ASPEN PHARMACARE HOLDINGS LIMITED

annual results for the year ended 30 June 2007

Results Highlights

Revenue	⇧ 17%	to R4.0 billion
EBITA	⇧ 21%	to R1.2 billion
NPAT	⇧ 13%	to R718 million
HEPS	⇧ 13%	to 210.1 cents

Income Statement Re-analysed

	Year ended June 2007 Rm	Year ended June 2006 *Restated* Rm	Change %
Revenue	4 026	3 449	+17%
Cost of sales	(2 084)	(1 789)	
Gross profit	1 942	1 660	+17%
Net operating expenses	(744)	(672)	+11%
EBITA	1 198	988	+21%
Amortisation	(121)	(93)	
Operating profit	1 077	895	+20%
Net funding costs	(67)	(41)	
PBT	1 010	854	+18%
Tax	(292)	(216)	
PAT	718	638	+13%
HEPS	210.1 cents	185.4 cents	+13%

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Amortisation Policy

- IFRS requires intangibles to be classified as either finite or indefinite life intangible assets
  - Indefinite life intangibles are not amortised but reviewed each year for impairment
  - Finite life intangibles are amortised

- Aspen considers all of its intangibles, with exception of goodwill, to have finite lives. Consequently there is a charge to the income statement for amortisation

- This amortisation charge is included in determining headline earnings, impairments are not

- Aspen's approach is consistent with its international peer group, but inconsistent with its South African peer group

- Adopting the same approach as its local peers would increase Aspen's reported earnings by 23 cents per share or 11%

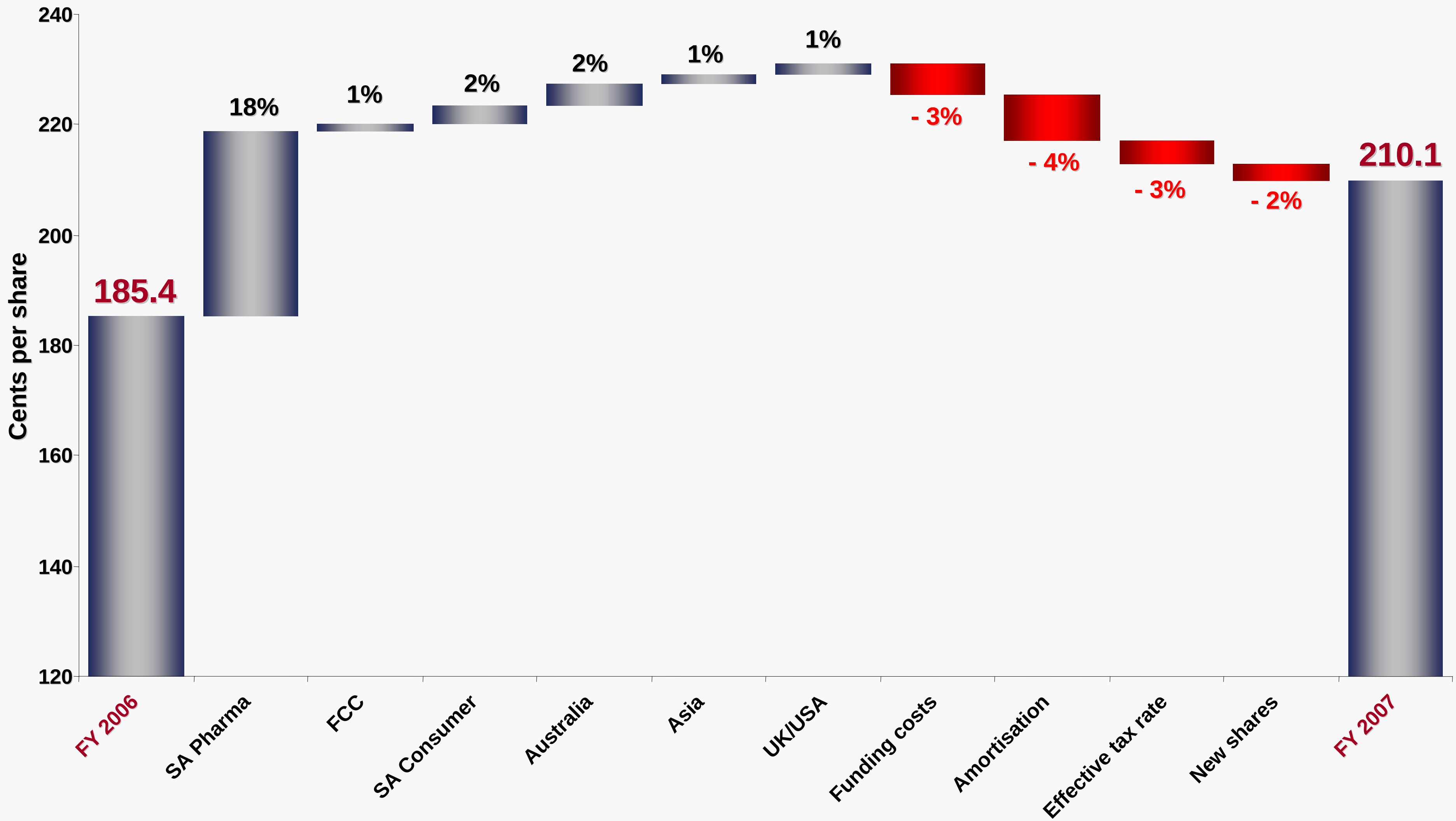
Funding Costs

	Year ended June 2007 Rm	Year ended June 2006 Rm
Interest paid	(174)	(93)
Interest received	111	47
Net interest	(63)	(46)
Preference share dividend paid	(33)	(28)
Preference share dividend received	29	25
Net preference share flows	(4)	(3)
Notional interest on financial instruments	(4)	-
Foreign exchange gains / (losses)	23	(7)
Fair value (losses) / gains on financial instruments	(19)	15
	(67)	(41)

Analysis Factors for Consideration

- FCC 50% contribution in FY 2007, full contribution in H1 2006
- R21 million Pliva transaction costs in FY 2006
- Recognition of R16 million Nutritionals deferred tax asset in FY 2006
- SIP S12G tax allowance of R32 million recognised in FY 2006
- Astrix acquired with effect from January 2007

Headline EPS: Growth Bridge



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HEPS +13%

Segmental: EBITA Margins

(Normalised)

	Year ended June 2006	6 mths ended Dec 2006	6 mths ended June 2007	Year ended June 2007
Pharmaceuticals				
South Africa	35%	35%	35%	35%
Australia	8%	10%	10%	10%
Asia	33%	28%	16%	21%
UK / USA	27%	34%	37%	35%
Total	**31%**	**31%**	**32%**	**31%**
Consumer				
South Africa	25%	24%	25%	25%
Australia	31%	30%	26%	28%
UK / USA	13%	30%	27%	28%
Total	**26%**	**25%**	**25%**	**25%**
Group Total	**30%**	**29%**	**30%**	**30%**

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Abridged Balance Sheet

	Year ended June 2007 Rm	Year ended June 2006 Rm
Assets		
Non-current assets	2 393	2 110
Tangible fixed assets	855	613
Goodwill	295	270
Intangible fixed assets	845	804
Financial assets	383	389
Deferred tax assets	15	34
Current assets	1 808	1 526
Cash	3 331	625
	7 532	**4 261**
Equity & Liabilities		
Shareholders' equity	2 389	1 720
Preference shares – liability	404	403
Long term interest bearing debt	26	49
Other non-current liabilities	18	36
Short term interest bearing debt	3 802	1 174
Deferred tax liabilities	65	99
Current liabilities	828	780
	7 532	**4 261**

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Cash Flow from Operations

	Year ended June 2007 Rm	Year ended June 2006 Rm
Cash operating profit	1 322	1 128
Working capital requirements	(353)	(488)
Cash generated from operations	969	640
Net financing costs paid	(194)	(128)
Investment income received	140	73
Tax paid	(206)	(183)
Net inflow from operating activities	709	402

