

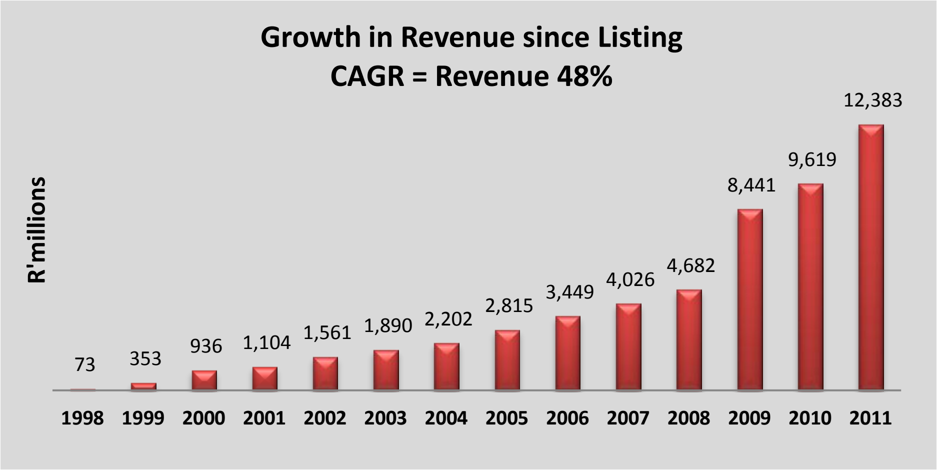

Aspen Group Results 2011

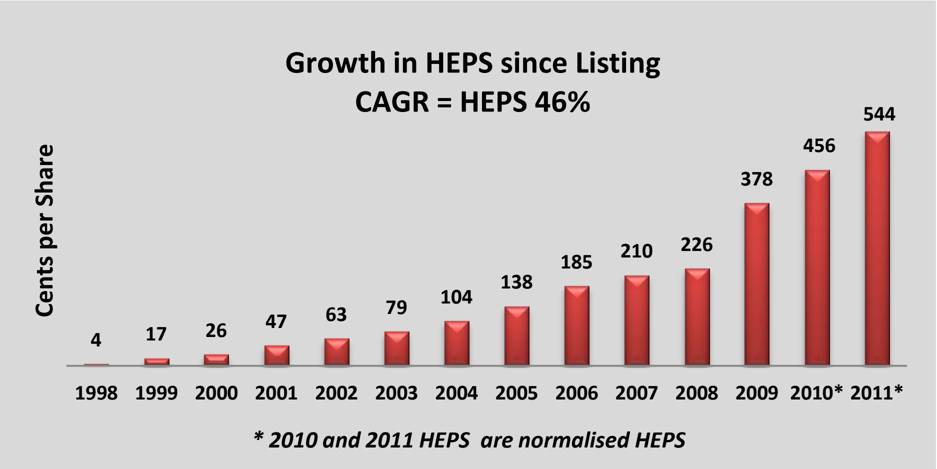

FINANCIAL PERFORMANCE HIGHLIGHTS

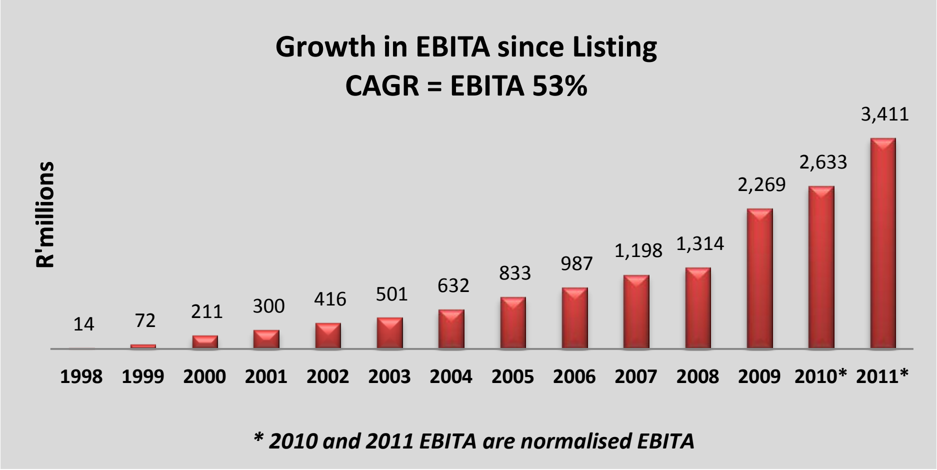
Revenue *from continuing operations*	**+29%**	**R12.4 billion**
Normalised headline earnings *from continuing operations*	**+29%**	**R2.4 billion**
Normalised diluted headline earnings per share *from continuing operations*	**+20%**	**523.3 cents**
Capital distribution to shareholders	**+50%**	**105.0 cents**

GROWTH RECORD SINCE LISTING

from Continuing Operations







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ABRIDGED INCOME STATEMENT

Continuing Operations	Year Ended 30 June 2011 R million	Year Ended 30 June 2010 R million	% Change
Revenue	12 383	9 619	+29%
Gross profit	5 614	4 476	+25%
Net operating expenses	(2 322)	(1 851)	
EBITA	3 292	2 625	+25%
Amortisation	(143)	(101)	
Operating profit	3 149	2 524	+25%
Net funding costs	(412)	(365)	
Share of after tax loss of associates	-	(2)	
Profit before tax	2 737	2 157	+27%
Tax	(582)	(458)	
Profit after tax from continuing operations	2 155	1 699	+27%
Profit after tax from discontinued operations	434	280	
Profit for the year	2 589	1 979	+31%
EPS	595.5 cents	494.9 cents	+20%

ADJUSTED* INCOME STATEMENT

** Adjusted for headline earnings adjustments and to add back transaction and restructuring costs*

CONTINUING OPERATIONS	Unadjusted Year Ended 30 June 2011 R million	Year Ended 30 June 2011 R million	Year Ended 30 June 2010 R million	% Change
Revenue	12 383	12 383	9 619	+29%
Gross profit	5 614	5 614	4 476	+25%
Net operating expenses	(2 322)	(2 126)	(1 739)	
EBITA	3 292	3 488	2 737	+27%
Amortisation	(143)	(143)	(101)	
Operating profit	3 149	3 345	2 636	+27%
Net funding costs	(412)	(376)	(356)	
Share of after tax loss of associates	-	-	(2)	
Profit before tax	2 737	2 969	2 278	+30%
Tax	(582)	(602)	(457)	
Profit after tax	2 155	2 367	1 821	+30%
Normalised HEPS		544.3 cents	455.7 cents	+19%
Diluted normalised HEPS		523.3 cents	437.7 cents	+20%

BENCHMARKING PERFORMANCE EXPECTATIONS

	CONTINUING	DISCONTINUED	TOTAL
	R millions	R millions	R millions
Revenue	12 383	494	12 877
Normalised operating profit	3 268	58	3 326
Normalised headline earnings	2 357	44	2 401
Normalised headline earnings per share	544 cents	10 cents	554 cents
Diluted normalised headline earnings per share	523 cents	10 cents	533 cents

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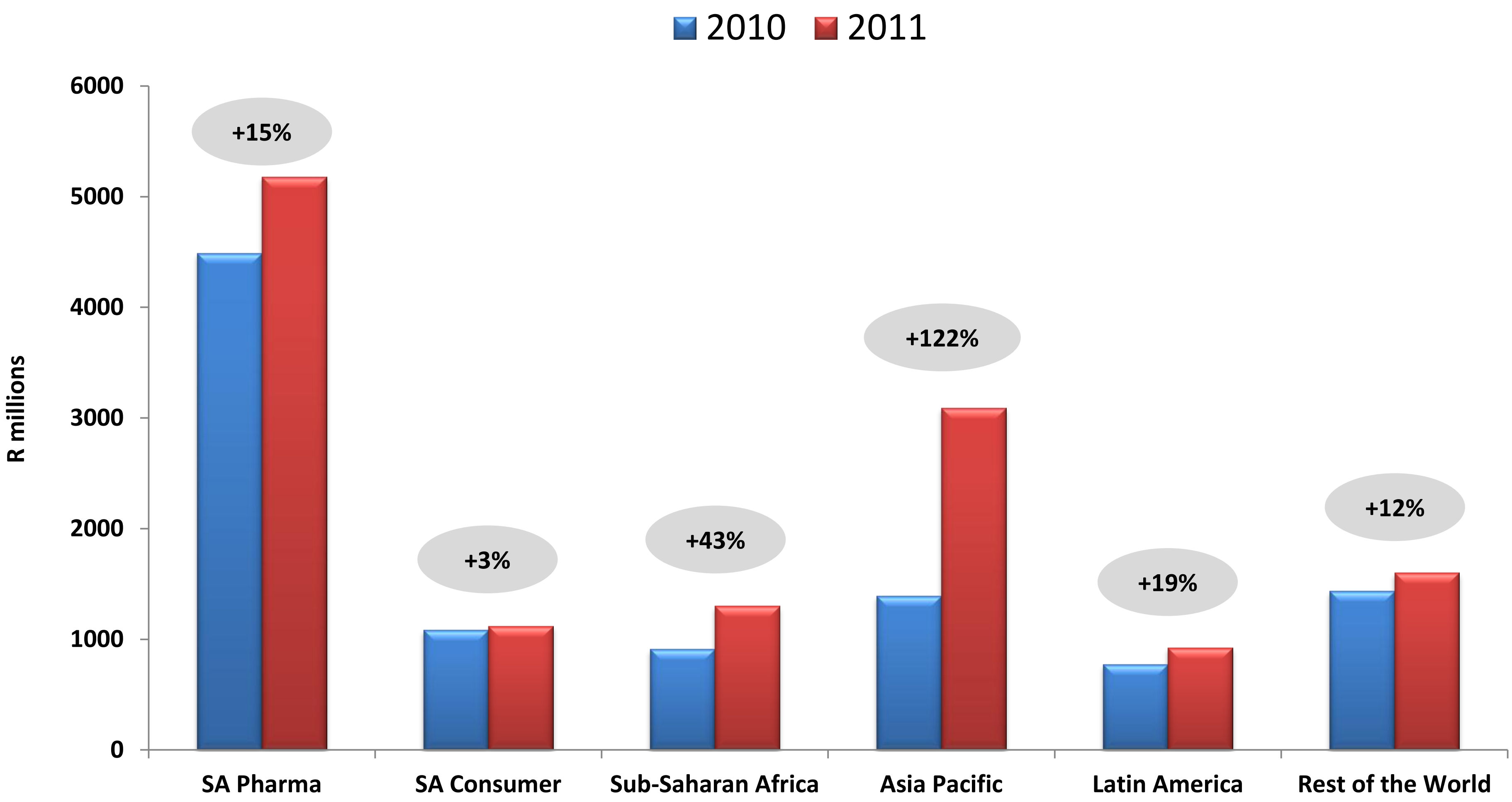
DISCONTINUED OPERATIONS BY BUSINESS SEGMENT

