected to provide further growth momentum. Latin America remains a core focus area for the Group as a region with great potential. Opportunities to add to the portfolio of global brands will be actively pursued.

By order of the Board

N J Dlamini	**S B Saad**
Chairman	Group Chief Executive

Woodmead – 3 March 2011

Group statement of comprehensive income

		% change	Unaudited six months ended 31 December 2010 Rm	Unaudited restated six months ended 31 December 2009 Rm	Audited year ended 30 June 2010 Rm
CONTINUING OPERATIONS					
Revenue		33	**5 989,8**	4 519,3	10 146,6
Cost of sales			**(3 380,9)**	(2 441,0)	(5 542,3)
Gross profit		26	**2 608,9**	2 078,3	4 604,3
Selling and distribution expenses			**(663,7)**	(538,3)	(1 189,4)
Administrative expenses			**(359,9)**	(368,4)	(736,0)
Other operating income			**108,4**	150,4	179,9
Other operating expenses			**(79,8)**	(61,9)	(243,9)
Operating profit	B#	28	**1 613,9**	1 260,1	2 614,9
Investment income	C#		**127,8**	90,6	187,9
Financing costs	D#		**(251,4)**	(264,0)	(558,3)
			1 490,3	1 086,7	2 244,5
Share of after-tax net losses of associates			**—**	(1,4)	(1,7)
Profit before tax		37	**1 490,3**	1 085,3	2 242,8
Tax			**(323,3)**	(238,9)	(467,5)
Profit after tax from continuing operations		38	**1 167,0**	846,4	1 775,3
DISCONTINUED OPERATIONS					
Profit for the period/year from discontinued operations			**—**	42,2	203,2
Profit for the period/year		31	**1 167,0**	888,6	1 978,5
OTHER COMPREHENSIVE INCOME					
Amounts recognised in equity due to hedge accounting of acquisitions			**95,7**	—	—
Onco Therapies Ltd transaction			**—**	—	0,8
Currency translation differences	E#		**(631,7)**	(37,1)	(25,1)
Cash flow hedges realised			**51,8**	(5,1)	(4,8)
Total comprehensive income			**682,8**	846,4	1 949,4
Profit for the period/year attributable to:					
Equity holders of the parent			**1 154,8**	883,0	1 989,6
Non-controlling interests			**12,2**	5,6	(11,1)
		31	**1 167,0**	888,6	1 978,5
Total comprehensive income for the period/year attributable to:					
Equity holders of the parent			**672,5**	840,8	1 969,3
Non-controlling interests			**10,3**	5,6	(19,9)
			682,8	846,4	1 949,4
Weighted average number of shares in issue ('000)			**432 354**	367 037	401 987
Basic earnings per share (cents)					
From continuing operations		17	**267,1**	229,1	444,4
From discontinued operations			**—**	11,5	50,5
		11	**267,1**	240,6	494,9
Diluted earnings per share (cents)					
From continuing operations		17	**256,0**	218,8	427,0
From discontinued operations			**—**	10,8	47,7
		11	**256,0**	229,6	474,7

#See notes on Supplementary information.

Headline earnings

		Unaudited six months ended 31 December 2010 Rm	Unaudited restated six months ended 31 December 2009 Rm	Audited year ended 30 June 2010 Rm
RECONCILIATION OF HEADLINE EARNINGS				
Profit attributable to equity holders of the parent		**1 154,8**	883,0	1 989,6
Adjusted for:				
Continuing operations				
– (Profit) / loss on disposal of tangible and intangible assets (net of tax)		**(18,1)**	1,6	2,5
– Net impairment of intangible assets (net of tax)		**21,5**	11,1	68,4
– Impairment of property, plant and equipment (net of tax)		**—**	0,7	25,3
– Impairment of deferred receivable (net of tax)		**—**	—	17,1
– Insurance compensation – capital component		**(3,6)**	(27,7)	(27,7)
– Capital gains tax on transfer of intellectual property rights		**—**	20,7	20,7
– Profit on the sale of Co-Pharma Ltd (net of tax)		**(7,5)**	—	—
Discontinued operations				
– Profit on the sale of Onco Therapies Ltd (net of tax)		**—**	—	(154,7)
Headline earnings	29	**1 147,1**	889,4	1 941,2
Headline earnings				
From continuing operations	35	**1 147,1**	847,2	1 892,7
From discontinued operations		**—**	42,2	48,5
	29	**1 147,1**	889,4	1 941,2
Headline earnings per share (cents)				
From continuing operations	15	**265,3**	230,8	470,8
From discontinued operations		**—**	11,5	12,1
	9	**265,3**	242,3	482,9
Headline earnings per share – diluted (cents)				
From continuing operations	15	**254,3**	220,5	452,0
From discontinued operations		**—**	10,7	11,4
	10	**254,3**	231,2	463,4
Capital distribution				
Capital distribution per share (cents)		**70,0**	—	—
The capital distribution relates to the distribution declared on 15 September 2010 and paid on 11 October 2010.				