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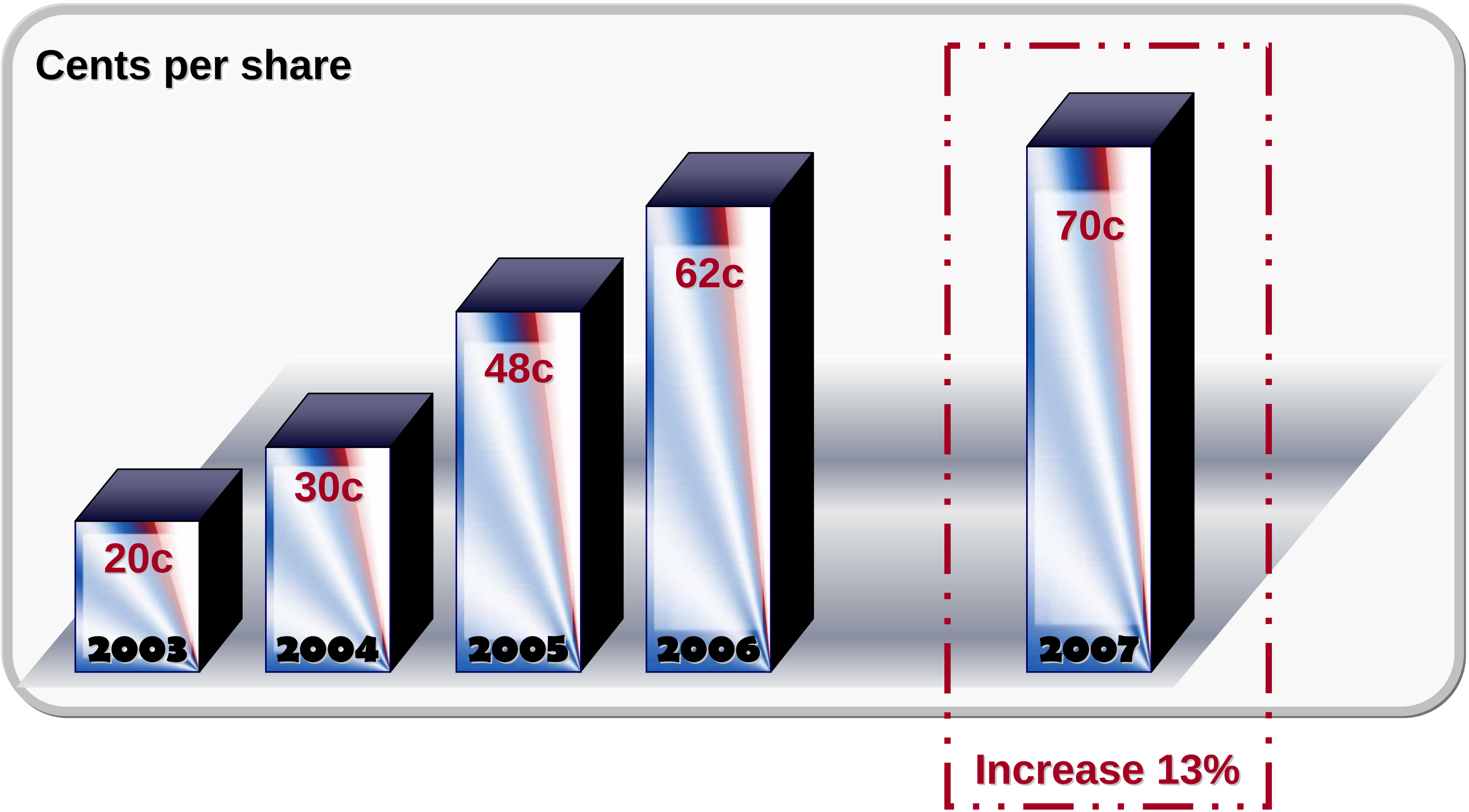
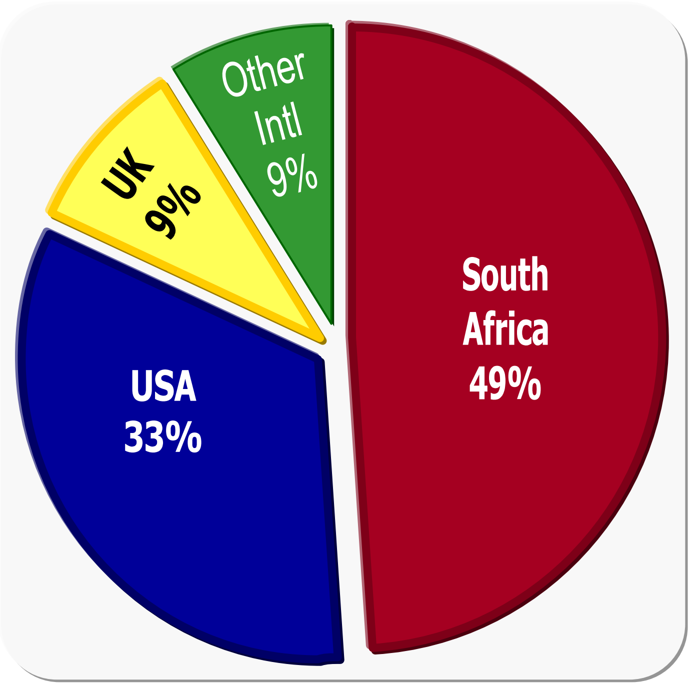
Distribution to Shareholders

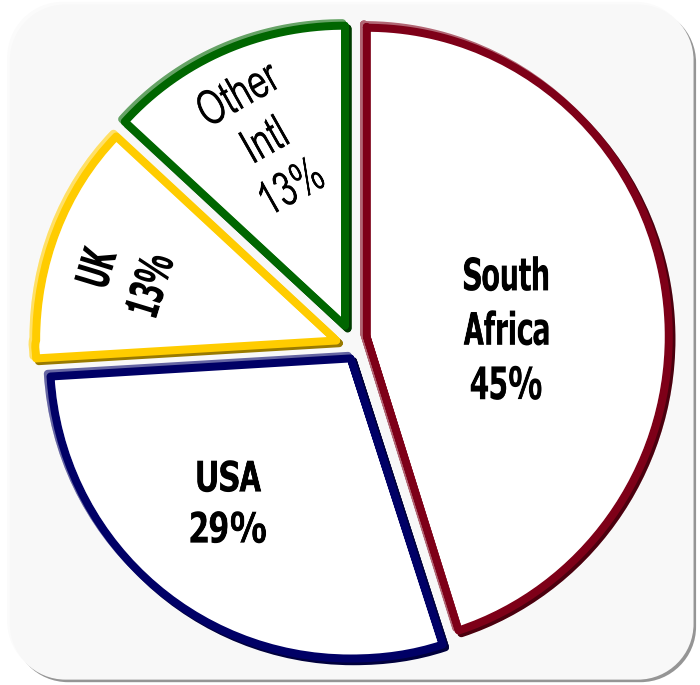


Geographic Distribution of Fund Managers

As at June 2007



As at June 2006



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Pharma Industry: Is this an industry to invest in?

- Inextricably linked to Government
  - Healthcare is a national priority
  - Pricing is often not in your hands
- Fewer NCEs being registered
- Increased generic competition
  - Decreasing margins
- South Africa industry fluid
  - Government and industry cannot settle
  - Legislative uncertainties still persist
  - Government appears intent on driving all profit out of the industry
- Private healthcare
  - Numbers not growing
  - Benefits too few
- Public healthcare battling to cope

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On the face of it, it looks like we should be mining or building

Why do we invest in the South African industry?

- Private sector patient growth
  - GEMS (Government Employees Membership Scheme) - new private sector patients
  - SHI (Social Health Insurance)
  - LIMS (Low income Medical Scheme) and
  - REF (Risk Equalisation Fund) - will provide real kicker
    - Expected in 2009/10

- We believe government scrutiny will move away from pharmaceuticals
  - Government / multinationals to agree to an average of basket of countries
  - Reductions 10% - 15%
  - Generics accepted to be in a competitive industry with only few “outliers” effected

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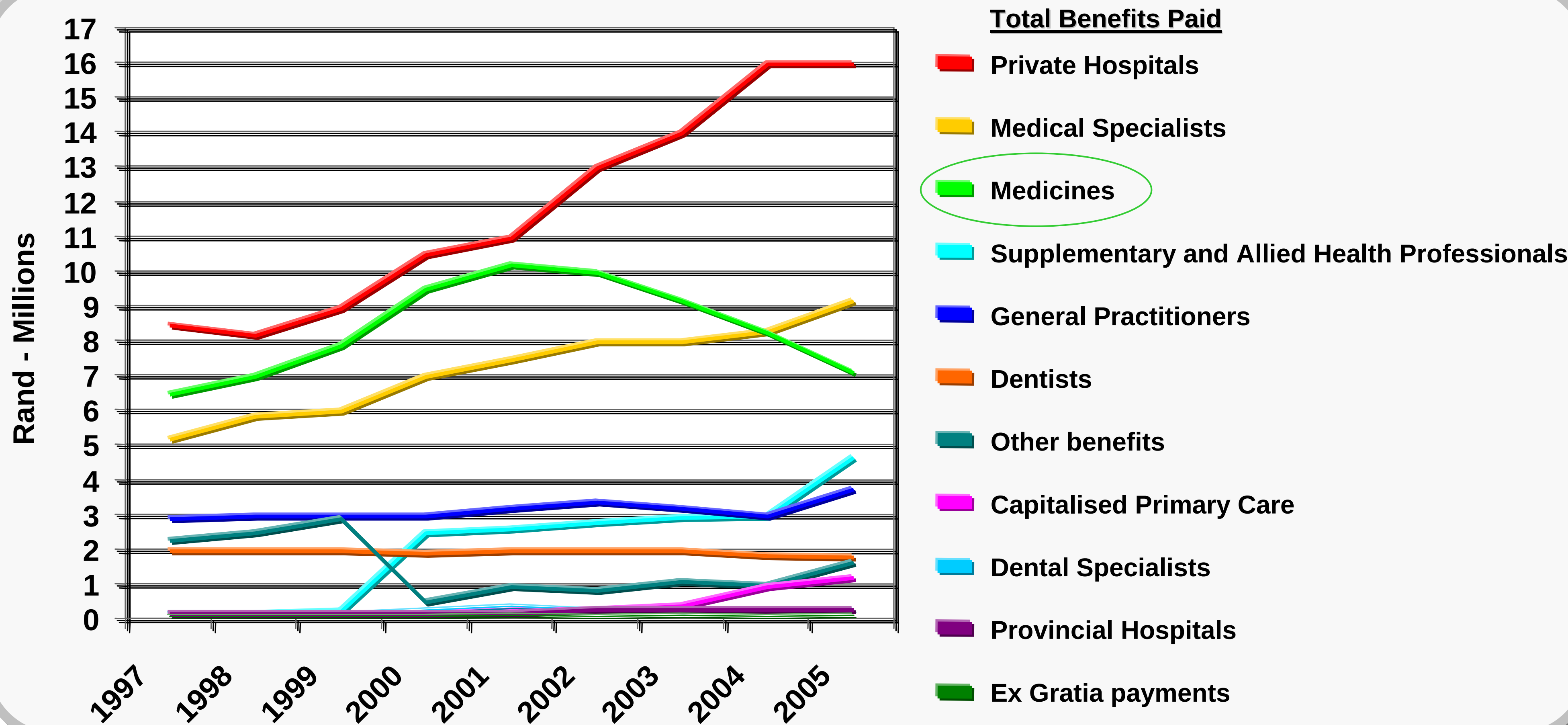
Why do we invest in the South African industry?

- **Our belief is based on:**



Medicines spend since 1997 (CMS Annual Report 2005 – 2006)

Medicines spend has declined since 2001 and is now at 1998 levels

Why do we invest in the South African industry?

