aspen HOLDINGS

delivering quality healthcare

Headline earnings per share: 103,7 cents, up by 31%

Operating cash flow per share: 140,4 cents, up by 26%

Dividend per share: 30,0 cents, up by 50%

Aspen Pharmacare Holdings Limited ("Aspen")
(Registration number 1985/002935/06) • Share code: APN ISIN: ZAE 000023586

REVIEWED PRELIMINARY GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2004 AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

Group Income Statement

	% change	Reviewed Year ended 30 June 2004 R'000	Audited Year ended 30 June 2003 R'000
Revenue		2 201 721	1 900 805
Continuing operations	16	2 201 721	1 890 244
Discontinued operations		–	10 561
Cost of sales		(1 143 614)	(1 039 967)
Gross profit		1 058 107	860 838
Net operating expenses		(504 357)	(415 038)
Other operating income		4 218	7 586
Selling and distribution costs		(285 886)	(246 839)
Administration expenses		(149 672)	(118 753)
Other operating expenses		(73 017)	(55 979)
Loss on disposal of discontinued operations		–	(1 053)
Operating profit		553 750	445 800
Continuing operations	24	553 750	446 176
Discontinued operations		–	(376)
Net financing costs		(25 286)	(56 889)
Net profit before taxation	36	528 464	388 911
Taxation		(172 886)	(115 501)
Net profit after taxation	30	355 578	273 410
Minority interest		–	(2 765)
Net profit attributable to ordinary shareholders	31	355 578	270 645
Weighted average number of shares in issue (000's)		356 223	353 079
Earnings per share – basic (cents)	30	99,8	76,7
Earnings per share – diluted (cents)	30	97,2	74,8
Headline earnings per share (cents)	31	103,7	79,1
Headline earnings per share – diluted (cents)	31	101,0	77,1
Dividend per share (cents)*	50	30,0	20,0
Reconciliation of headline earnings			
Net profit attributable to ordinary shareholders		355 578	270 645
Adjusted for:			
– Amortisation of goodwill		13 774	8 074
– Loss on disposal of discontinued operations (net of taxation)		–	1 053
– Profit on disposal of property, plant and equipment (net of taxation)		(84)	(570)
Headline earnings		369 268	279 202

** Relates to dividend declared after year end. The policy of Aspen is to declare a final dividend when the preliminary results for each financial year are released.*

Group Balance Sheet

	Reviewed 30 June 2004 R'000	Audited 30 June 2003 R'000
ASSETS		
Non-current assets	972 906	853 727
Property, plant and equipment	313 002	183 188
Investment property	4 572	4 022
Goodwill	86 204	67 478
Intangible assets	437 157	429 931
Receivables	7 466	19 422
Deferred taxation asset	124 505	149 686
Current assets	1 136 741	827 978
Inventories	245 676	213 527
Receivables and prepayments	425 569	414 105
Cash and cash equivalents	465 496	200 346
Total assets	2 109 647	1 681 705
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	81 509	67 571
Non-distributable reserves	104 838	153 731
Retained income	948 989	642 116
Treasury shares	(75 807)	(75 807)
Ordinary shareholders' equity	1 059 529	787 611
Minority interest	–	7 364
Non-current liabilities		
Interest-bearing borrowings	156 234	144 711
Interest-bearing deferred payables	39 718	81 199
Deferred taxation liability	61 607	42 289
Retirement benefit obligation	10 820	11 155
	1 327 908	1 074 329
Current liabilities	781 739	607 376
Trade and other payables	360 379	336 380
Interest-bearing borrowings	289 991	151 498
Interest-bearing deferred payables	55 178	66 120
Taxation	76 191	51 148
Current provisions	–	2 230
Total equity and liabilities	2 109 647	1 681 705
Number of shares in issue (net of 18,8 million treasury shares) (000's)	358 208	354 646
Net asset value per share (cents)	295,8	222,1

Supplementary Information

	Reviewed Year ended 30 June 2004 R'000	Audited Year ended 30 June 2003 R'000
Capital expenditure:		
Incurred		
– oral solid dosage facility	130 942	34 229
– other tangible assets	27 664	31 019
– intangible assets	90 632	196 330
Contracted		
– increase in Co-pharma shareholding*	–	50 263
– oral solid dosage facility	4 117	96 348
– other	5 980	6 946
Authorised not contracted		
– oral solid dosage facility	11 184	20 049
– other	7 461	421
Proceeds on disposal of tangible assets	451	1 374

*The group acquired an additional 20% in the shareholding of Co-pharma Limited for GBP 4,1 million with effect from 1July 2003, bringing its total shareholding in this company to 100%. This amount was funded out of existing cash resources held offshore with South African Reserve Bank approval.