	SA	SSA	INTERNATIONAL	TOTAL
	R millions	R millions	R millions	R millions
Discontinued revenue	67	-	427	494
Discontinued normalised operating profit	2	-	56	58
Discontinued normalised headline earnings	1	-	43	44

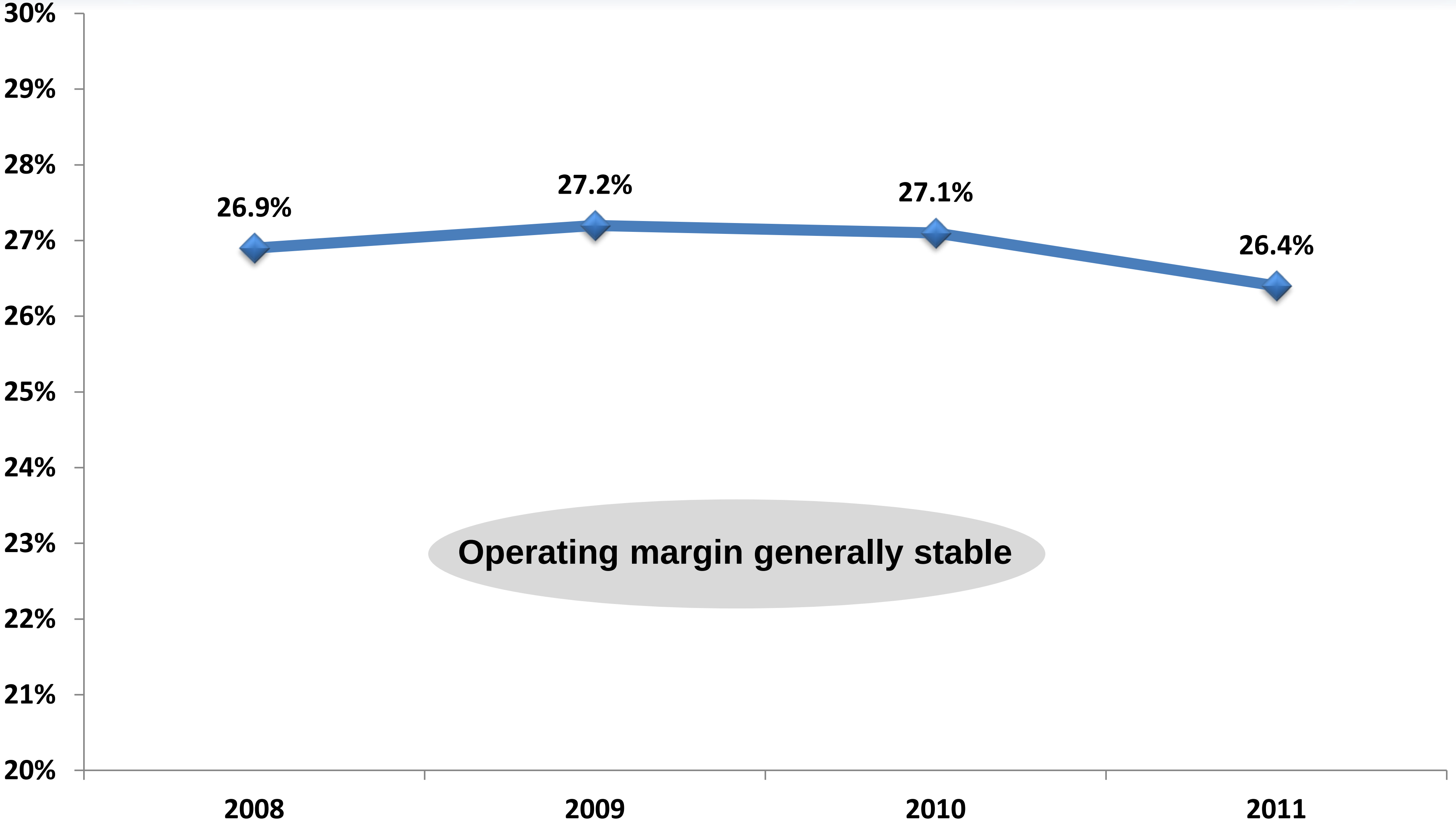
REVENUE FROM CONTINUING OPERATIONS

According to Customer Geography



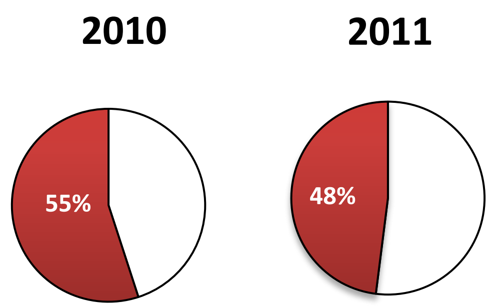
GROUP OPERATING MARGIN

Based on Gross Revenue and Adjusted Operating Profit

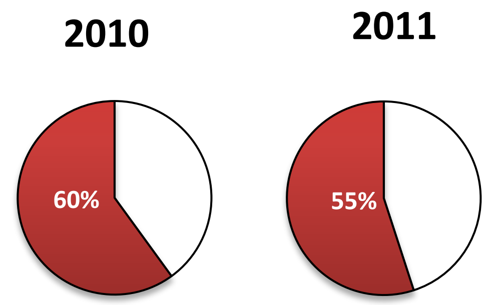


REGIONAL PERFORMANCE : SOUTH AFRICAN BUSINESS

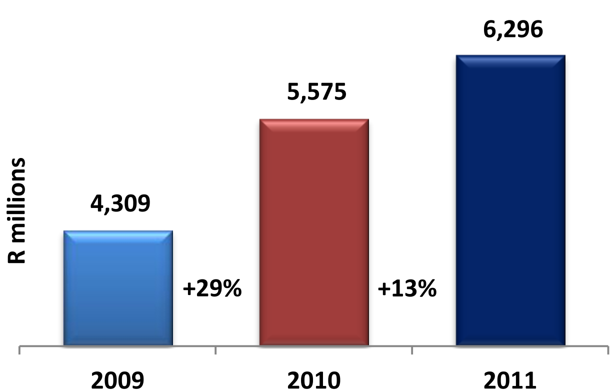
from Continuing Operations



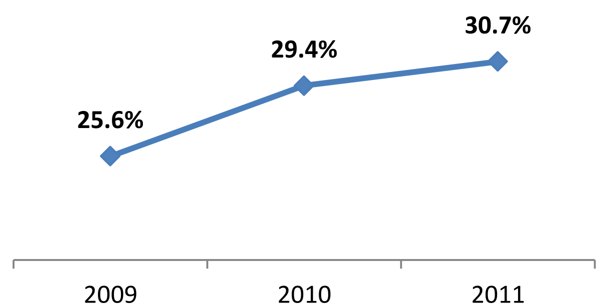
Gross Revenue

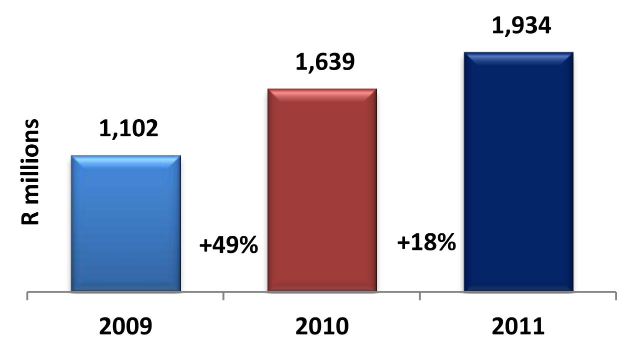


Adjusted Operating Profit



Gross Revenue



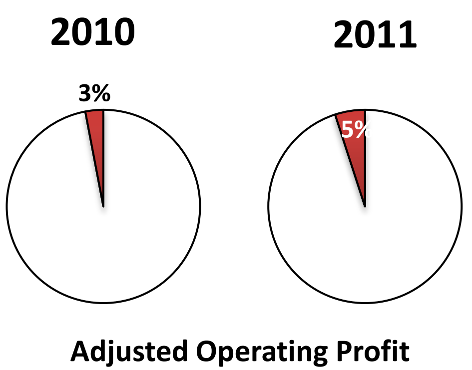


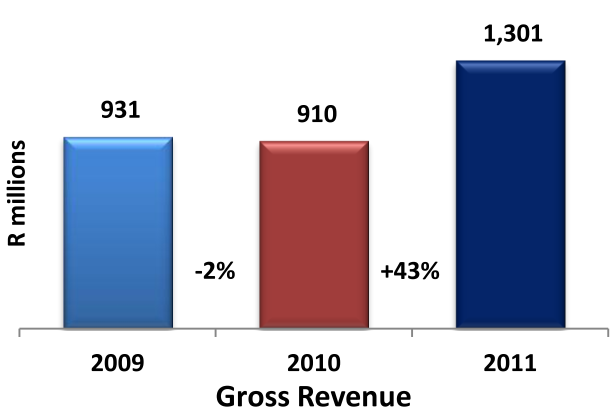
Adjusted Operating Profit

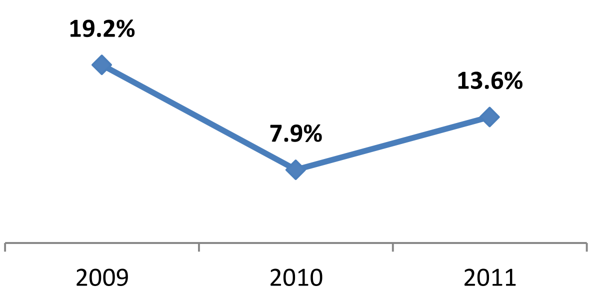
Operating Margin

based on Gross Revenue and Adjusted Operating Profit

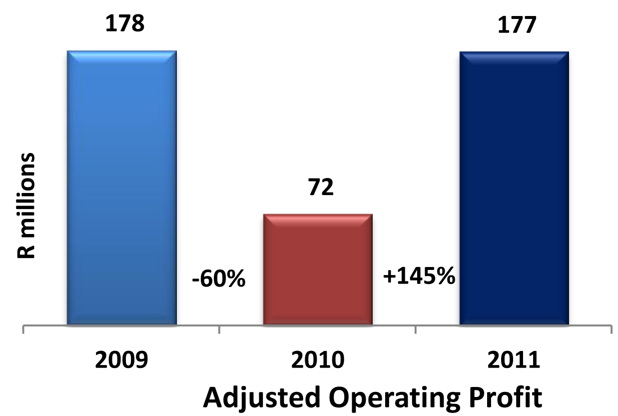
REGIONAL PERFORMANCE : SUB-SAHARAN AFRICA







Operating Margin
based on Gross Revenue and Adjusted Operating Profit



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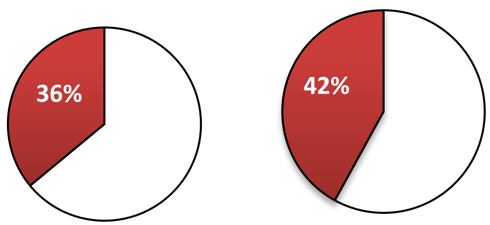
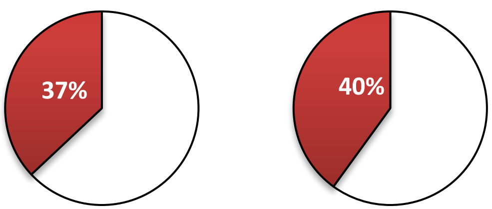
REGIONAL PERFORMANCE : INTERNATIONAL

2010 2011

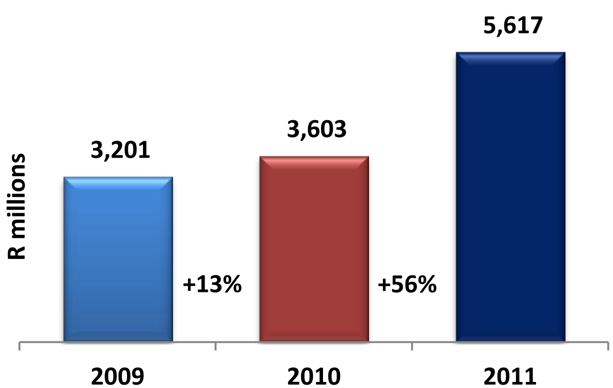


Gross Revenue

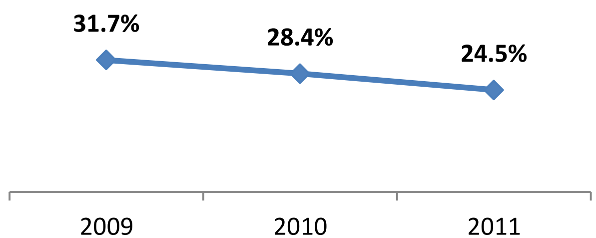
2010 2011



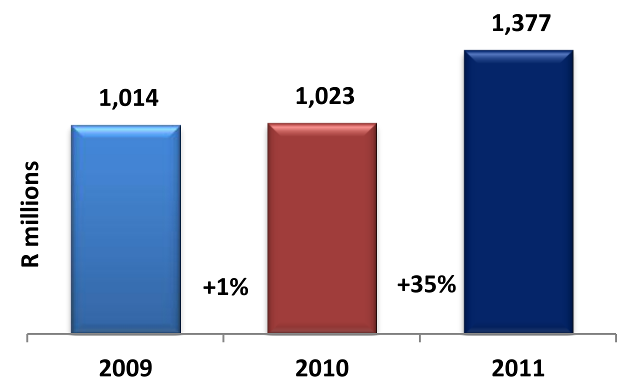
Adjusted Operating Profit



Gross Revenue



Operating Margin
based on Gross Revenue and Adjusted Operating Profit



Adjusted Operating Profit

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DISPOSALS & OTHER DISCONTINUED BUSINESSES

- **Onco Laboratories Limited**
  - Disposed of with effect from 1 February 2011
  - Proceeds of R602 million
  - Profit on disposal of R368 million

- **Balance of Co-pharma Limited**
  - Disposed of with effect from 1 July 2010
  - Proceeds of R26 million