Hospitals – 30.14%

Medical Specialists – 17.53%

Non-Healthcare Expenses – 14.63%
(Administration & Managed Care & Broker Fees)

Medicines – 13.45%

Supplementary and Allied Health Professionals – 8.61%

Dentists – 3.21%

Other benefits – 2.57%

Managed Care Networks – 2.27%

Dental Specialists – 0.69%

Ex Gratia – 0.11%

Medicines and non-healthcare costs as a percentage of the healthcare pie

Non Healthcare expenses consume more of the total healthcare rand than medicines (R7.8bn versus R7.1bn)

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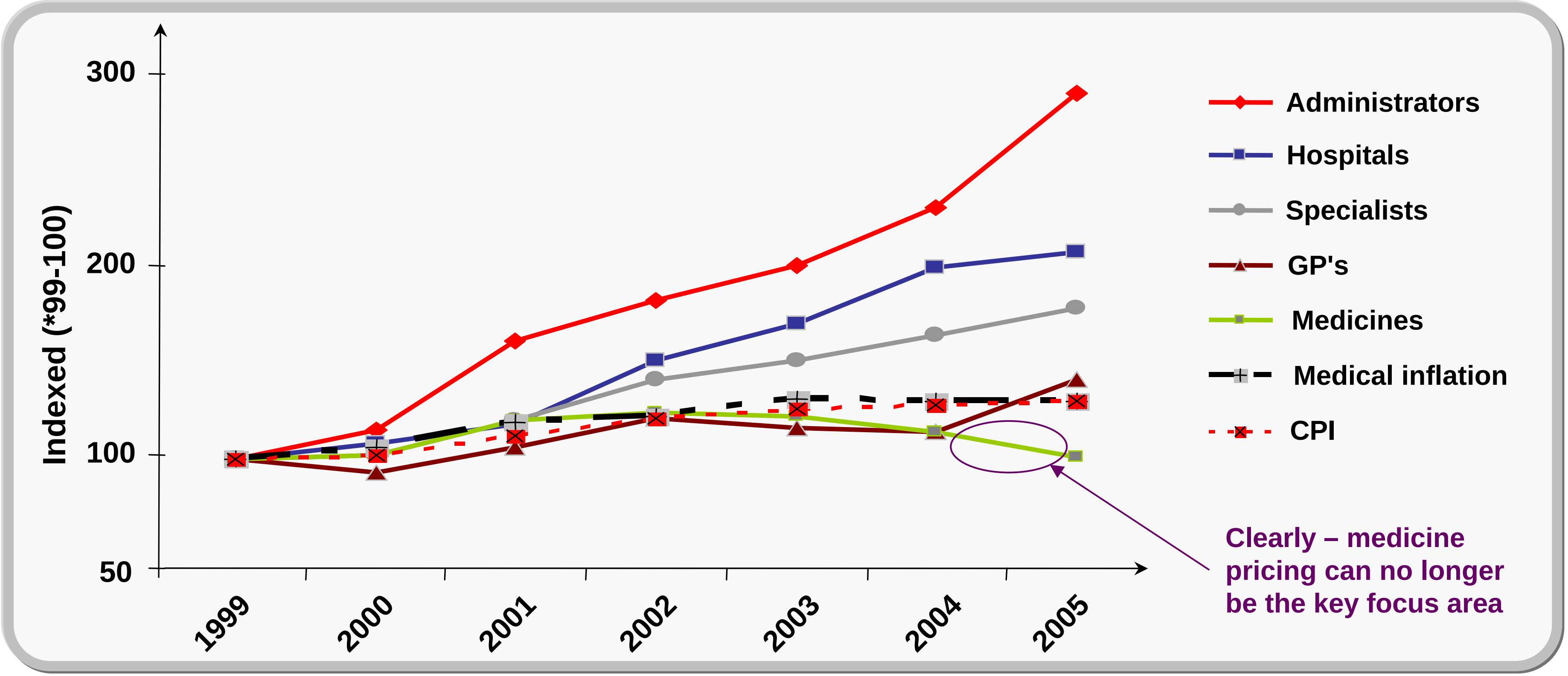
Why do we invest in the South African industry?

- **Pricing pressure in perspective**
  - **Growth in managed care, hospital and specialist cost has outpaced Medical Inflation in recent years**



*Medical inflation, as defined by Statistics South Africa includes Doctors Fees, prescription medicines, hospital fees and contributions To medical schemes. Source: Statistics South Africa, South Africa Reserve Bank, Council for Medical Schemes Annual Reports.

Healthcare expenditure indexed at 100 in 1999, growth 1999 – 2005

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Finally… Government Support

- In his 2007 mid-year review President Mbeki stated
  - "There is untapped opportunity to increase local beneficiation in the chemicals, plastic fabrication and pharmaceuticals sector. Envisaged actions include review of customs tariff for upstream products and leveraging the state's pharmaceutical procurement programme."

- Pharmaceuticals identified one of four key priority sectors in Governments newly announced NIPF – (National Industrial Policy Framework)

- NIPF will provide greater domestic procurement preference
  - In time for next three year ARV tender (March 2008)

Finally… Government Support

- Balance of NIPF interventions currently under development by joint Department of Trade and Industry / Treasury / Department Of Health team, under the Presidency's guidance

- Government likely to introduce export incentives
  - Imports versus exports (20 : 1)
  - Duty removal on materials
  - Import duties on key manufactured products
  - Production based incentives

No developing country should be reliant on others to provide healthcare

Why do we invest in the South African industry?

- **Cost containment – forcing generic shift**
- **Double digit growth in generic sector**
  - **Growth at 25%**
  - **Demand buoyant**
- **Public sector pharmaceutical consumption increasing**
  - **ARV off-takes increasing**
  - **Chronics rising – diabetes etc.**
  - **Opportunistic infections increasing**
  - **Population growing and ageing**
  - **Commitment to local manufacture**
- **PIC accreditation from July 2007**
  - **Will boost export growth**
  - **Must have invested year on year in capex and people**
  - **School fees paid, stripes earned**

On reflection we think this cloud has a silver lining – no mining just yet!

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So how is Aspen positioned in South Africa?

- **Aspen is one of the top 20 generic manufacturers worldwide**

- **Aspen has shown compound earnings growth of over 30% for last nine years**

- **Assuming a population of 40 million in South Africa – Aspen supplies on average**
  - **150 tablets (over 6 billion tabs / caps)**
  - **60ml of liquid (over 2.5m litres)**
  - **5g of creams / ointments (200 tons)**

  to every South African every year

- **Aspen has significant BEE ownership (over R2 billion in value)**

So how is Aspen positioned in South Africa?

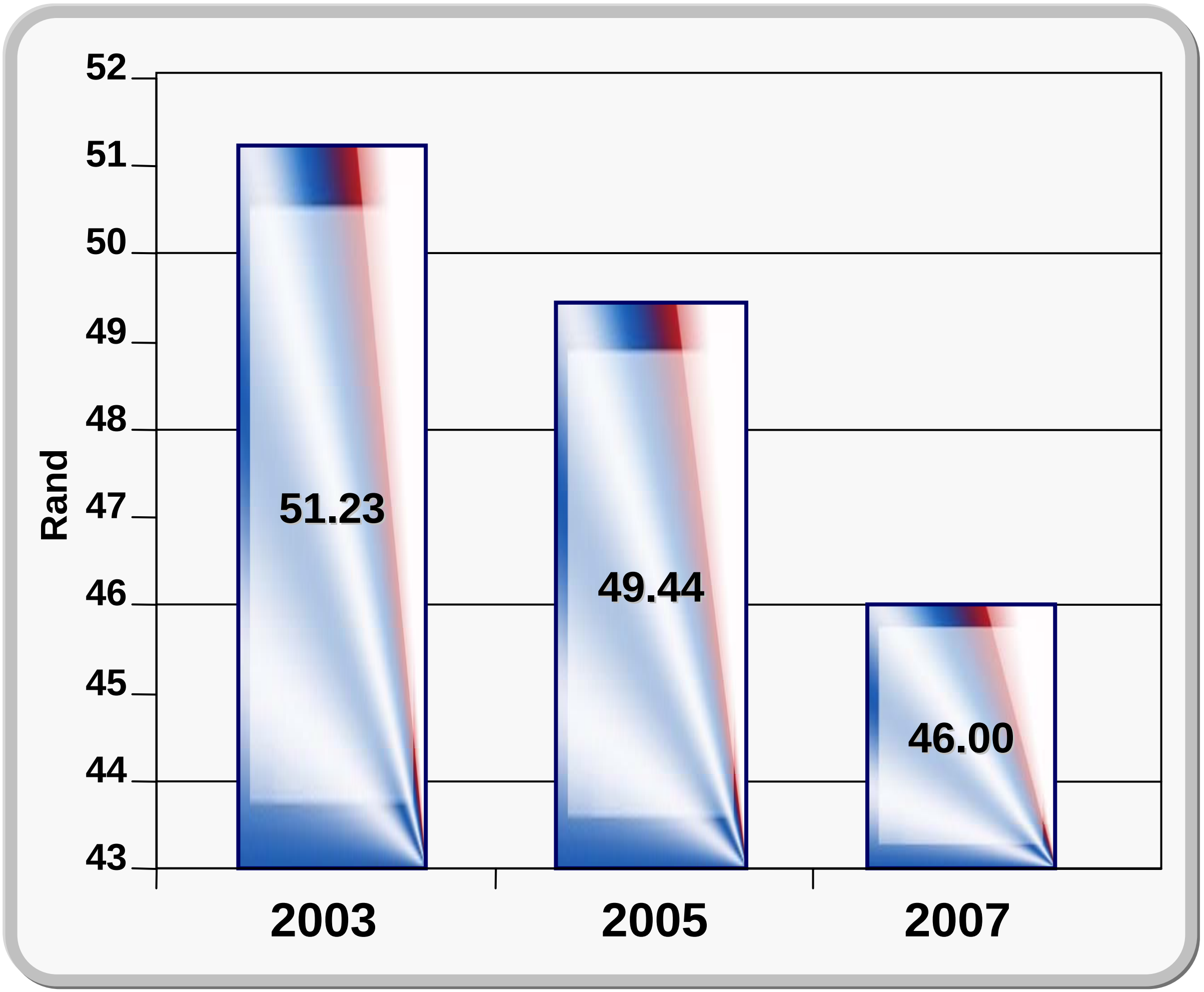
- **Aspen…**
  - **Is arguably the leading global player in generic antiretrovirals (ARVs)**
  - **Has meaningful vertical integration through our FCC / Matrix joint venture**
  - **Has and will invest over R1 billion in enhancing our production capabilities and capacities**
  - **Is and has been number one in the South African public sector**
  - **Is and has been number one in the South African generic sector**
  - **Is the largest pharma company in South Africa**
  - **Is South Africa's largest pharma exporter**