	2004	2003
Operating profit has been arrived at after charging:		
Depreciation of tangible assets	27 491	27 580
Reversal of other provisions	–	(17 518)
Amortisation of goodwill – accelerated	2 158	17 518
Amortisation of goodwill – recurring	11 616	8 074
Amortisation of intangible assets	59 120	45 957
Net financing costs:		
Interest received	27 123	37 774
Net foreign exchange loss	(10 233)	(10 494)
Fair value gains on financial instruments	6 641	217
Interest paid	(36 816)	(66 727)
Net finance costs on interest-bearing deferred payables and financial assets	(12 001)	(17 659)
Net financing costs	(25 286)	(56 889)
Operating lease commitments:		
– payable within one year	8 284	7 879
– payable thereafter	27 191	20 600
	35 475	28 479
Finance lease commitments:		
– payable within one year	1 215	2 940
– payable thereafter	663	1 514
	1 878	4 454
Other commitments:		
During the 2003 financial year Aspen entered into a 12-year agreement with GlaxoSmithKline ("GSK") to distribute and market a range of their products. In terms of this agreement Aspen is committed to pay the following amounts to GSK over the remaining period:		
– payable within one year	39 547	52 727
– payable thereafter	128 964	161 267
	168 511	213 994
Contingent liabilities		
There are contingent liabilities in respect of:		
Additional payments in respect of the Quit worldwide intellectual property rights	5 679	6 768
Guarantee covering potential rental default relating to sale of discontinued operations	5 048	7 520
Guarantee covering loan and other obligations to third parties	1 750	1 662

In June 2000, a number of pharmaceutical wholesalers lodged a complaint with the Competition Commission against a number of pharmaceutical manufacturers, including Pharmacare Limited. In the complaint they alleged that the manufacturers had engaged in a number of prohibited practices. The pharmaceutical wholesalers also instigated interim proceedings before the Competition Tribunal in respect of the matters set out in the complaint. On 18 June 2003, the Competition Tribunal dismissed with costs this application for interim relief and ruled in favour of the manufacturers. The pharmaceutical wholesalers have subsequently appealed against this decision. No further developments have taken place since this appeal. Aspen continues to hold the view that this action is unlikely to have a material adverse impact on Aspen's business in the future.

Tibbett and Britten Africa (Proprietary) Limited have instituted an action against Pharmacare Limited for a claim of approximately R39 million for additional distribution fees. This claim has been disputed and is being defended on the basis of the distribution agreement with Tibbett and Britten. This action now replaces the claim referred for independent adjudication, which was reported to shareholders in Aspen's Annual Financial Statements for the year ended 30 June 2003. Aspen's advisors continue to hold the view that this claim is unlikely to have a material adverse impact on Aspen's business in the future.

Group Cash Flow Statement

	Reviewed Year ended 30 June 2004 R'000	Audited Year ended 30 June 2003 R'000
Cash operating profit	656 358	530 973
Working capital requirements	(28 101)	(26 542)
Cash generated from operations	628 257	504 431
Net financing costs	(25 286)	(56 889)
Taxation paid	(102 653)	(54 127)
Net cash inflow from operating activities	500 318	393 415
Net cash outflow from investing activities	(282 858)	(351 316)
Replacement capital expenditure	(27 664)	(31 019)
Expansion capital expenditure – intangible assets	(90 632)	(196 330)
Expansion capital expenditure – oral solid dosage facility	(130 942)	(34 229)
Acquisition of minority interest in subsidiary company	(50 293)	(31 669)
Acquisition of subsidiary companies and businesses, net of cash	–	(48 321)
Adjustment in respect of subsidiary company acquired	5 000	–
Disposal of subsidiary companies and businesses, net of cash	–	4 048
Proceeds on disposal of property, plant and equipment	451	1 374
Realisation of/(investment in) receivables	11 222	(15 170)
Net cash inflow from financing activities	49 509	21 010
Proceeds from share issues	13 938	10 026
Increase in long-term interest-bearing borrowings	15 842	92 186
Increase/(decrease) in short-term interest-bearing borrowings	140 667	(8 070)
Decrease in long-term interest-bearing deferred payables	(40 238)	(38 347)
(Decrease)/increase in short-term interest-bearing deferred payables	(8 813)	6 122
Dividends paid	(71 887)	(40 907)
Effects of exchange rate changes	(1 819)	(46 827)
Movement in cash and cash equivalents	265 150	16 282
Cash and cash equivalents at the beginning of the year	200 346	184 064
Cash and cash equivalents at the end of the year	465 496	200 346