Group statement of financial position

		Unaudited 31 December 2010 Rm	Unaudited 31 December 2009 Rm	Audited 30 June 2010 Rm
ASSETS				
Non-current assets				
Property, plant and equipment		**2 833,0**	2 952,3	3 012,4
Goodwill		**456,4**	688,2	456,1
Intangible assets	F#	**7 918,9**	7 849,8	8 609,9
Non-current financial receivables		**38,8**	26,6	34,4
Deferred tax assets		**69,5**	46,8	65,5
Total non-current assets		**11 316,6**	11 563,7	12 178,3
Current assets				
Inventories		**2 140,2**	2 169,2	2 041,4
Receivables, prepayments and other current assets		**2 774,9**	2 424,1	2 359,5
Assets classified as held for sale		**558,2**	—	260,1
Cash restricted for use		**43,6**	—	21,8
Cash and cash equivalents		**3 809,5**	1 959,5	2 939,8
Total current assets		**9 326,4**	6 552,8	7 622,6
Total assets		**20 643,0**	18 116,5	19 800,9
SHAREHOLDERS' EQUITY				
Share capital and premium (including treasury shares)		**4 773,4**	5 097,4	5 089,0
Reserves		**6 263,0**	4 367,3	5 580,0
Ordinary shareholders' equity		**11 036,4**	9 464,7	10 669,0
Equity component of preference shares		**162,0**	162,0	162,0
Non-controlling interests		**63,8**	85,9	55,2
Total shareholders' equity		**11 262,2**	9 712,6	10 886,2
LIABILITIES				
Non-current liabilities				
Preference shares – liability component		**383,9**	389,6	386,6
Borrowings		**2 446,4**	3 051,5	2 260,2
Retirement benefit obligations		**15,4**	12,5	15,4
Deferred revenue and other non-current liabilities		**152,6**	171,4	159,4
Deferred tax liabilities		**262,8**	195,7	263,2
Total non-current liabilities		**3 261,1**	3 820,7	3 084,8
Current liabilities				
Trade and other payables		**2 314,9**	1 814,5	1 913,9
Borrowings		**3 510,5**	2 427,6	3 720,8*
Derivative financial instruments		**91,9**	170,6	143,2
Other current liabilities		**202,4**	170,5	52,0
Total current liabilities		**6 119,7**	4 583,2	5 829,9
Total liabilities		**9 380,8**	8 403,9	8 914,7
Total equity and liabilities		**20 643,0**	18 116,5	19 800,9
Number of shares in issue (net of treasury shares) ('000)		**433 300**	431 591	431 407
Net asset value per share (cents)		**2 547,1**	2 193,0	2 473,1