Aspen is now NUMBER 1 in the South African Private Sector

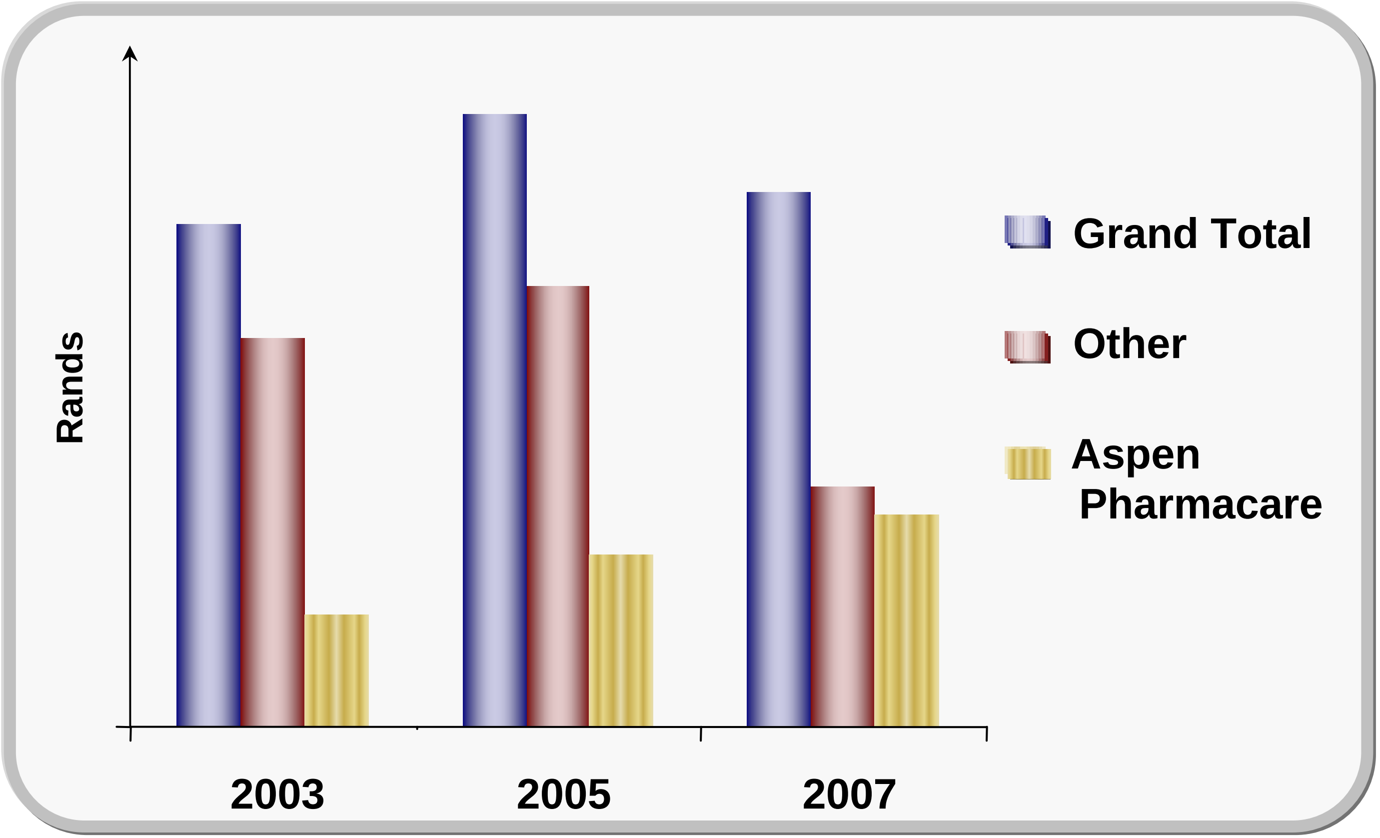
South African Public Sector

- Aspen supplies 20% - 25% of all tablets and capsules procured by the public sector
- Tenders are a two year process and our feedback from the antibiotic tender shows some interesting trends
  - ASP falling
  - Overall tender value shrunk
  - Aspen has grown its market share value and percentage

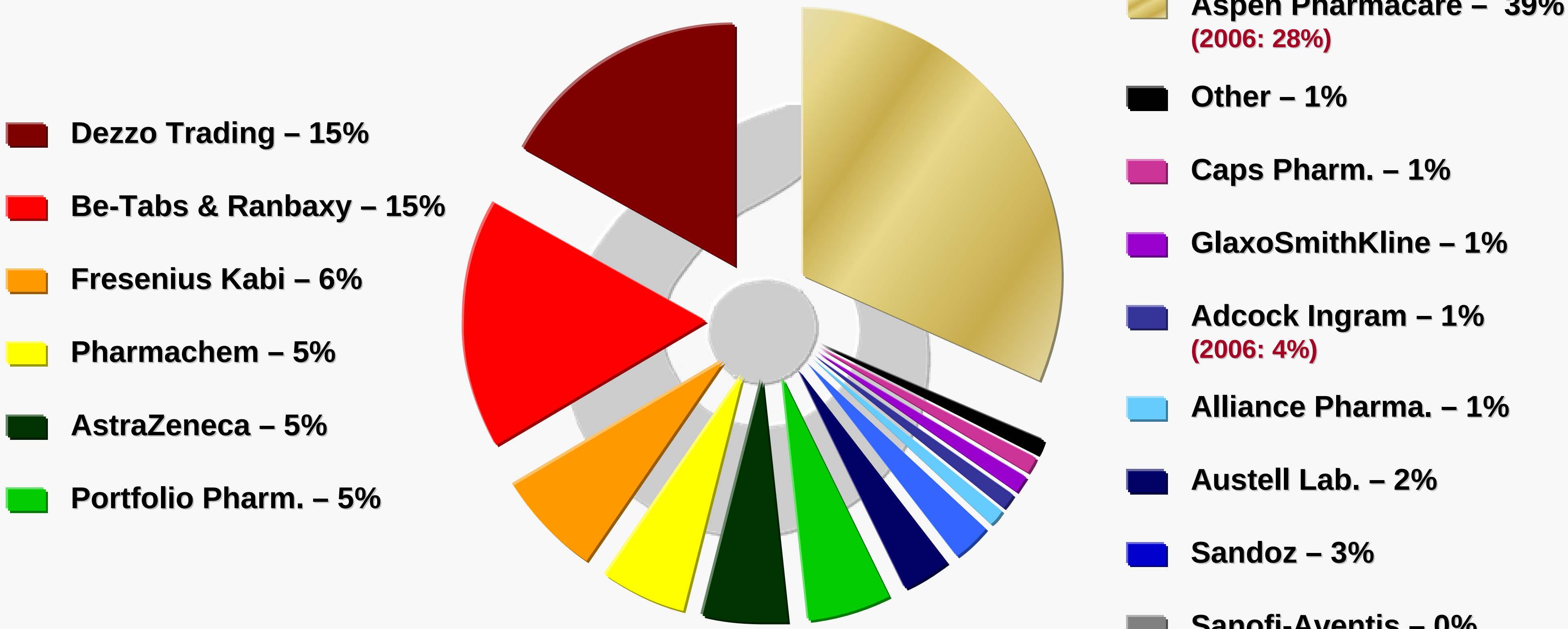
Antibiotic Tender – Average Selling Price



Antibiotic Tender – Aspen Market Share



Antibiotic Tender – Share of 2007 Award



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South African Private Sector (per IMS June 2007)