Statement of Changes in Group Equity

	Share capital and premium R'000	Non-distributable reserves R'000	Retained income R'000	Treasury shares R'000	Total R'000
Balance at 1 July 2002	**57 545**	**228 113**	**389 569**	**(75 807)**	**599 420**
Currency translation differences	–	(43 190)	–	–	(43 190)
Net profit for the year	–	–	270 645	–	270 645
Dividend declared	–	–	(40 907)	–	(40 907)
Proportional release of deferred taxation asset	–	(23 156)	23 156	–	–
Deferred taxation asset adjustment	–	(565)	(347)	–	(912)
Cash flow hedges realised	–	(519)	–	–	(519)
Cash flow hedges recognised	–	(6 952)	–	–	(6 952)
Issue of share capital (share options exercised)	10 026	–	–	–	10 026
Balance as at 30 June 2003	**67 571**	**153 731**	**642 116**	**(75 807)**	**787 611**
Currency translation differences	–	(30 231)	–	–	(30 231)
Foreign currency reserve realised	–	(26)	26	–	–
Net profit for the year	–	–	355 578	–	355 578
Dividend declared	–	–	(71 887)	–	(71 887)
Proportional release of deferred taxation asset	–	(23 156)	23 156	–	–
Cash flow hedges realised	–	6 952	–	–	6 952
Cash flow hedges recognised	–	(2 432)	–	–	(2 432)
Issue of share capital (share options exercised)	13 938	–	–	–	13 938
Balance as at 30 June 2004	**81 509**	**104 838**	**948 989**	**(75 807)**	**1 059 529**

Segmental analysis

as at June 2004

Primary segments: Geographical (R'000)	South Africa 2004	% of total	2003	% of total	Australia 2004	% of total	2003	% of total	United Kingdom 2004	% of total	2003	% of total	Total 2004	%	2003	%
Revenue – continuing operations	1 763 563	80,1	1 486 079	78,6	234 689	10,7	108 953	5,8	203 469	9,2	295 212	15,6	2 201 721	100,0	1 890 244	100,0
Revenue – discontinued operations	–		10 561	100,0	–		–		–		–		–		10 561	100,0
	1 763 563	80,1	1 496 640	78,7	234 689	10,7	108 953	5,7	203 469	9,2	295 212	15,5	2 201 721	100,0	1 900 805	100,0
Operating profit before amortisation – continuing operations	548 861	87,6	457 327	91,2	37 726	6,0	21 070	4,2	40 058	6,4	22 863	4,6	626 645	100,0	501 260	100,0
Operating profit before amortisation – discontinued operations	–		(376)	100,0	–		–		–		–		–		(376)	100,0
	548 861	87,6	456 951	91,2	37 726	6,0	21 070	4,2	40 058	6,4	22 863	4,6	626 645	100,0	500 884	100,0
Amortisation – Goodwill	(1 973)	14,3	(1 551)	19,2	(406)	2,9	(434)	5,4	(11 395)	82,7	(6 089)	75,4	(13 774)	100,0	(8 074)	100,0
Amortisation – Intangible assets	(35 315)	59,7	(33 833)	73,6	(8 938)	15,1	(6 093)	13,3	(14 868)	25,1	(6 031)	13,1	(59 121)	100,0	(45 957)	100,0
Loss on disposal of discontinued operations	–		(1 053)	100,0	–		–		–		–		–		(1 053)	100,0
Operating profit – continuing operations	511 573	92,4	420 890	94,3	28 382	5,1	14 543	3,3	13 795	2,5	10 743	2,4	553 750	100,0	446 176	100,0
Operating profit – discontinued operations	–		(376)	100,0	–		–		–		–		–		(376)	100,0
	511 573	92,4	420 514	94,3	28 382	5,1	14 543	3,3	13 795	2,5	10 743	2,4	553 750	100,0	445 800	100,0