  - Profit on disposal of R7 million

- **Products acquired from GSK for territories of India, Pakistan, Bangladesh, Sri Lanka and Afghanistan**
  - Disposed of with effect from 1 June 2011
  - Proceeds of R115 million
  - Neutral profit

- **Campos facility and related hospital products in Brazil**
  - Disposal completed 1 July 2011
  - Classified as "Held for sale"
  - Proceeds of approximately R450 million

- **Personal care brands**
  - Various completed disposals
  - Includes Playboy, Vinolia and Formule Naturelle
  - Proceeds of R38 million
  - Toothpaste brands agreement signed last week
  - Classified as "Held for sale"
  - Proceeds of R70 million plus stock

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OPERATING CASH FLOWS

	2011 Rm	2010 Rm	Change
Cash operating profit	3 845	3 269	
Changes in working capital	(463)	(344)	
Cash generated from operations	3 382	2 925	
Net finance costs paid	(401)	(427)	
Tax paid	(535)	(465)	
Cash generated from operations	2 446	2 033	+20%
Discontinued operations	(44)	(138)	
Normalisation adjustments	112	6	
Normalised cash generated from continuing operations	2514	1 901	+32%
Normalised operating cash flow per share from continuing operations	580.8 cents	473.0 cents	+23%
Operating profit to cash flow conversion rate	107%	104%	
Working capital as a percentage of Revenue*	22.5%	25.3%	

* *annualised*

ABRIDGED BALANCE SHEET

	Year Ended June 2011 R'm	Year Ended June 2010 R'm
Assets		
Non-current assets	17 423	12 178
Tangible fixed assets	3 652	3 012
Goodwill	4 627	456
Intangible assets	8 917	8 610
Other non-current assets	227	100
Current assets	6 335	4 683
Cash	3 039	2 940
	26 797	19 801
Equity and Liabilities		
Capital and reserves	13 287	10 886
Non-current liabilities	5 302	3 086
Preference shares-liability	381	387
Long term interest bearing debt	4 249	2 260
Other non-current liabilities	672	439
Short term interest bearing debt	5 138	3 720
Other current liabilities	3 070	2 109
	26 797	19 801