Total market has grown +11%

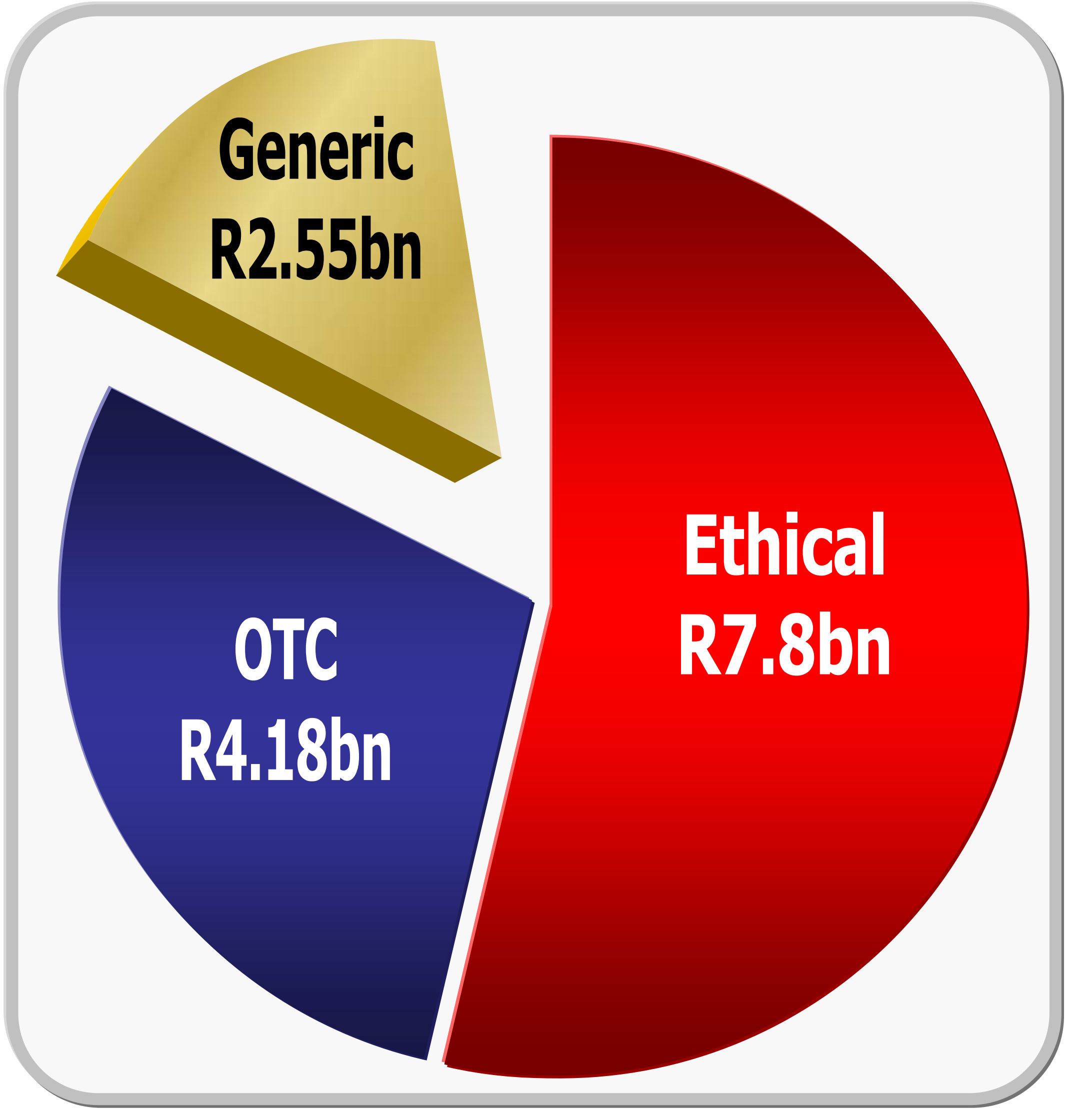
Generic Market +25%

OTC Market +7%

Branded Market +8%

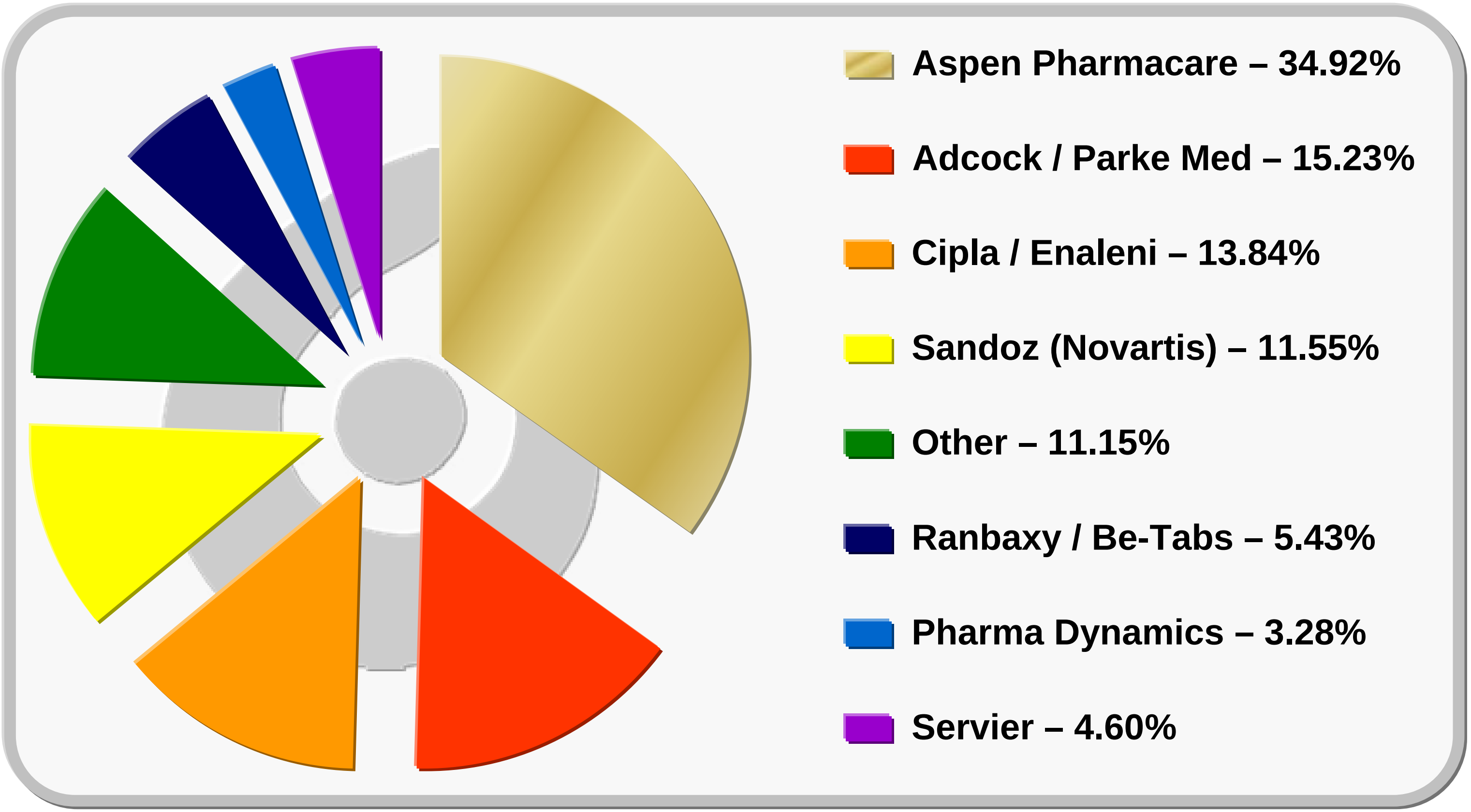
Total Private Market

June 2007 R14.53 billion (June 2006 – TPM R12,6 billion)