Secondary segments: Business (R'000)	Pharmaceutical 2004	% of total	2003	% of total	Consumer 2004	% of total	2003	% of total	Total 2004	%	2003	%
Revenue-continuing operations	1 623 612	73,7	1 413 944	74,8	578 109	26,3	476 300	25,2	2 201 721	100,0	1 890 244	100,0
Revenue-discontinued operations	–		–		–		10 561	100,0	–		10 561	100,0
	1 623 612	73,7	1 413 944	74,4	578 109	26,3	486 861	25,6	2 201 721	100,0	1 900 805	100,0
Operating profit before amortisation-continuing operations	512 255	81,7	388 768	77,6	114 390	18,3	112 492	22,4	626 645	100,0	501 260	100,0
Operating profit before amortisation-discontinued operations	–		–		–		(376)	100,0	–		(376)	100,0
	512 255	81,7	388 768	77,6	114 390	18,3	112 116	22,4	626 645	100,0	500 884	100,0
Amortisation-Goodwill	(12 215)	88,7	(6 523)	80,8	(1 559)	11,3	(1 551)	19,2	(13 774)	100,0	(8 074)	100,0
Amortisation-Intangible assets	(52 850)	89,4	(41 162)	89,6	(6 270)	10,6	(4 795)	10,4	(59 120)	100,0	(45 957)	100,0
Loss on disposal of discontinued operations	–		–		–		(1 053)	100,0	–		(1 053)	100,0
Operating profit – continuing operations	447 190	80,8	341 083	76,4	106 560	19,2	105 093	23,6	553 750	100,0	446 176	100,0
Operating profit – discontinued operations	–		–		–		(376)	100,0	–		(376)	100,0
	447 190	80,8	341 083	76,4	106 560	19,2	104 717	23,6	553 750	100,0	445 800	100,0

POST-BALANCE SHEET EVENTS

Acquisition by Aspen of Fine Chemicals Corporation (Pty) Limited ("FCC") and Nutricia (Pty) Limited ("Nutricia").

All conditions precedent relating to the acquisitions of FCC and Nutricia, including Competition Commission and Exchange Control approvals, have been fulfilled subsequent to 30 June 2004. Accordingly, the Aspen Group has acquired with effect from July 2004:

- 100% of the shares of and shareholder claims against FCC for approximately R275 million of which R250 million has been paid out of existing cash resources. The balance is due in July 2007.
- 100% of the shares of and shareholder claims against Nutricia for R21,7 million, which has been paid from existing cash resources.

Specific share repurchase.

With effect from 30 July 2004, 21,3 million Aspen shares were acquired by Aspen from Peu Health (Pty) Limited in terms of a specific share repurchase for a purchase consideration of R234,3 million (1 100 cents per Aspen share).

2 677 450 ordinary shares have been cancelled and will revert to authorised but unissued share capital, while 18 622 550 shares have been repurchased by Pharmacare Limited, a wholly owned subsidiary of Aspen, and will be held as treasury shares.

All conditions necessary for the completion of the specific share repurchase, including the passing of the requisite resolutions by shareholders in a general meeting and the granting of all regulatory approvals have been fulfilled.

The purchase consideration has been paid from existing cash resources.

Basis of Accounting

The consolidated preliminary results have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, the listing requirements of the JSE Securities Exchange South Africa and Schedule 4 of the South African Companies Act.

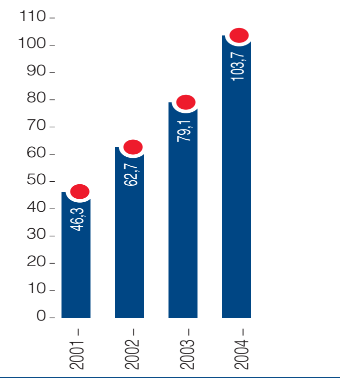
These results have been reviewed by Aspen's auditors, PricewaterhouseCoopers Inc. Their unqualified review report is available for inspection at the company's registered office.

The accounting policies used in the preparation of the financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2003.

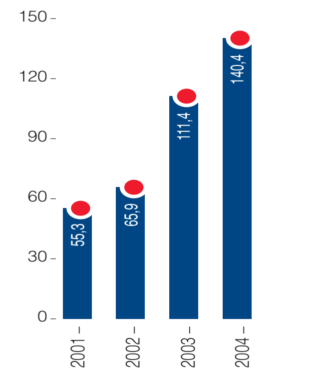
Disclosure of comparatives

Comparative figures have been adjusted to conform with changes in presentation in the current year, where necessary.