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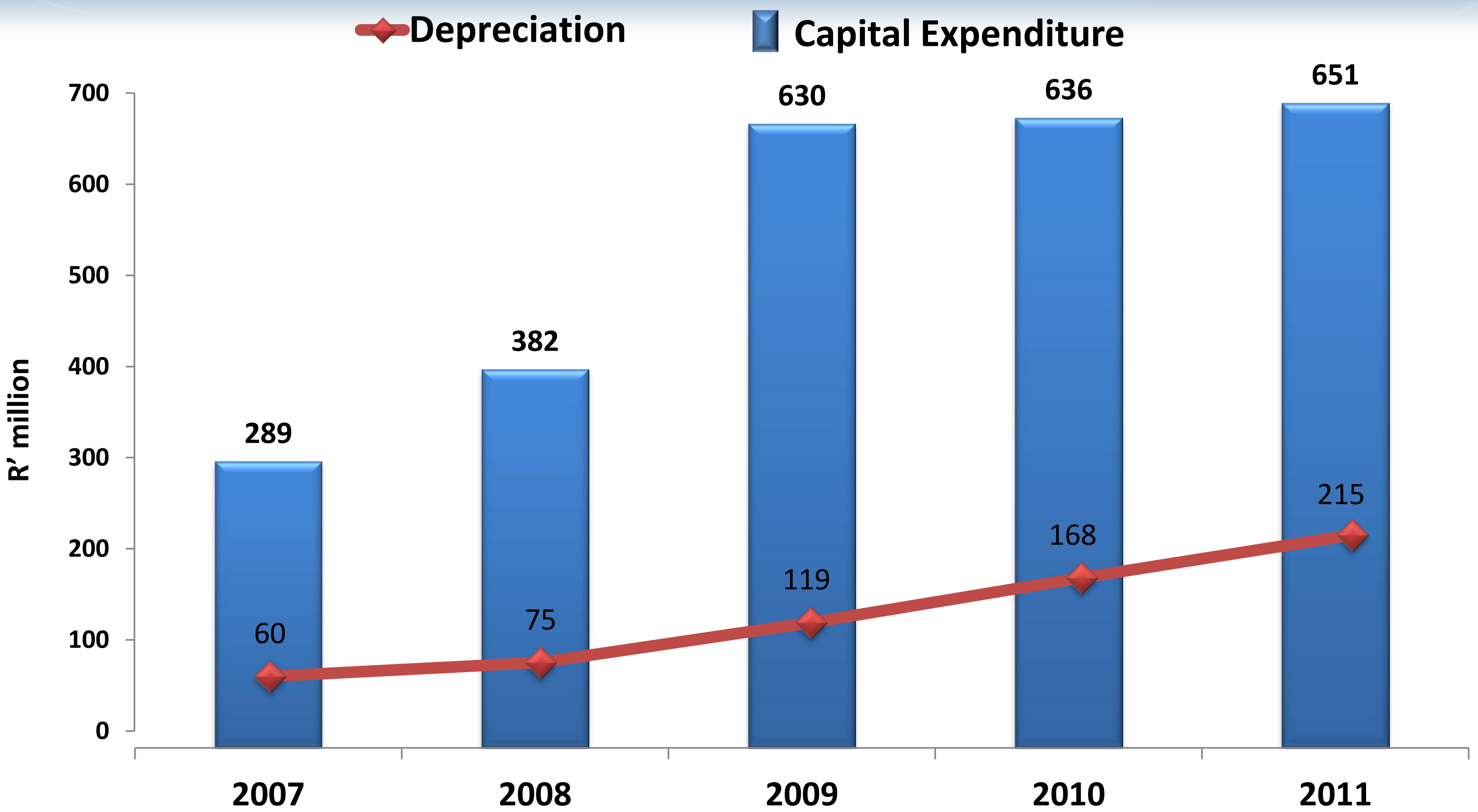
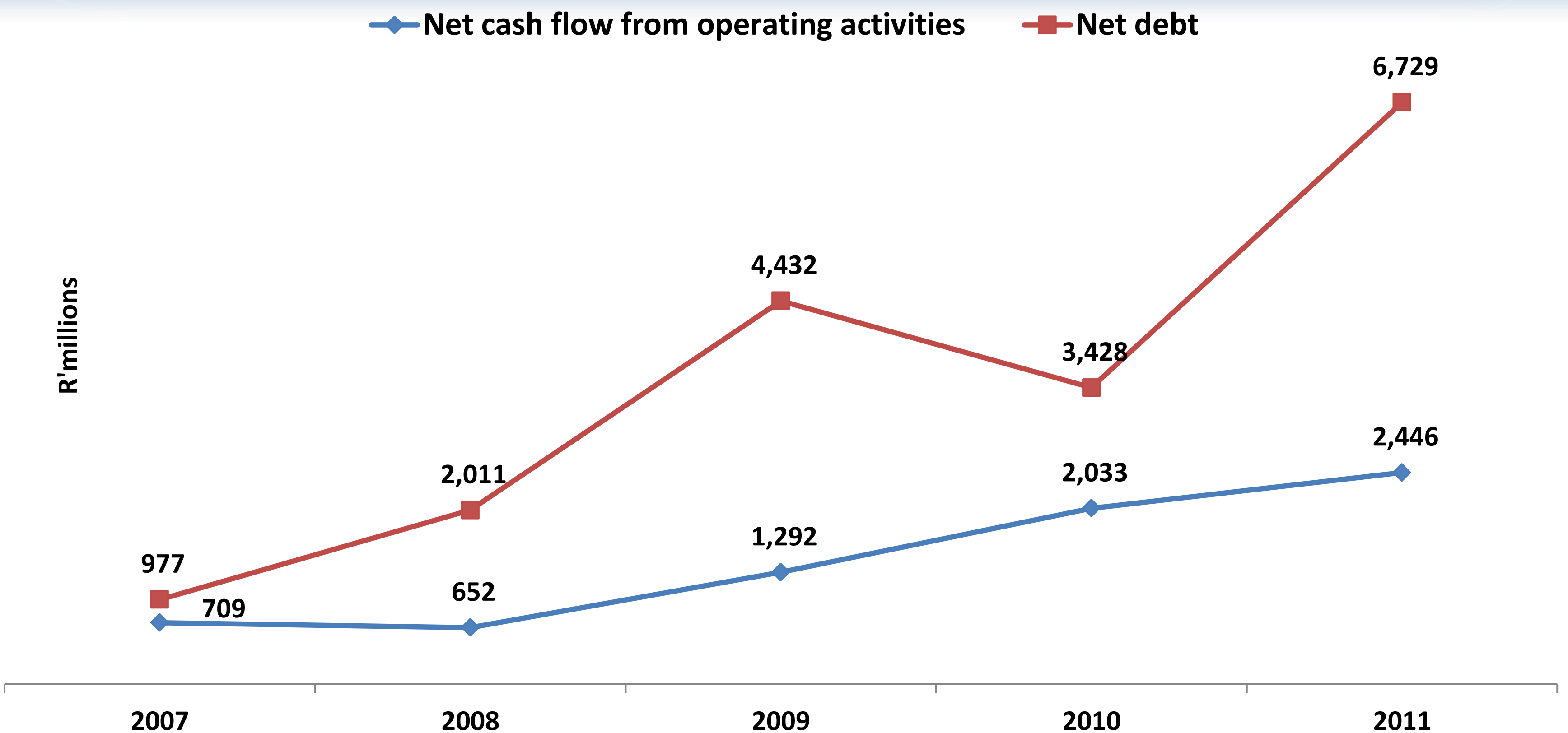
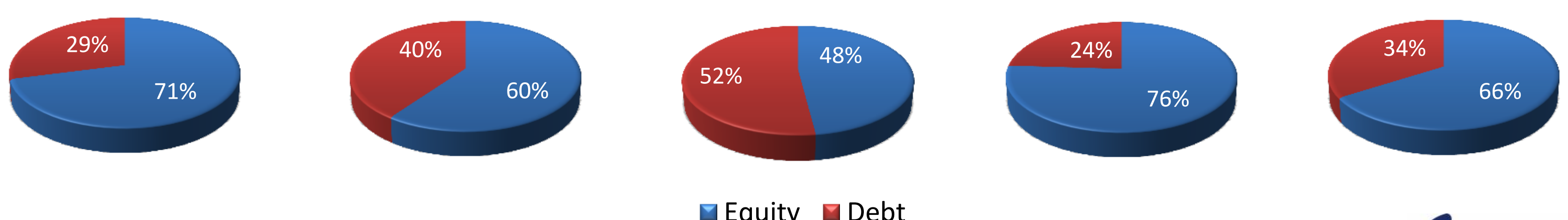
INVESTMENT IN PROPERTY PLANT & EQUIPMENT



More than R2.5 billion in 5 years

DEBT & LIQUIDITY TRENDS



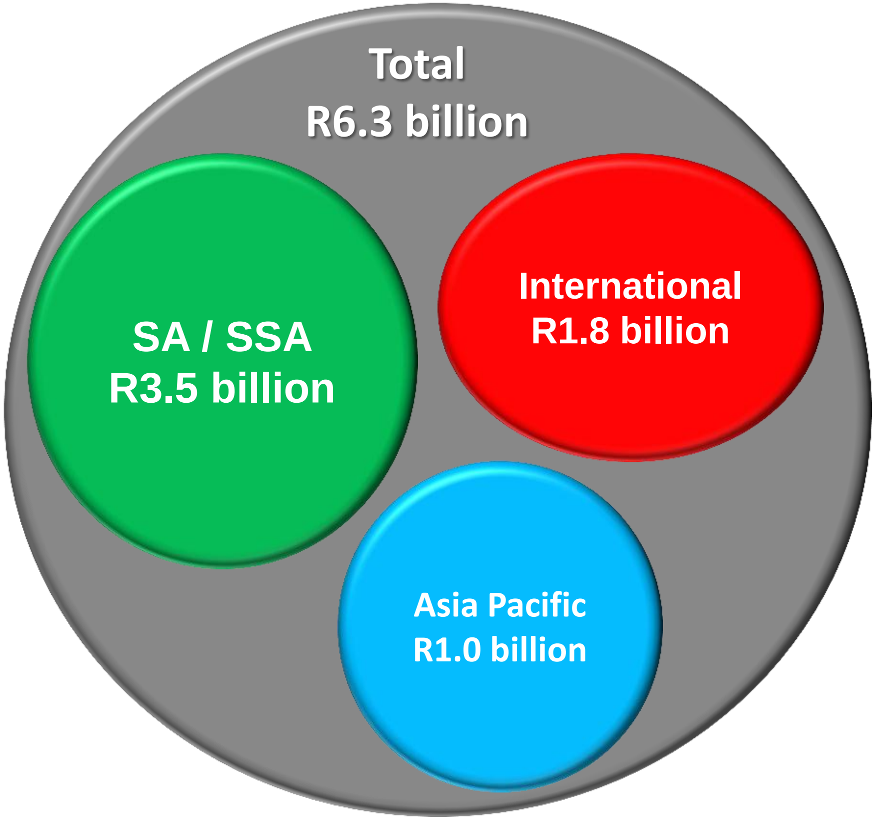


BORROWINGS ARRANGEMENTS

New arrangements have been agreed in principle with our funders

Agreements due to be signed by end of the month

- **3 separate "debt pools" independent of one another**
- **Unsecured funding**
- **Holding company guarantee only in regional debt pool**