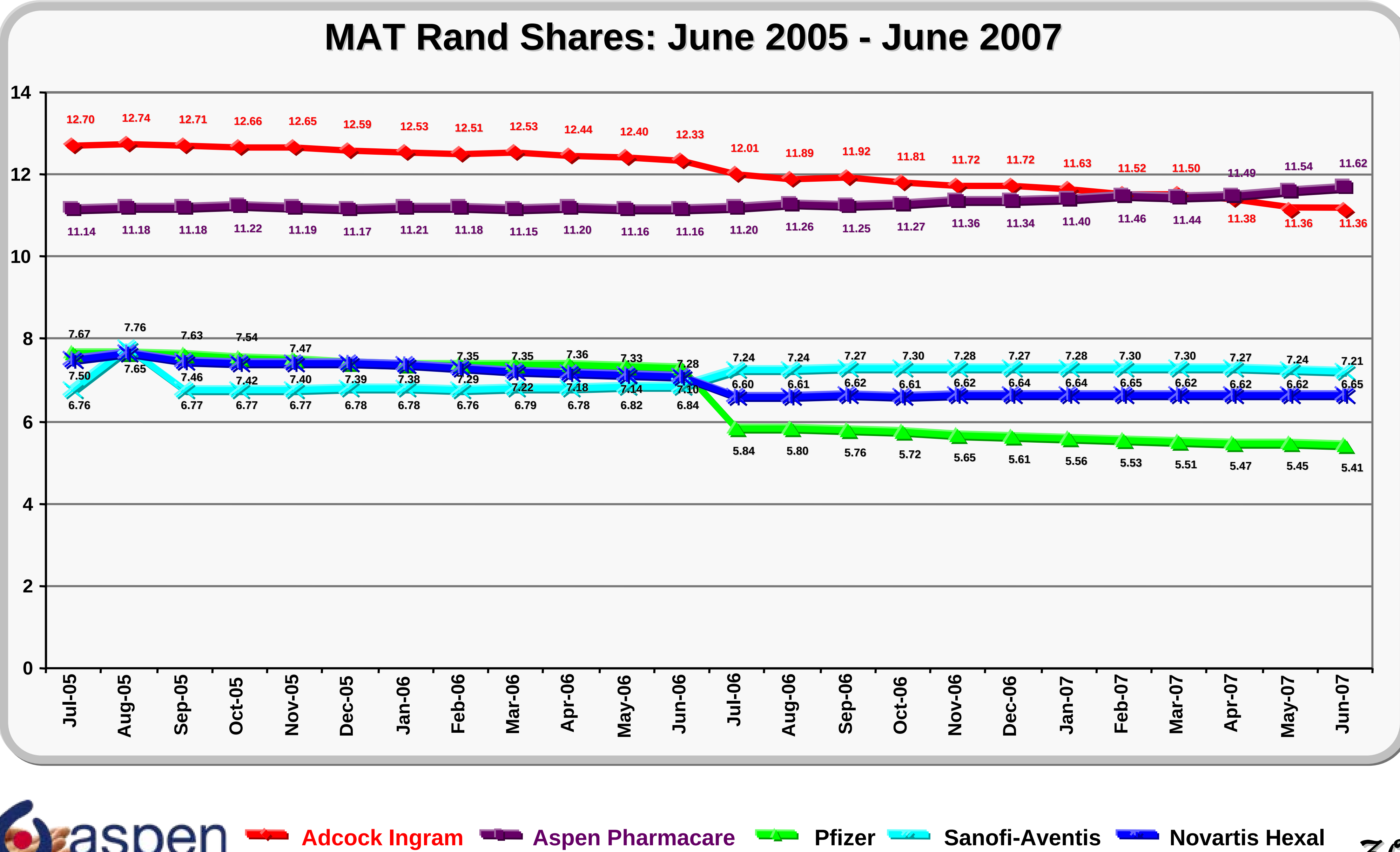


Private Generic Market

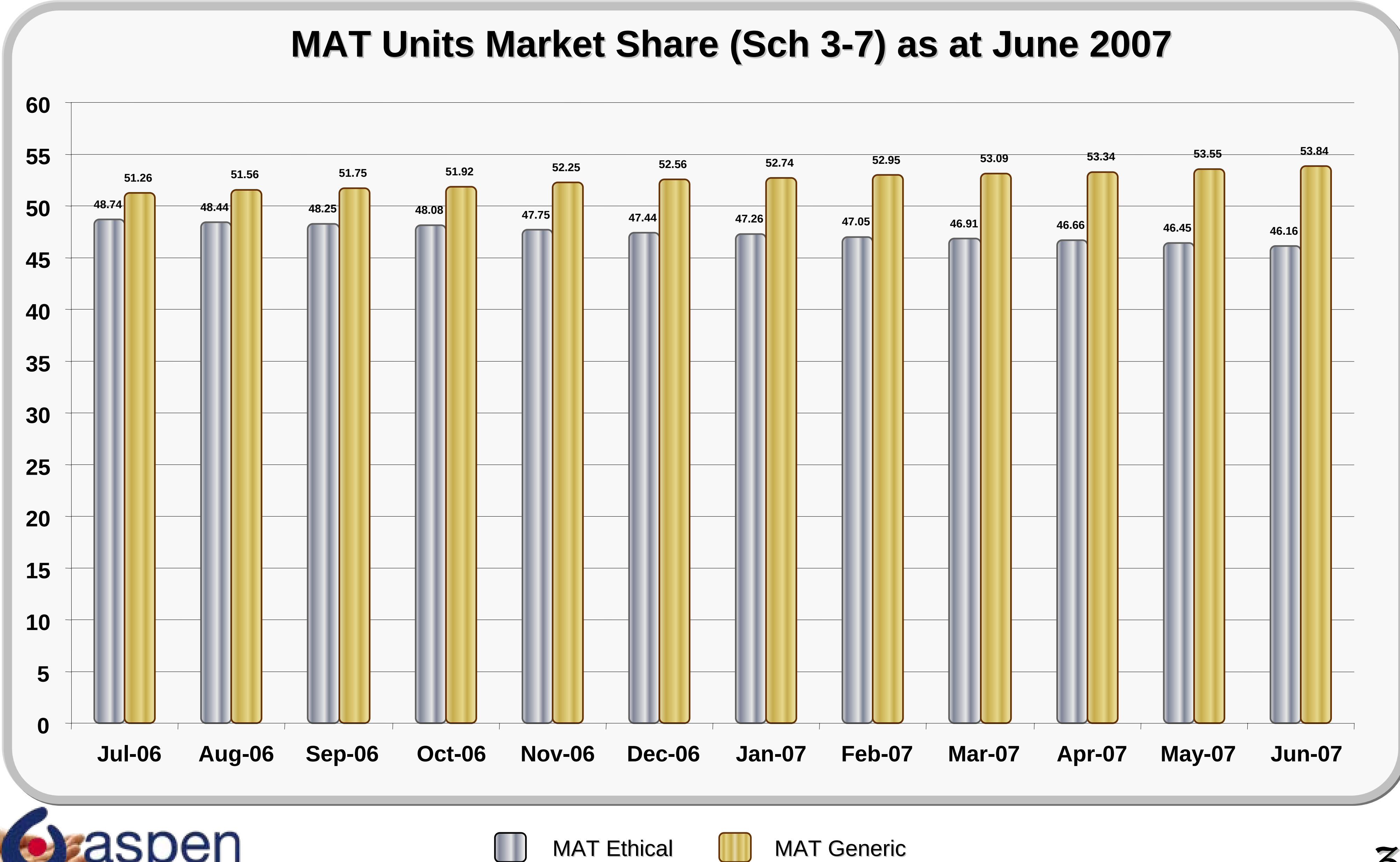
MAT Rand Shares as at June 2007



Total Pharma Market



Ethical / Generic Split



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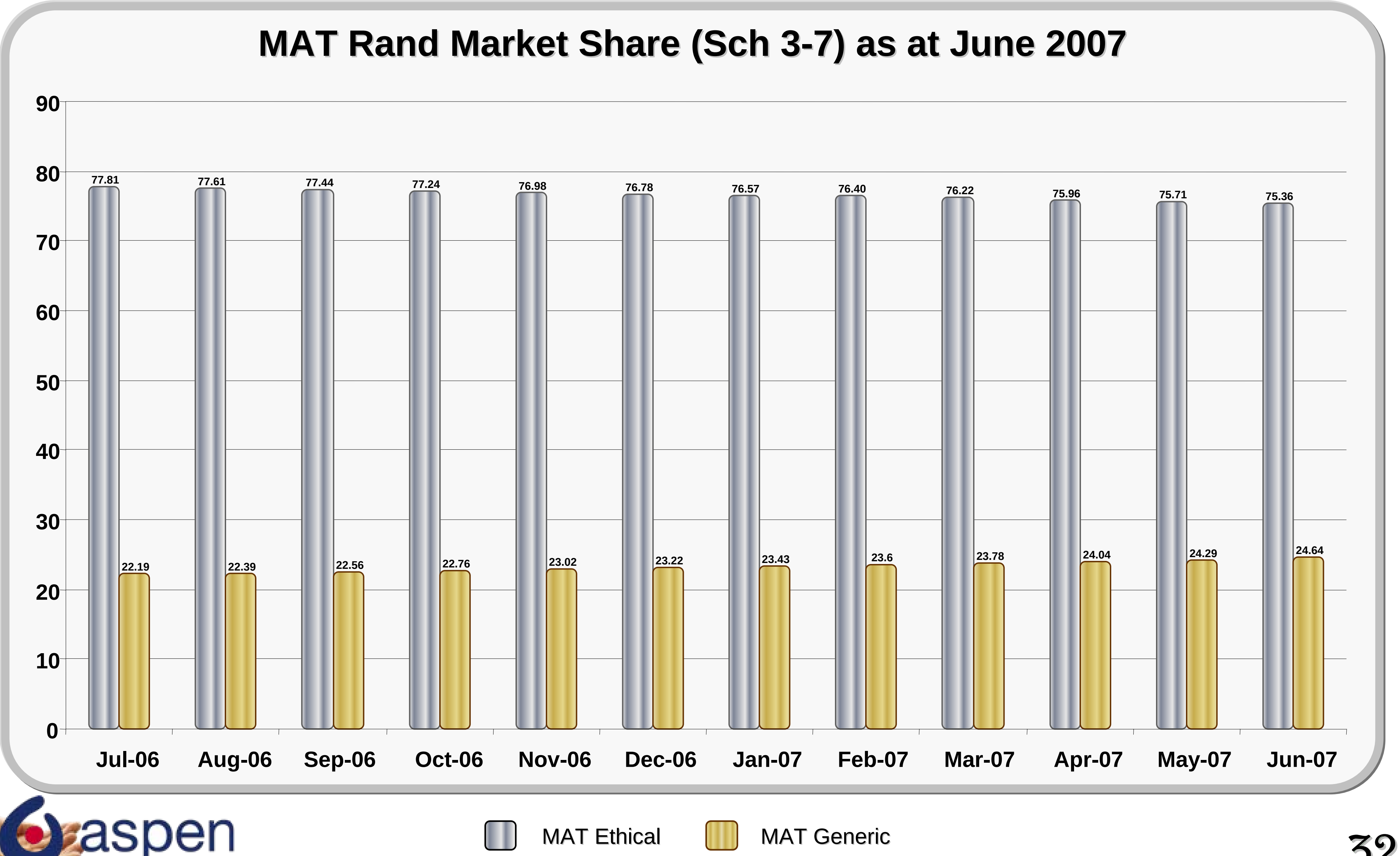
Ethical / Generic Split



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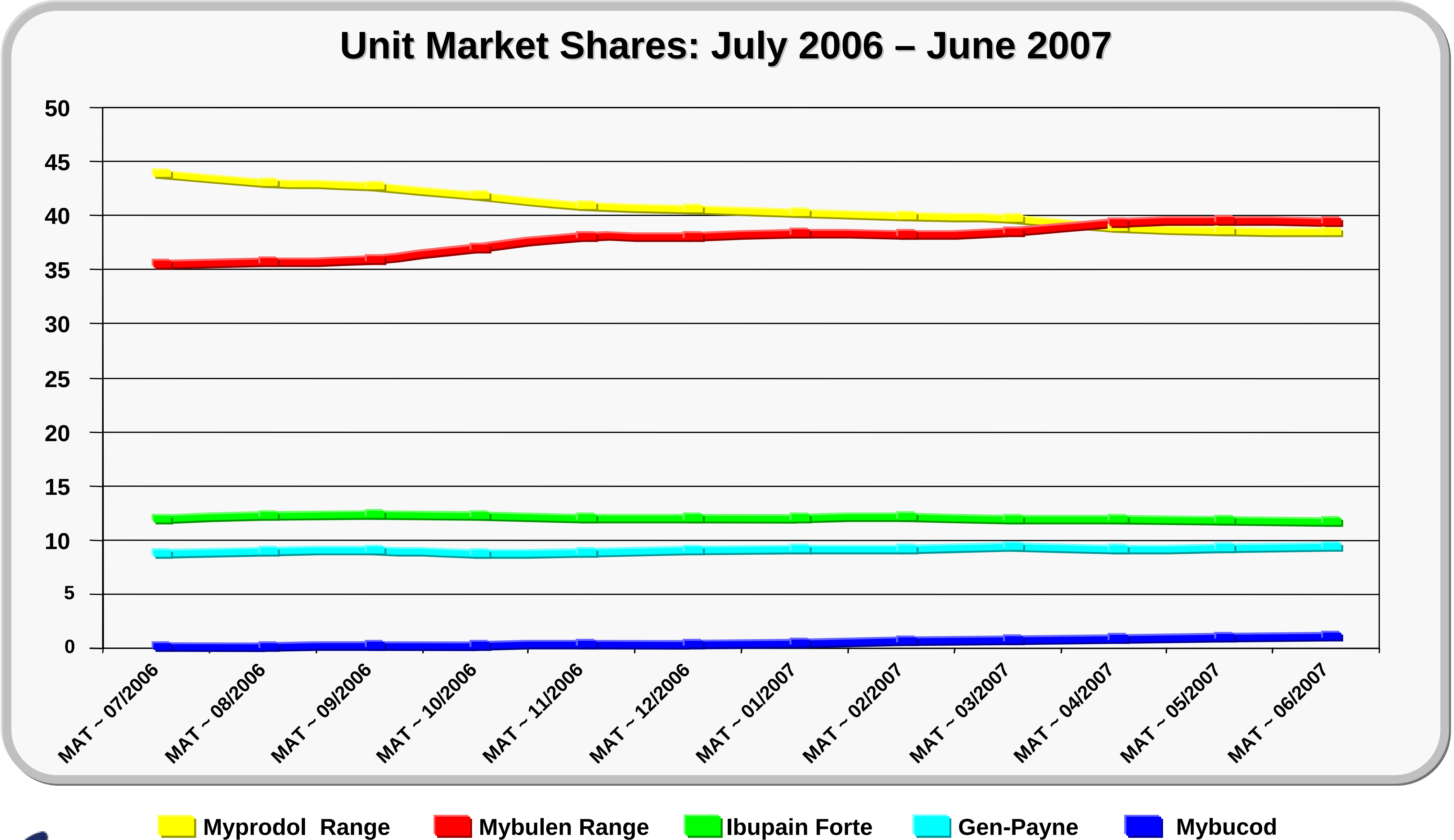
Mybulen – IMS MAT Data



Strategy – Consolidate Regional Strength

South African Private Market – We are number one, how do we stay there?