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

Group statement of cash flows

		Unaudited six months ended 31 December 2010 Rm	Unaudited six months ended 31 December 2009 Rm	Audited year ended 30 June 2010 Rm
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash operating profit		**1 808,4**	1 482,0	3 269,5
Changes in working capital		**(875,0)**	(316,5)	(344,4)
Cash generated from operations		**933,4**	1 165,5	2 925,1
Net financing costs paid		**(119,3)**	(189,5)	(427,1)
Tax paid		**(126,7)**	(185,2)	(465,0)
Cash generated from operating activities#		**687,4**	790,8	2 033,0
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure – property, plant and equipment		**(309,5)**	(243,9)	(632,0)
Proceeds on disposal of tangible assets		**11,0**	1,0	9,8
Capital expenditure – intangible assets		**(78,1)**	(155,4)	(660,5)
Proceeds on disposal of intangible assets		**32,9**	—	0,3
Acquisition and disposal of subsidiary and joint ventures		**(2,6)**	32,4	307,5
Increase in non-current financial receivables		**(6,6)**	(0,1)	(27,1)
Net hedging inflow from the Sigma transaction		**69,1**	—	—
Advance payments received on held for sale assets		**616,1**	—	—
Payment of outstanding Oncology business purchase consideration		**—**	(9,2)	(18,7)
Cash generated from/(used in) investing activities		**332,3**	(375,2)	(1 020,7)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from/(repayment of) borrowings		**430,7**	(65,6)	(478,0)
Repayment of deferred-payables		**—**	(0,7)	(0,7)
Capital distribution		**(302,9)**	—	—
Dividend paid		**(1,7)**	(0,8)	(0,8)
Proceeds from issue of ordinary shares		**7,4**	12,0	16,1
Acquisition of treasury shares		**(20,1)**	—	(13,5)
Increase in cash restricted for use as security for borrowings		**(21,8)**	—	(21,8)
Cash generated from/(used in) financing activities		**91,8**	(55,1)	(498,7)
Movement in cash and cash equivalents before translation effects of foreign operations		**1 111,5**	360,5	513,6
Translation effects on cash and cash equivalents of foreign operations		**(174,3)**	(42,6)	(23,8)
Cash and cash equivalents				
Movement in cash and cash equivalents		**937,2**	317,9	489,8
Cash and cash equivalents at the beginning of the period/year		**1 812,7**	1 322,9	1 322,9
Cash and cash equivalents at the end of the period/year		**2 749,9**	1 640,8	1 812,7
	% change	**2010 Rm**	2009 Rm	2010 Rm
#Operating cash flow per share (cents)				
From continuing operations	**(20)**	**159,0**	198,7	490,3
From discontinued operations		**—**	16,8	15,4
	(26)	**159,0**	215,5	505,7
The above includes discontinued operations of:				
Cash generated from operating activities		**—**	61,8	61,8
Cash used in investing activities		**—**	(62,3)	(62,3)
Translation effects on cash and cash equivalents of foreign operations		**—**	0,2	0,2
Movement in cash and cash equivalents		**—**	(0,3)	(0,3)
Cash and cash equivalents at the beginning of the period/year		**—**	0,3	0,3
Cash and cash equivalents per the statement of cash flows		**—**	—	—
Reconciliation of cash and cash equivalents				
Cash and cash equivalents per the statement of financial position		**3 809,5**	1 959,5	2 939,8
Less: bank overdrafts		**(1 059,6)**	(318,7)	(1 127,1)
Cash and cash equivalents per the statement of cash flows		**2 749,9**	1 640,8	1 812,7

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 changes in equity

	Share capital and premium (including treasury shares) Rm
Balance at 30 June 2009	509,8
Total comprehensive income	—
Profit for the year	—
Other comprehensive income	—
Dividend paid	—
Issue of ordinary share capital	4 592,8
Shares issued – share schemes	17,0
Shares issued – GSK	4 575,8
Treasury shares purchased	(13,5)
Treasury shares cancelled	(0,1)
Share options and appreciation rights expensed (including deferred incentive bonus)	—
Equity portion of tax claims in respect of share schemes	—
Hyperinflationary adjustment – Venezuela	—
Balance at 30 June 2010	5 089,0
Total comprehensive income	—
Profit for the period	—
Other comprehensive income	—
Capital distribution	(302,9)
Dividend paid	—
Issue of ordinary share capital – share schemes	7,4
Treasury shares purchased	(20,1)
Share options and appreciation rights expensed (including deferred incentive bonus)	—
Balance at 31 December 2010	**4 773,4**

Reserves Rm	Equity component of preference shares Rm	Total attributable to equity holders of the parent Rm	Non-controlling interests Rm	Total Rm
3 515,3	162,0	4 187,1	75,9	4 263,0
1 969,3	—	1 969,3	(19,9)	1 949,4
1 989,6	—	1 989,6	(11,1)	1 978,5
(20,3)	—	(20,3)	(8,8)	(29,1)
—	—	—	(0,8)	(0,8)
—	—	4 592,8	—	4 592,8
—	—	17,0	—	17,0
—	—	4 575,8	—	4 575,8
—	—	(13,5)	—	(13,5)
0,1	—	—	—	—
25,4	—	25,4	—	25,4
56,2	—	56,2	—	56,2
13,7	—	13,7	—	13,7
5 580,0	162,0	10 831,0	55,2	10 886,2
672,5	—	672,5	10,3	682,8
1 154,8	—	1 154,8	12,2	1 167,0
(482,3)	—	(482,3)	(1,9)	(484,2)
—	—	(302,9)	—	(302,9)
—	—	—	(1,7)	(1,7)
—	—	7,4	—	7,4
—	—	(20,1)	—	(20,1)
10,5	—	10,5	—	10,5
6 263,0	**162,0**	**11 198,4**	**63,8**	**11 262,2**