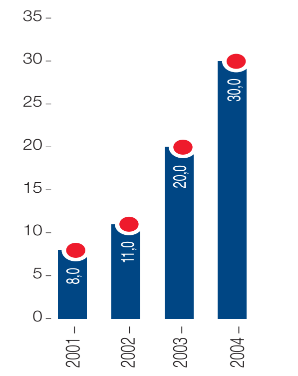
Headline earnings per share – cents



Operating cash flow per share – cents



Dividend per share – cents



COMMENTARY

GROUP

Aspen has built on the strong showing of the first six months to record excellent full year results reflected in a 31% growth in headline earnings per share to 103,7 cents. This performance was based on revenue growth of 16% to R2 202 million and an improvement in operating margins resulting in an increase in operating profit of 24% to R554 million. Earnings also benefited from a R32 million reduction in financing costs over the prior year due to the Group's strong cash generation and good working capital management.

SOUTH AFRICAN OPERATIONS

The past year was marked by deflationary conditions and continuous uncertainty caused by a changing legislative environment. The strong rand has made South Africa an attractive destination for importers, raising competition further in an already competitive market. The strength of the local currency has had some benefits to Aspen. Approximately half of finished product content is imported. The resultant lower rand cost of imported raw materials as well as more effective procurement has reduced the effect of falling selling prices. Revenue growth of 19% by the South African business in this environment was an exceptional result.

The Pharmaceutical Division achieved growth of 22% in revenue notwithstanding that the average selling price of pharmaceutical products marketed in the private sector fell by 6%. This growth was achieved through increased volumes. The strong performance was underpinned by the increased contribution of products launched in the latter part of the previous year. The outstanding performer was the anti-depressant CiLift, the generic of Cipramal. Strong performances under co-marketing and distribution agreements with multi-national companies supported the good showing of this division.

Revenue growth in the Consumer Division was 11%. This included the contribution of infant nutritionals in the final quarter of the year. Over-the-counter ("OTC") products performed well as last year's Triomed acquisition achieved its potential. The capabilities of Aspen's OTC team were recognised when they were placed first in the nationwide Campbell Belman Confidence Standing survey. This survey of retail pharmacies and buying groups assessed the 36 leading OTC companies in South Africa. Market share of leading brands was improved in a very competitive fast moving consumer goods market. However, there were reversals in contribution from the natural products range. The infant nutritional range licensed from Wyeth which commenced trade in the final quarter did not contribute to profits due to the high cost of initial imported inventory.

Production volumes during the year were at a record high. The construction of the oral solid dosage ("OSD") production facility has been completed and is operational. The inspection of the OSD facility by the South African Medicines Control Council ("MCC") has taken place. The inspections by the regulatory authorities of the UK, the USA, Australia and the World Health Organisation are expected to take place over the next six months. The OSD facility provides much needed additional capacity for the South African market and the capability to export to other regulated markets. The prospect of further extension to the Group's production capabilities is under consideration.

INTERNATIONAL OPERATIONS

The international operations contributed 20% to Group revenue even though there was a contraction in revenue from Co-pharma. Earnings before interest, tax and amortisation ("EBITA") increased by 77% to R78 million despite the stronger rand.

Aspen Australia has doubled revenue in both its Pharmaceutical and Consumer Divisions. This has been achieved by a capable management team optimising opportunities. EBITA of R38 million is up 79% on the prior year.

During April 2004, UK based Aspen Resources acquired two cephalosporin molecules from multinational Eli Lilly ("Lilly") for R57 million to increase its portfolio of intellectual property. The products are distributed by Aspen Australia. The EBITA recorded by Aspen Resources of R32 million represents an encouraging start to this initiative.

Co-pharma's performance was significantly weaker than the prior year as an ultra-competitive market, supply problems and the absence of new products combined to restrict revenue to R203 million (prior year R295 million) and EBITA to R8 million (prior year R22 million). Once the Group has begun manufacturing product for Co-pharma in the OSD facility, an improvement in Co-pharma's performance is expected.

CASH FLOWS AND FINANCE COSTS

Strong cash flows were again evident during the year. Operating cash flow per share of 140,5 cents substantially exceeded the benchmark headline earnings per share.

Increased investment in working capital was limited to only R28 million despite the growth in trading operations. Growth in stock, and particularly debtors was restricted below the level of business expansion. Negotiated extension of certain creditor's terms added to the benefit.

The strong cash flows and the lowering of interest rates led to a net interest charge of R9,7 million (prior year R28,9 million). A net foreign exchange loss of R10,2 million (prior year R10,5 million) was incurred as a result of the cost of forward exchange contracts closing at above the spot rate. Fair value gains of R6,6 million (prior year R0,2 million) were made on the revaluation of financial instruments in terms of accounting standard AC 133. Total net financing costs reduced from R57 million last year to R25 million.