- South Africa is a small territory in world terms
- It is a difficult / complex market
  - Best of first world – worst of third world
  - Public hospitals
  - Private hospitals
  - Mining hospitals
  - Parastatals e.g. Transnet
  - Chemists
  - Self-dispensing
  - Script doctors
  - Government tenders
  - Chronic medication houses
- To cover the whole territory requires significant spend on infrastructure
- The MCC takes three years to register new dossiers
- The market is fiercely competitive

All of the above combined makes significant investment in South Africa prohibitive

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Strategy – Consolidate Regional Strength

- South Africa's largest field force
  - Service is the differentiator
- Intense generic import competition
  - Negate with improved service delivery
  - One stop shop
  - Distribution capabilities
- What will make us lose our octopus – like grip on South African market
  - Poor service delivery
    - Hiccup in manufacture
    - Pipeline
    - Lose the trust / confidence of our loyal base
- Manufacture dealt with separately

Consolidate Regional Strength – Aspen Pipeline

- Our pipeline has been our engine room for growth
- Over the past two financial years five out of the top ten generic launches have been Aspen products
- Aspen has more than 200 products awaiting registration at the MCC
- Currently processing more products now than ever before in the history of Aspen

Ensuring we will continue to have the industry's best pipeline!

Consolidate Regional Strength – Aspen Pipeline

Dossiers Sourced	Sourced / Development	Compilation	Registration	Product Launch for Registered Products	TOTAL
Total IMS (+000)	1,691,809	78,839	1,808,622	80,866	3,660,136
Total state values	154,826	203	415,225	24,879	595,133

Dossiers in registration	Steriles	Solids	Liquids	Other	TOTAL
Total IMS per dosage form (+000)	601,970	1,083,091	85,643	37,918	1,808,622
State	191,084	222,445	1,295	401	415,225

Steriles have increased impetus – have much awaiting MCC approval

Consolidate Regional Strength – Aspen has Trust and Credibility

- Price although important is not the only determining factor in our industry

- Trust and Credibility are key factors in determining South Africa’s pharmaceutical market shares
  - Service
  - Sufficient representation / distribution
  - Quality of product

Trust in the Aspen product demonstrated in key / lifesaving chronic medication

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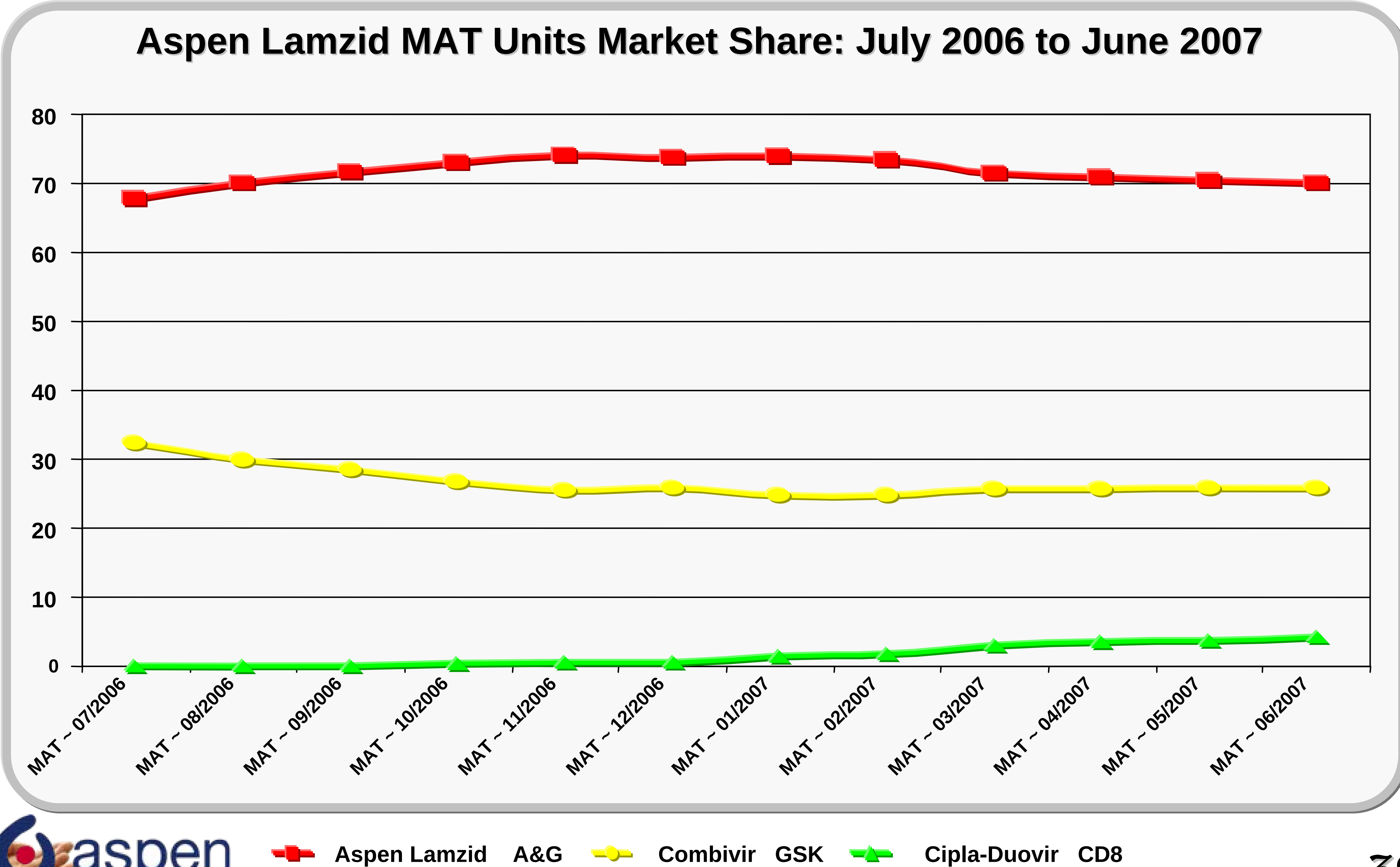
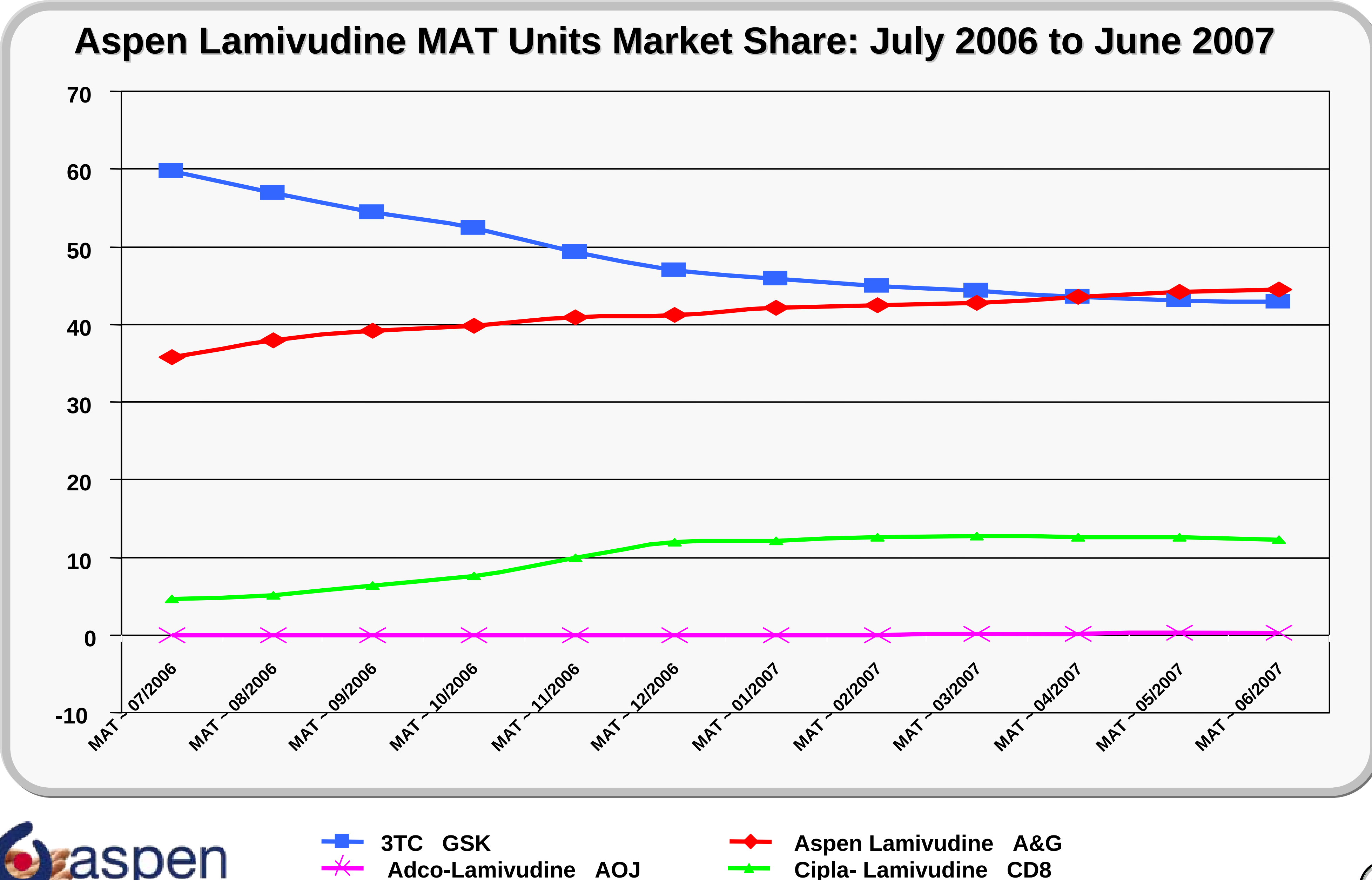
Consolidate Regional Strength – Aspen has Trust and Credibility