Segmental analysis

REVENUE FROM CONTINUING OPERATIONS

South Africa
Sub-Saharan Africa
International

Total gross revenue
Adjustment*

Total revenue

OPERATING PROFIT BEFORE AMORTISATION FROM CONTINUING OPERATIONS AND OTHER SPECIFIED ADJUSTMENTS

South Africa

Operating profit
Amortisation of intangible assets
Insurance compensation – capital component
Profit on sale of non-current assets
Impairment of assets

Sub-Saharan Africa

Operating profit
Amortisation of intangible assets
Profit on sale of non-current assets
Impairment of assets

International

Operating profit
Amortisation of intangible assets
Transaction costs for acquisitions
Profit on sale of non-current assets
Impairment of assets

ENTITY WIDE DISCLOSURE – REVENUE

Analysis of revenue in accordance with customer geography

South Africa – pharmaceuticals
South Africa – consumer
Sub-Saharan Africa
Asia Pacific
Latin America
Rest of the world

Total gross revenue
Adjustment*

Total revenue

*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 six months ended 31 December 2010 Rm	% of total	Unaudited restated six months ended 31 December 2009 Rm	% of total	% change	Audited restated year ended 30 June 2010 Rm	% of total
3 300,1	52	2 549,9	56	29	5 652,1	53
666,1	10	279,2	6	139	910,0	9
2 422,5	38	1 740,5	38	39	4 053,3	38
6 388,7	100	4 569,6	100	40	10 615,4	100
(398,9)		(50,3)			(468,8)	
5 989,8		4 519,3		33	10 146,6	
1 013,7	61	802,7	62	26	1 632,2	58
996,2		809,9		23	1 587,9	
25,1		17,0			45,3	
(4,6)		(38,5)			(38,5)	
(15,9)		—			—	
12,9		14,3			37,5	
110,8	7	45,4	4	144	72,3	3
118,6		41,2		188	66,4	
1,4		4,2			4,2	
(9,2)		—			—	
—		—			1,7	
550,8	32	434,6	34	27	1 114,0	39
499,1		409,0		22	960,6	
25,9		25,6			52,4	
18,8		—			—	
(7,5)		—			—	
14,5		—			101,0	
1 675,3	100	1 282,7	100	31	2 818,5	100
2 681,7	42	1 975,4	43	36	4 491,3	42
618,4	10	574,5	13	8	1 160,8	11
666,1	10	279,2	6	139	910,0	9
956,8	15	748,1	16	28	1 468,2	14
599,2	9	499,7	11	20	1 150,0	11
866,5	14	492,7	11	76	1 435,1	13
6 388,7	100	4 569,6	100	40	10 615,4	100
(398,9)		(50,3)			(468,8)	
5 989,8	100	4 519,3	100	33	10 146,6	100

Supplementary information

	Unaudited six months ended 31 December 2010 Rm	Unaudited restated six months ended 31 December 2009 Rm	Audited year ended 30 June 2010 Rm
A. CAPITAL EXPENDITURE			
Incurred	**387,6**	4 857,1	5 750,3
– tangible assets	**309,5**	243,9	632,0
– GSK (tangible and intangible assets)	**—**	4 457,8	4 457,8
– intangible assets	**78,1**	155,4	660,5
Contracted			
– tangible assets	**52,1**	172,2	61,4
– intangible assets	**25,1**	100,0	20,9
Authorised but not contracted for			
– tangible assets	**164,4**	301,8	502,8
– intangible assets	**—**	421,2	33,6
B. OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING)			
Depreciation of property, plant and equipment	**96,1**	72,6	167,8
Amortisation of intangible assets	**52,4**	46,8	101,9
Impairment of property, plant and equipment	**—**	—	37,6
Impairment of intangible assets	**27,4**	14,3	85,5
Share-based payment expenses – employees (including deferred incentive bonus)	**12,1**	16,4	29,8
Transaction costs for acquisitions	**18,8**	—	—
Insurance compensation	**(65,1)**	(144,7)	(162,4)
C. INVESTMENT INCOME			
Interest received	**127,8**	90,6	187,9
D. FINANCING COSTS			
Interest paid	**(266,2)**	(280,9)	(553,0)
Net foreign exchange gains/(losses)	**39,7**	25,1	(19,1)
Fair value (losses)/gains on financial instruments	**(13,4)**	7,0	37,9
Notional interest on financial instruments	**1,4**	(0,9)	3,8
Preference share dividends paid	**(12,9)**	(14,3)	(27,9)
Financing costs	**(251,4)**	(264,0)	(558,3)