SOCIAL RESPONSIBILITY DISEASES

Aspen recently received the registration by the MCC of the balance of its anti retroviral ("ARV") product dossiers. Aspen now has registrations for Stavudine, Didanosine, Nevirapine, Lamivudine, Zidovudine and the Lamivudine-Zidovudine combination. These generic ARVs will be manufactured at the Group's Port Elizabeth production facility. The tablets and capsules will be manufactured in the OSD facility. Aspen's generic ARVs allow for the supply of a full triple combination therapy. The South African government's first tender for the supply of ARVs closed on 6 August 2004. Aspen anticipates the results of its submission shortly. Aspen expects to extend its supply of generic ARVs further afield under initiatives such as President Bush's US$15 billion Emergency Plan for AIDS relief and the Clinton Foundation.

Lilly recognised Aspen's manufacturing capabilities and its status as a leader in the fight against infectious diseases in Africa in an agreement announced on 5 February 2004, which provides for the transfer to Aspen by Lilly of global technology, intellectual property and funding that will enable Aspen to manufacture essential antibiotics (capreomycin and cycloserine) needed to treat patients with multi-drug resistant tuberculosis.

BLACK ECONOMIC EMPOWERMENT ("BEE")

Aspen repurchased 21,3 million shares from BEE shareholders, Peu Health (Pty) Limited ("Peu"), on 30 July 2004, at a price of 1 100 cents per share. The share buy back was necessitated by Peu's funding structure being unwound. Aspen has announced that the shares bought back from Peu may be used to facilitate further BEE transactions (refer to the renewal of Cautionary Announcement below).

PROSPECTS

The implementation of the single exit pricing legislation has brought greater certainty to the South African healthcare environment. Legal challenges to legislation and the future benchmarking of international pharmaceutical prices may yet bring further change. However, the drive for lower medicine prices will continue. Aspen is the generic market leader, boasts an exceptional generic pipeline and has manufacturing facilities capable of producing quality product at internationally competitive prices. These fundamentals have allowed Aspen to adapt to the challenges of this changing environment and to emerge well placed to continue growing in the South African market.

The acquisitions of Fine Chemicals Corporation (Pty) Limited ("FCC") and Nutricia (Pty) Limited ("Nutricia") were completed after the financial year end. FCC, the only manufacturer of active pharmaceutical ingredients ("APIs") in South Africa, presents a unique opportunity to develop the capability to manufacture the essential APIs for ARVs in South Africa. Aspen has commenced discussions with prospective technology partners. The acquisition of Nutricia, renamed Aspen Nutritionals (Pty) Ltd, provides access to an infant milk formula ("IMF") manufacturing facility. The combined volumes of the Infacare brands acquired from Nutricia and the licensed Wyeth IMF brands will provide the necessary critical mass to allow for the manufacture of IMFs at competitive prices.

Further growth in the international operations is anticipated. This is likely to be led by the realisation of additional opportunities in Australia and the commencement of exports from the OSD facility in the second half of the year.

DIVIDEND DECLARATION

Taking into account the earnings performance and strong cash flows the directors have declared a dividend of 30 cents per share for the year ended 30 June 2004, payable to those shareholders recorded in the register on Friday, 29 October 2004. This represents an increase of 50% over the previous year and is covered 3,33 times (prior year 3,84 times) by earnings per share. In compliance with AC 107 (events after balance sheet date), this dividend will only be accounted for in the financial statements in the year ending 30 June 2005. It remains the policy of Aspen to declare a final dividend when the preliminary results for each financial year are released.

The last day to trade "cum" the dividend in order to participate in the dividend will be Friday, 22 October 2004. The shares of Aspen will commence trading "ex" the dividend from the commencement of business on Monday, 25 October 2004 and the record date will be Friday, 29 October 2004. The dividend will be paid on Monday, 1 November 2004. Share certificates may not be dematerialised or rematerialised between Monday, 25 October 2004 and Friday, 29 October 2004, both days inclusive.

RENEWAL OF CAUTIONARY ANNOUNCEMENT

Further to the cautionary announcements dated 6 May 2004 and 24 June 2004, shareholders are advised that discussions in respect of the proposed BEE transaction are still in progress which, if successfully concluded, may have a material effect on the price of Aspen shares. Accordingly, shareholders should continue exercising caution when dealing in Aspen shares until a further announcement is made.

By order of the board

SB Saad
(Group Chief Executive)

MG Attridge
(Deputy Group Chief Executive)

HA Shapiro
(Company Secretary)

Woodmead
17 August 2004