**Each region is able to access and raise its own debt independently.
Blended cost of finance approximately 7%, variable with LIBOR, JIBAR etc.**

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SIGMA ACQUISITION

- **Completed on 31 January 2011**

- **Purchase consideration reduced from AUD900 million to AUD863 million (R6.1 billion)**
  - Based on value of take-on of working capital

- **Cash outflow reduced by further R169 million due to favourable cash flow hedge**

- **Detailed exercise conducted to fairly value assets and liabilities acquired**

- **Goodwill of R4.0 billion**
  - Benefits of consolidation
  - Expected savings in cost of goods

- **Integration plan almost complete and successful beyond expectations**

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SIGMA ACQUISITION

WE SAID	WE DID
• HEPS close to neutral	✓ HEPS positive
• Transaction and restructuring costs of more than R100 million likely	✓ Transaction and restructuring cost of R136 million
• Net debt of approximately R7 billion	✓ Net debt of R6.7 billion
• Gearing of 35% - 40%	✓ Gearing of 34%

- **Asia Pacific will be reported as a separate region in the forthcoming year**
  - 2011 Revenue : R3.0 billion
  - 2011 Adjusted operating profit : R0.6 billion

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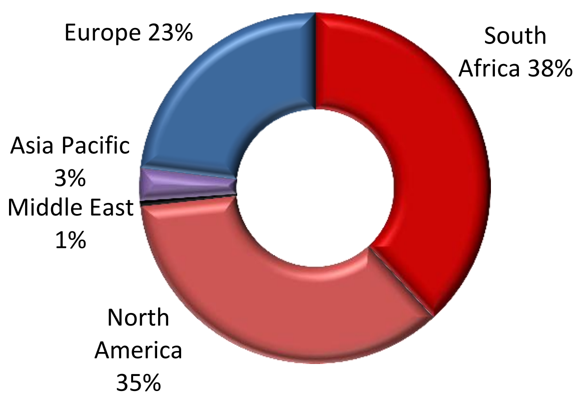
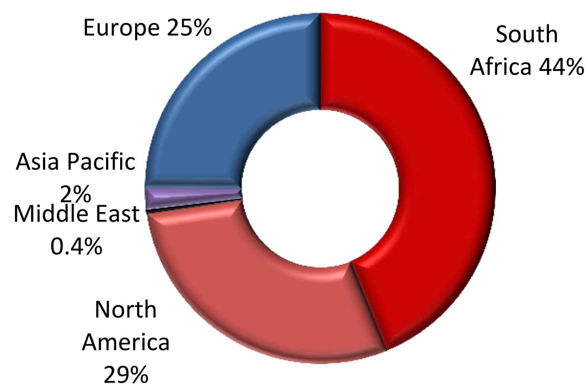
DISTRIBUTION OF FUND MANAGERS

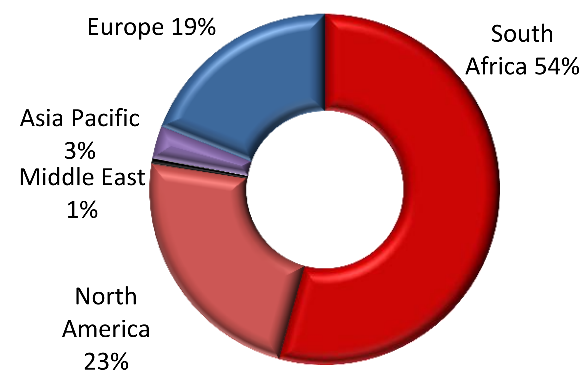
As at December 2010



As at June 2010



As at June 2011



The Bokke are back!

ASPEN ~ OUR HISTORY SO FAR

- **From start up in 1996 to largest pharma company in South African market**
  - Number 1 in public and private market
  - 1 in 4 scripts dispensed is for Aspen medicine
- **Largest in Sub-Saharan Africa**
  - Collaboration number 1 pharma company in Sub-Saharan Africa
  - Number 1 generic player across East Africa
- **From a 2001 start up operation in Australia**
  - Number 1 by scripts dispensed
  - Sales of R15 million per day
- **13 years of unbroken growth**
  - From zero to R10 million per day of operating profit
- **Globally now a top 10 generic player**
  - Largest generic manufacturer in the southern hemisphere
  - Competitive even against Asians
- **First accreditation by FDA of tentatively approved generic ARV**
  - Beat all other global competitors
  - Responsible for about 1 million African lives
- **Our CSI touches over 800 000 lives**

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ASPEN'S FOCUS

Quality Affordable Medicine for All

- **Aspen legacy in South Africa stretches back to 1850 and to the original Lennon brand**
- **Aspen's business has evolved globally over the past decade – now the leading generic manufacturer in the southern hemisphere**
- **To achieve our objectives for quality, affordable healthcare primarily into the emerging markets, we have and are focussing on**
  - Significant upgrade of manufacturing capability, quality and capacity
    - Economies of scale
  - Establishing representation and distribution platforms across emerging markets
  - Establishing partnerships with both multinationals and Asian developers / manufacturers
  - Selecting management teams that are decisive and entrepreneurial
    - Centralised bureaucracy has no place here!
    - To rest is to rust

Is Aspen targeting the right market segments?

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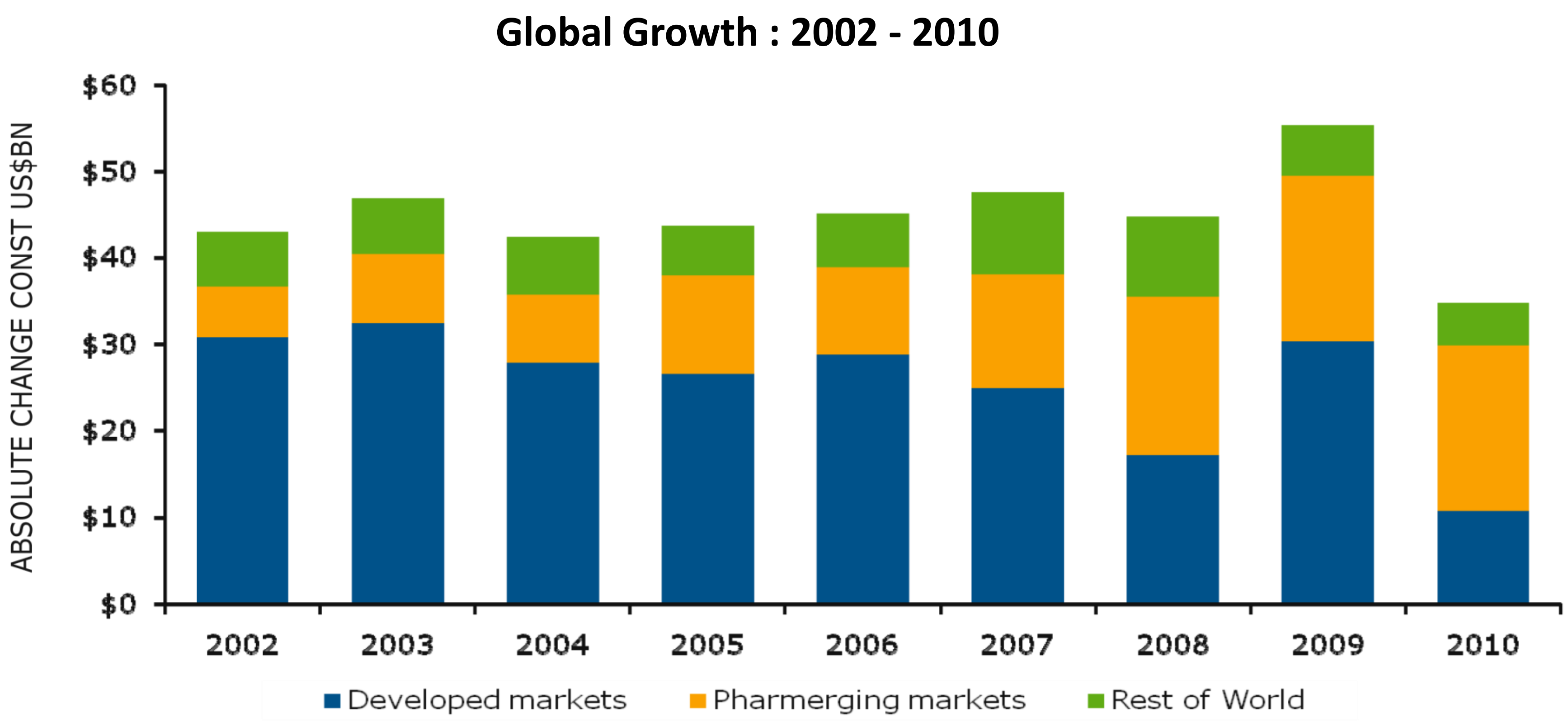
SPENDING GROWTH FELL BY $20 BILLION IN 2010, MOSTLY OCCURRING IN THE DEVELOPED MARKETS