E. CURRENCY TRANSLATION DIFFERENCES

Currency translation differences arising on the translation of the international businesses is as a result of the differences between the weighted average exchange rate used for trading results and the closing exchange rate applied in the statement of the financial position. The average USD/Rand exchange rate for the six month period was R7,08 (2009: R7,63) and closing rate was R6,65 (2009: R7,39)

Supplementary information (continued)

	Unaudited six months ended 31 December 2010 Rm	Unaudited restated six months ended 31 December 2009 Rm	Audited year ended 30 June 2010 Rm
F. INTANGIBLE ASSETS MOVEMENT			
Opening balance	**8 609,9**	4 103,6	4 103,6
Acquisition of subsidiary	**22,4**	—	—
Additions – GSK	**—**	3 808,4	4 054,9
Additions – other	**78,1**	155,4	660,5
Disposals	**(17,1)**	—	(0,1)
Amortisation	**(52,4)**	(46,8)	(101,9)
Effects of exchange rate changes	**(717,1)**	(161,7)	14,6
Transferred to assets held for sale	**—**	—	(51,8)
Impairment of intangible assets	**(27,4)**	(14,3)	(85,5)
Other movements	**22,5**	5,2	15,6
Closing balance	**7 918,9**	7 849,8	8 609,9
G. CONTINGENT LIABILITIES			
There are contingent liabilities in respect of:			
Additional payments in respect of the Quit worldwide intellectual property rights	**6,6**	7,4	7,6
Guarantees covering loan and other obligations to third parties	**15,0**	5,7	3,4
Tax duty contingencies	**8,3**	11,3	8,3
H. GUARANTEES TO FINANCIAL INSTITUTIONS			
Material guarantees given by Group companies for indebtedness of subsidiaries to financial institutions	**2 201,8**	2 941,2	2 874,9

Subsequent events

ACQUISITION

On 14 January 2011 Aspen announced that all conditions precedent had been met for the acquisition of the pharmaceutical business of Sigma on a debt-free basis for a cash consideration of AUD 900 million (approximately R6,3 billion). The transaction was completed on 31 January 2011.

DISPOSAL

Onco Laboratories Ltd continued to be classified as held for sale as the conditions precedent relating to the sale had not been fulfilled on 31 December 2010. These conditions were met in February 2011 and this transaction is now complete.

Basis of accounting

The condensed interim financial results have been prepared in accordance with IFRS, IAS 34 – Interim Financial Reporting, the Listings Requirements of the JSE Ltd and Schedule 4 of the South African Companies Act (Act 61 of 1973, as amended). 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 2010.

The statement of comprehensive income and the segmental analysis for the six months ended 31 December 2009 were restated to reclassify the Oncology business as a discontinued operation. After agreement was reached to dispose of the Oncology business in January 2009.

The segmental analysis for the year ended 30 June 2010 was restated to aggregate the revenue of the domestic and global brands as a result of the transition of a significant portion of the global brands to Aspen's global distribution network.

The interim information has been prepared in accordance with the IFRS and IFRIC interpretations as adopted for use in South Africa at the time of the preparation of the information. As these standards and interpretations are subject to ongoing review, they may be amended between the date of this report and the finalisation of the annual financial statements for the year to June 2011.

DIRECTORS

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J F Buchanan*, S A Hussain*, C N Mortimer*, D M Nurek*, S B Saad, S Zilwa*,

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H A Shapiro

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 forwardlooking 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 forwardlooking 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.

BASTION GRAPHICS

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HOLDINGS

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