Consolidate Regional Strength – Aspen has Trust and Credibility



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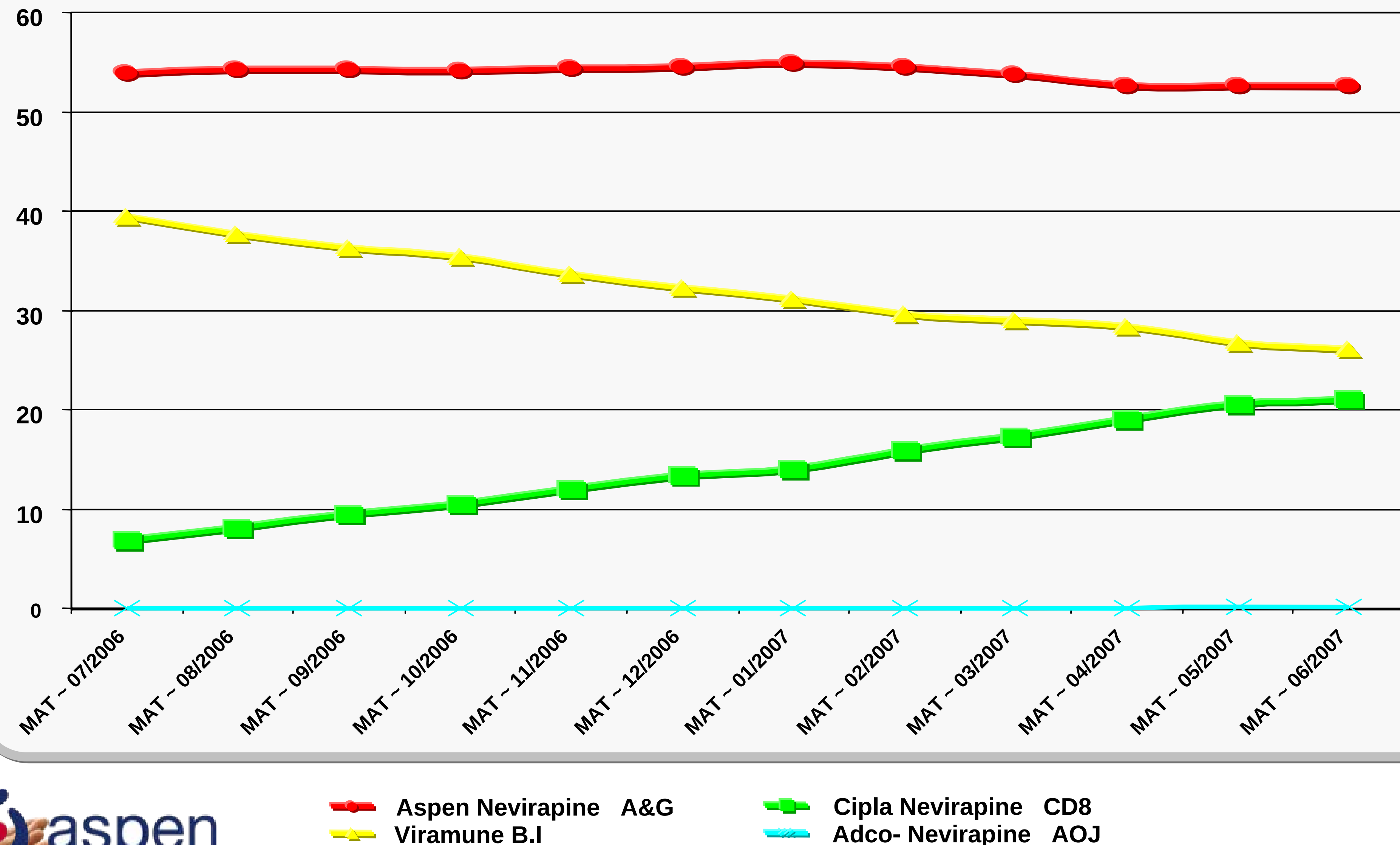
Consolidate Regional Strength – Aspen has Trust and Credibility

Aspen Nevirapine MAT Units Market Share: July 2006 to June 2007



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Consolidate Regional Strength - Manufacturing Skills

At our half year results we said:

"Our plan has been and still is to invest in ourselves and our infrastructure"

Why did we make this statement?

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Manufacturing Skills

- To grow turnover, we needed increased capacities
- Government had given early warning of the need for PIC accreditation
- To grow margins, we needed niche capabilities - steriles, hormonals and lyophilisation
- To meet our region’s challenges - capacities needed for infectious diseases
- Needed international manufacturing platform to match our international strategy

Manufacturing Skills

- Our decisions vindicated by
  - Resultant quantum leap in export turnovers
  - Increasing local volumes
  - Government's positive public pronouncement regarding a focus on domestic pharma production
- Timing was perfect
  - Need for PIC compliance
  - Building costs have doubled
  - Capacities and capabilities in place
    - Including machinery, people, buildings and quality systems
  - PIC upgrades proven to be within our capabilities

Local manufacture has always been a core competence and importantly will now be a competitive advantage

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Consolidate Regional Strength – Strategy Government

- Level the playing field
  - 4% local manufacturing allowance
  - Pay tax
  - No export zone
  - No rebates
  - Disadvantaged at tender
- Enjoy broad support
  - Reflected in government's new industrial initiatives
- Credibility – as we have invested and continued to invest into South Africa
- Relationship has never been better

We are really hopeful of meaningful intervention and support from government in the short / medium term

Consolidate Regional Strength - Conclusion

Radical legislative changes aside, our future in South Africa is in our own hands with our key focus on disciplines, customer needs, continually enhancing our pipeline, manufacturing capacities and maintaining our humility

We have momentum in South Africa – that is hard to challenge

Antiretrovirals ("ARVs")

- Our turnover in ARVs is up 65% to R439 million
- Anticipate this turnover trajectory to continue
  - More than 50% expected outside of South Africa
- Estimate we supply more than 500 000 lives in Africa
- Arguably cover more lives than any other company in sub-Saharan Africa
- Vertical integration leaves Aspen well-positioned to manage commodity cycles
- Increasing ARV turnovers expected from increased product registration

Antiretrovirals ("ARVs")

- Developing and registering combination ARVs
  - More accepted in Africa
  - Less accepted in South Africa
- Turnover increased in last quarter with Gilead's second line registrations
- Above emphasises the importance of our multinational strategy
  - Able to leap frog international generic competitors and be first to market
  - As products become commoditised, we are able to bring higher value products to market
- New relationships / New Products
  - Johnson & Johnson and Bristol-Myers Squibb

Given Government's push for local manufacture, together with our armoury of registrations and voluntary licences, we are well placed for the upcoming South African tender

Growing our International Platform

- Aspen sales outside South Africa are over R1 billion
  - 26% of total sales
- Meaningful player in Australia
- Significant increase in exports into Africa

Given our manufacturing capabilities and enhanced capacities international business will be a key growth driver and focus area

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Growing our International Platform - Africa

- **Aside from our basket of products for infectious diseases, generics, OTC -**
  - **Aspen can provide a partner with contraceptives**
    - **Both oral and injectable**
  - **Infant milk formula**
  - **Comprehensive basket of products for secondary infections**

- **We have done extensive investigative work into Africa in the past year. There is no one player that has operations covering all of Africa**

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Growing our International Platform - Africa

- We have broken Africa down in four broad geographies
  - Southern Africa
  - Central / Eastern Africa
  - West Africa
  - French and North Africa
- A partner
  - Must have a sales and marketing presence
  - Must have a distribution network
- Aspen to provide product and manufacturing know how
- Aspen to be responsible for quality
- We are in negotiations with various players in all these regions who have the above attributes

Australasia & Asia

- In 2001 we started our Australian operation
  - Just two employees – annual sales of $10 million
  - Achieved that turnover in July month
- Have sufficient critical mass to justify an organic pipeline of dossiers
- Acquisitive opportunities limited
  - Pricing especially from private equity players hard to match
  - Introduced a significant organic pipeline (including many steriles)
  - Looking for opportunities in South East Asia

Growing our International Presence – Australasia Pipeline

Dossiers Sourced	Compilation	Dossiers / Development Sourced	Total
Total number of products	7	14	21
Total IMS (AUD)	9,367,800	75,813,000	85 ,180,800

- This pipeline also has a heavy sterile bias
- Will provide significant organic growth for our business

Other International Opportunities

- We are continually evaluating opportunities
  - Pricing is often prohibitive
- We are reviewing opportunities
  - Developing countries
  - Extensions to our sterile platform
- Co-pharma is receiving little focus
  - Too small
  - Cannot compete with our ARVs for manufacturing priority
  - Exploring partnering options
- International / export operations started from a zero base
  - Have more turnover internationally than that purchased out of South African Druggists

Will become an increasingly more meaningful contributor to Aspen earnings

Aspen – Summary

- Aspen has had a strong unbroken track record of financial success
  - Compound growth in earnings of 30% for the past nine years
- Although the pharma industry is internationally in a difficult space
  - Believe generics will be a growth area
  - Focus with government to grow South Africa's local manufacturing capabilities
  - Believe medicines are no longer the priority focus area for legislation
  - Inconceivable to be introducing government policy to grow an industry and then legislate to harm it
- Aspen well poised
  - Aspen is South Africa's number one pharma company
  - Generic growth is robust
  - Aspen's focus on local manufacture, now getting government support
- Aspen is number one in the public sector
  - Tender results positive
  - Dominant in the fast growing ARV tender

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Aspen – Summary

- Aspen is South Africa's number one exporter
  - Growth to continue
- Aspen is South Africa's number one in the private sector
  - An honour we accept with humility, but will guard jealously
- Strategies in place to consolidate our regional presence
  - Pipeline
  - Service delivery
  - Focus on the customer
  - Focus on our people
  - Focus on working positively with government
  - Focus on quality affordable products
- ARVs - key growth area
  - New registrations
  - Increased off-takes
  - Increased penetration in Africa

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Aspen – Summary

- **Focus on international expansion**
  - **Exports to continue growth trajectory**
  - **Australia has an organic pipeline**
  - **Value-enhancing opportunities across the globe being deliberated**
    - **Particular focus on Africa and the developing world**

Our critical advantage is that our core business is solid and has sustained organic growth platform. Although in discussions with many parties, we feel no pressure to do any other deals besides those that are value-enhancing for our shareholders