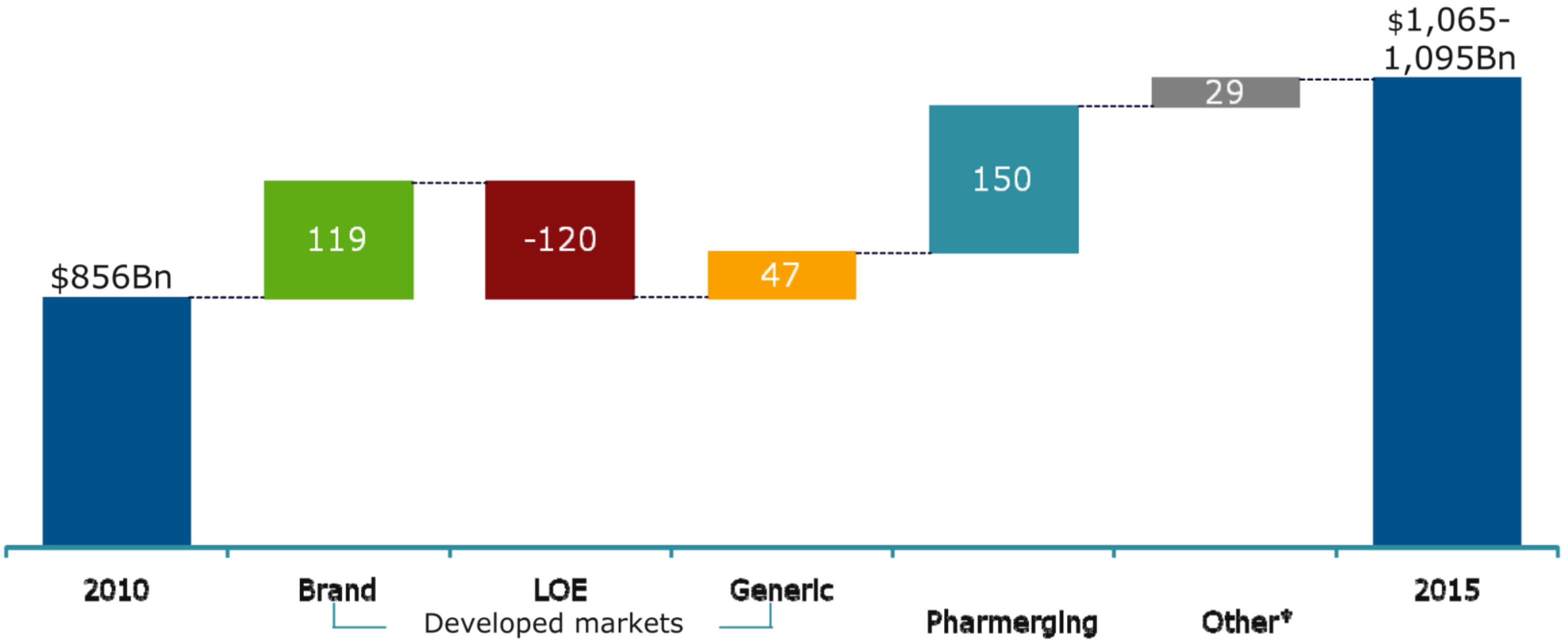
IMS Global Market Prognosis



PHARMERGING MARKETS AND GENERICS ARE THE ONLY DRIVERS OF GROWTH

IMS Global Market Prognosis

Components of Change in Total Spending

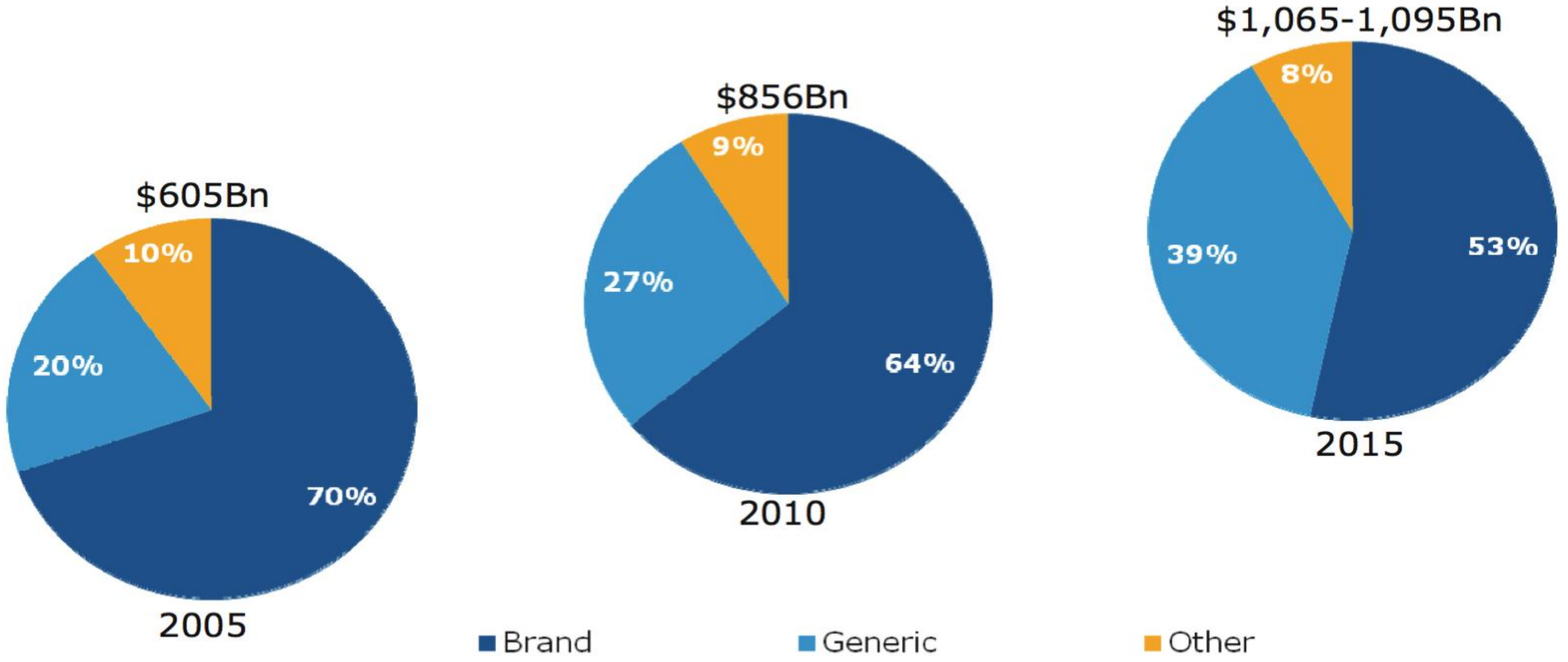


*Other includes Rest of World +$27Bn, Other developed market growth +$17Bn, Exchange rate change -$15Bn

AN ACCELERATED SHIFT IN SPENDING ON GENERICS IS EXPECTED

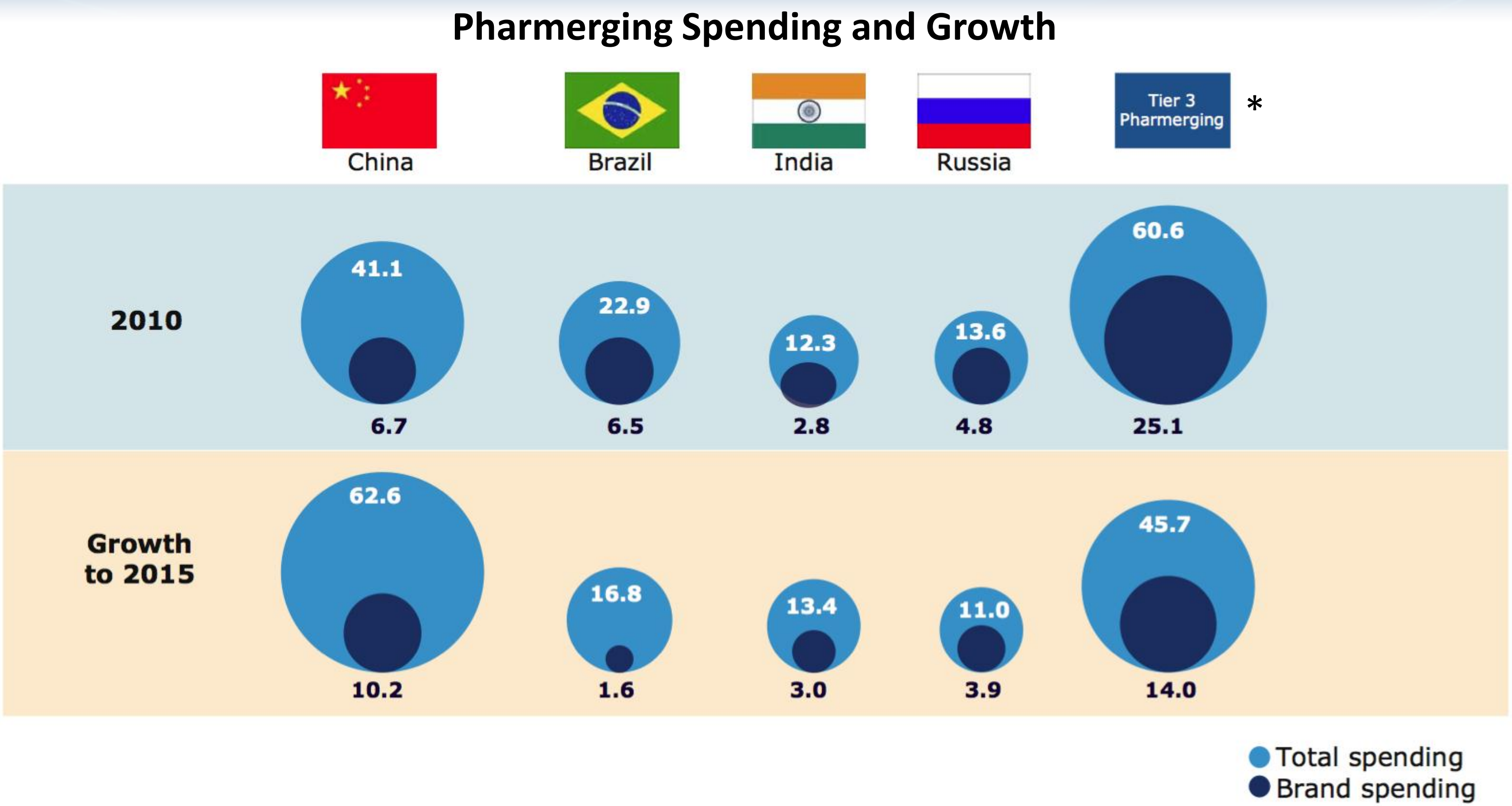
IMS Global Market Prognosis

Spending by Segment



IN PHARMERGING MARKETS GROWTH IS MOSTLY FROM GENERIC DRUGS

IMS Global Market Prognosis



- Argentina, Venezuela, Mexico, Vietnam, Indonesia, Thailand, Pakistan, Egypt, Poland, South Africa, Romania & Turkey

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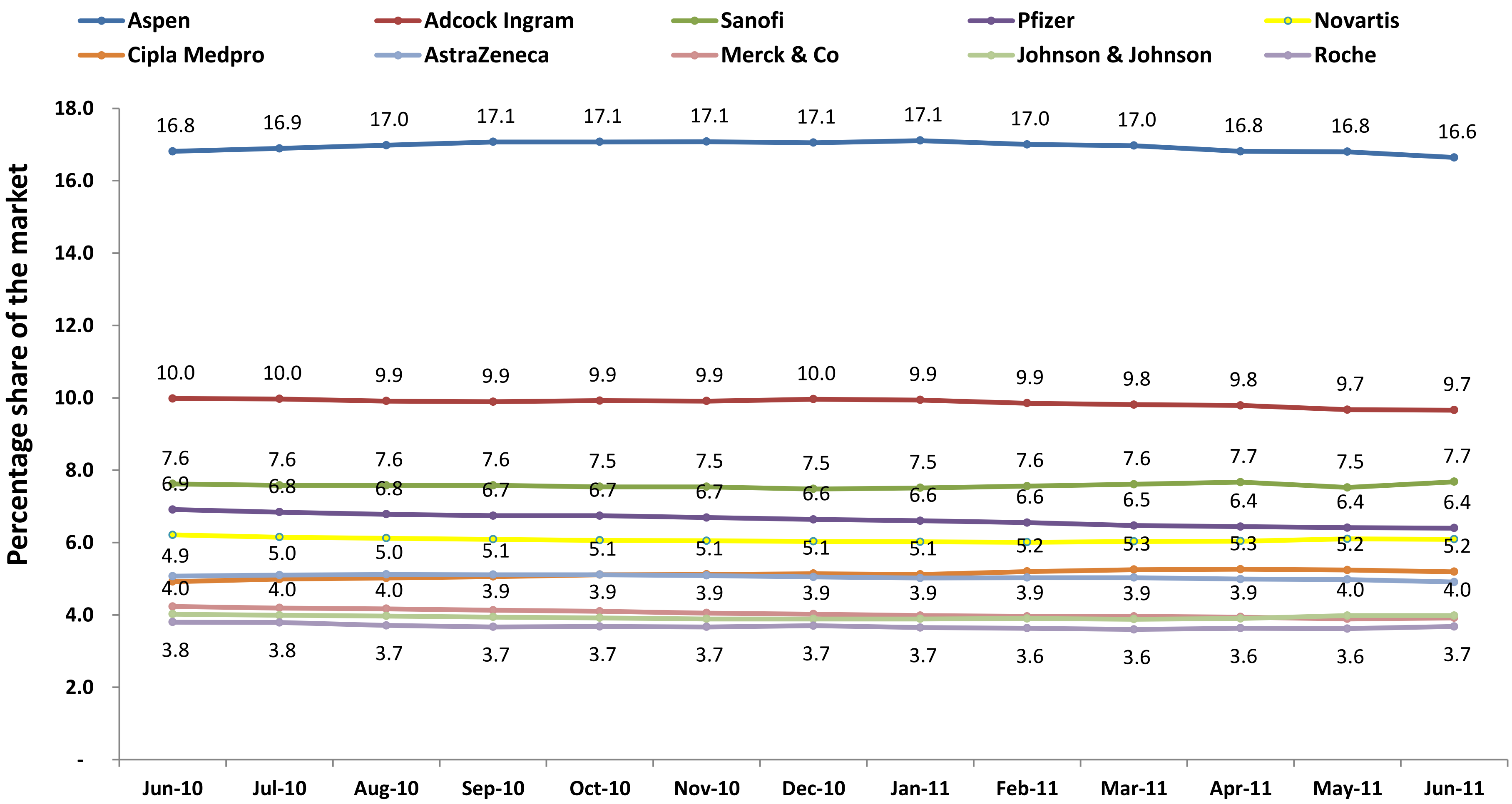
ASPEN IN THE SOUTH AFRICAN MARKET

MAT Share Value



ASPEN IN THE SOUTH AFRICAN MARKET

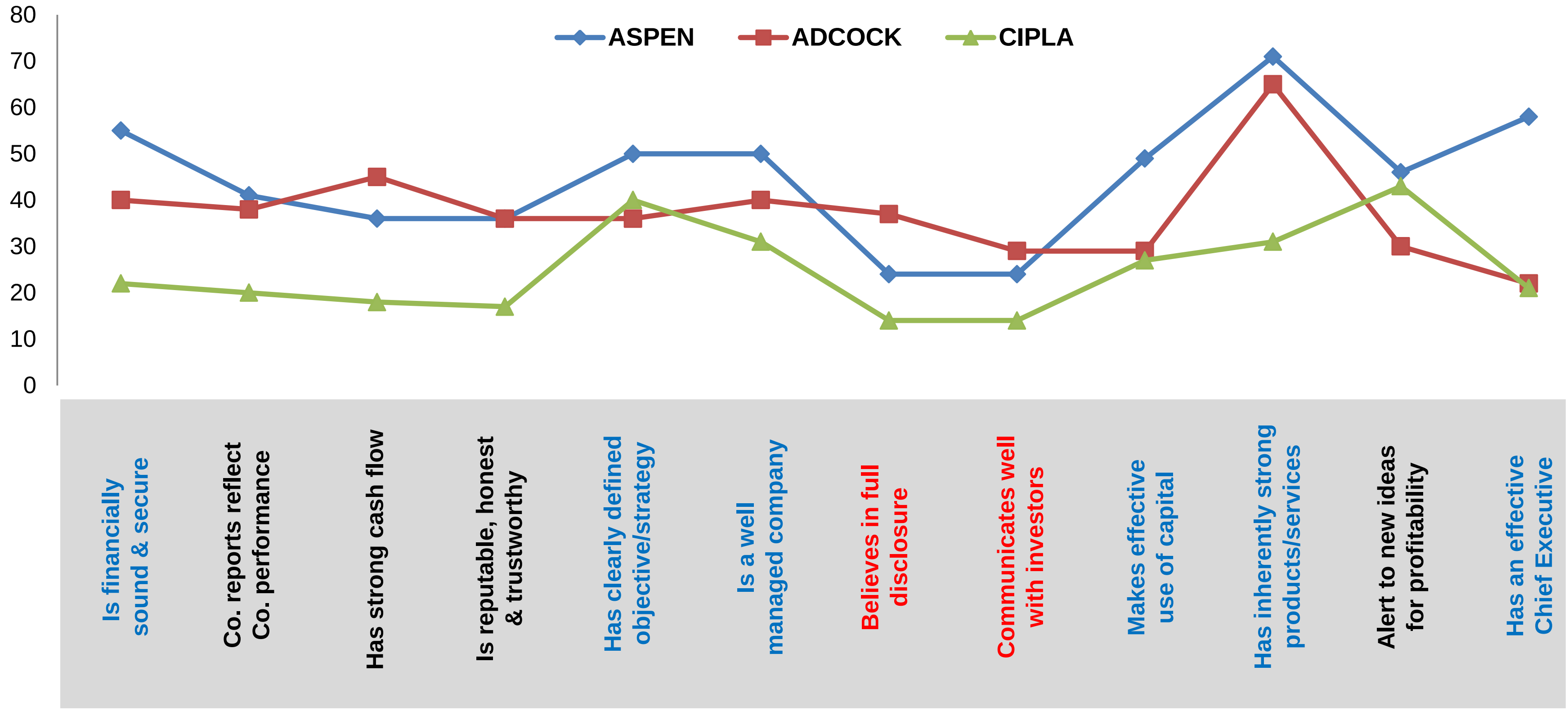
The March 2011 Campbell Belman Confidence Predictor showed Aspen as the leading pharmaceutical company in South Africa

	2011	2010	2009
Pharmacy	1	1	2
Managed Healthcare Providers	1	1	5
Managed Healthcare Funders	1	1	5

ASPEN IN THE SOUTH AFRICAN MARKET

Campbell Belman Results Peer Review – December 2010

Campbell Belman research conducted amongst 138 Asset Managers, 58 Analysts and 12 Members of the Financial Media



ASPEN IN THE SOUTH AFRICAN MARKET

Campbell Belman Results Peer Review – December 2010 continued

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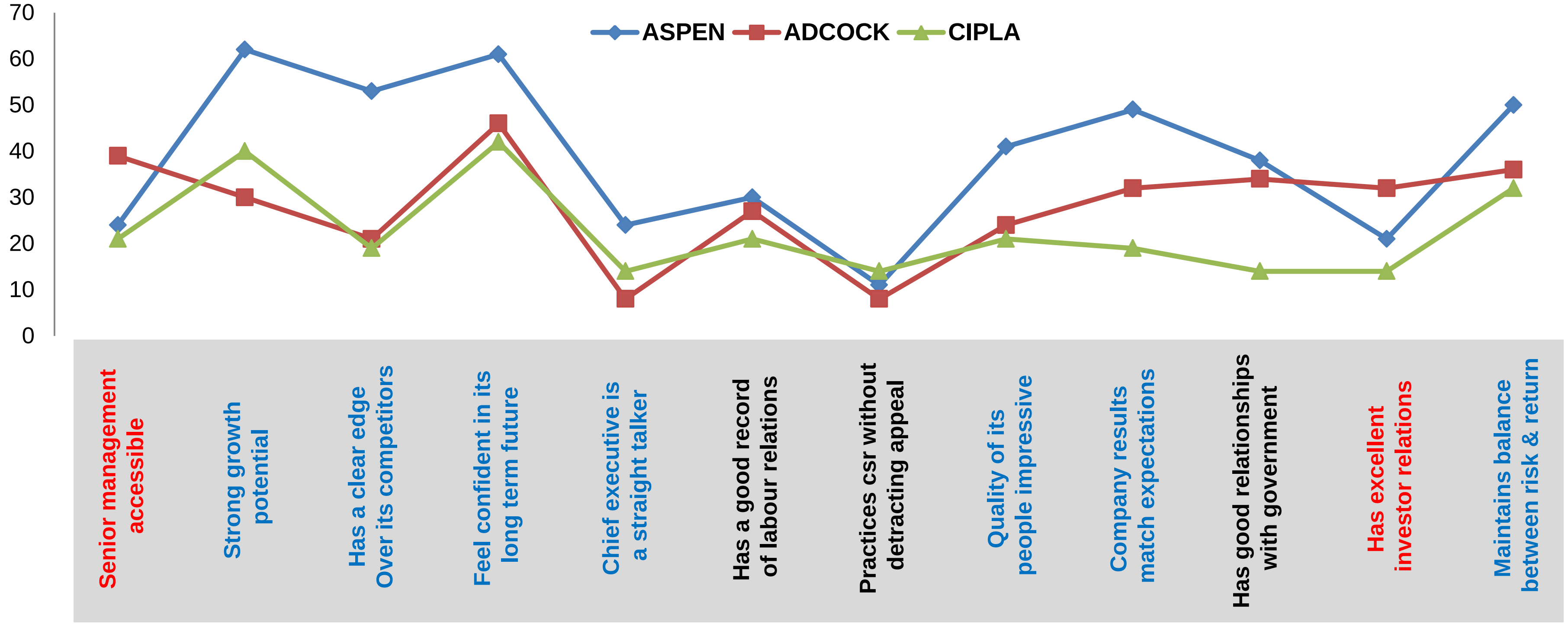


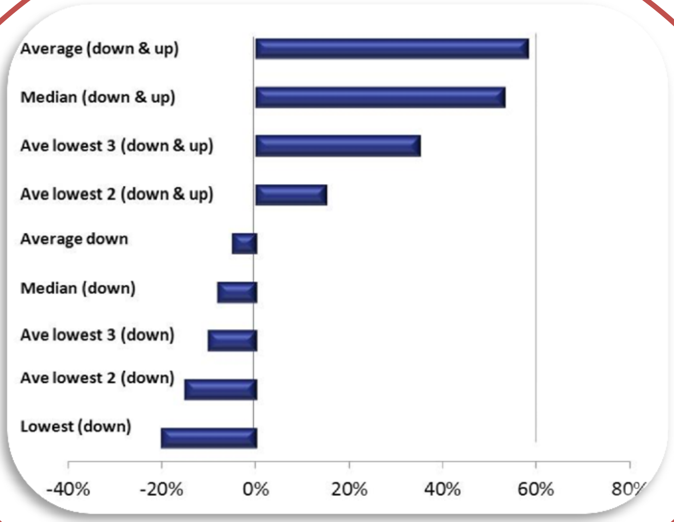
REPORTING BACK ON THE CHALLENGES RAISED AT THE INTERIM RESULTS

- **Legislation**
  - Logistics fees and international benchmarking
  - No SEP increase
- **Patent expiries : Seretide and Truvada**
- **Loss of Pfizer infant milk license**
- **ARV public sector margin and volume losses**

LEGISLATION

International Benchmarking

- **Impact on originator products**
- **Comprehensive submission from PTG**
  - Focus is on access
  - Significant industry push back
- **Impact still uncertain**
- **Shared with GSK**
- **Unlikely to be material to Aspen**



Extract figure 10.1 from the Government Gazette
Page 60 – 17 December 2010

Logistics Fees

- **Regulator has conceded quantum is low and has withdrawn and intends re-issuing the Gazette**

Too early to comment on likely outcomes
Aspen does not anticipate significant downside

LEGISLATIVE CHALLENGES

No SEP Increase – Margin Pressure for Local Producers

- **Currency impact**
- **Local CPI factors**

Mitigating the Challenge

- **Currency risk**
  - FECs provide some relief
- **Volume growth to drive sales**
  - Margin percentage still effected, but absolute margin can be protected
- **Facility costs**
  - Increased local volume
  - Shift of international volumes to South Africa
  - Assessing movement away from Eskom to solar – feasibility being performed
- **SEP is a currency roller coaster**
  - The Rand's relative strength will continue to influence local producers' versus importers' competitiveness

In spite of above challenges, volume increases, efficiencies & cost containment will maintain margins

PATENT EXPIRATION OF TRUVADA / SERETIDE

Truvada

2011 Sales : R150 million

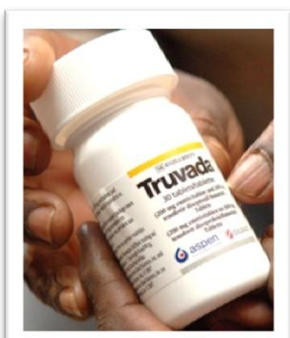
2012 Forecast sales : R50 million

Most sales lost to launch of Atripla

- First once a day three in one regimen
- Sales also lost to generics

Aspen generic forecast to sell R40 million

Awaiting registration of generic triple combination



Seretide / Foxair

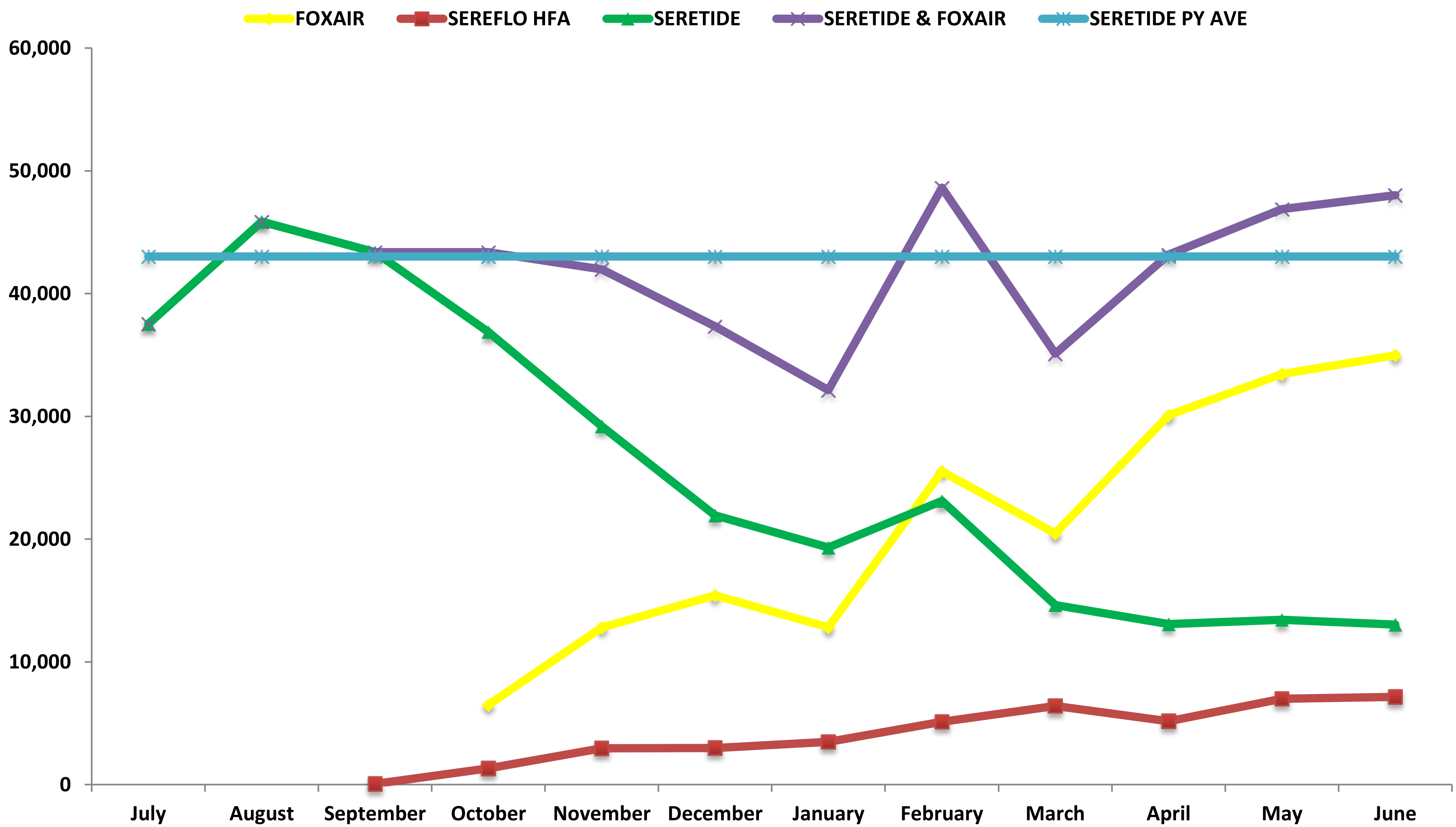
2011 Sales : R150 million

Stellar performance of brand defence

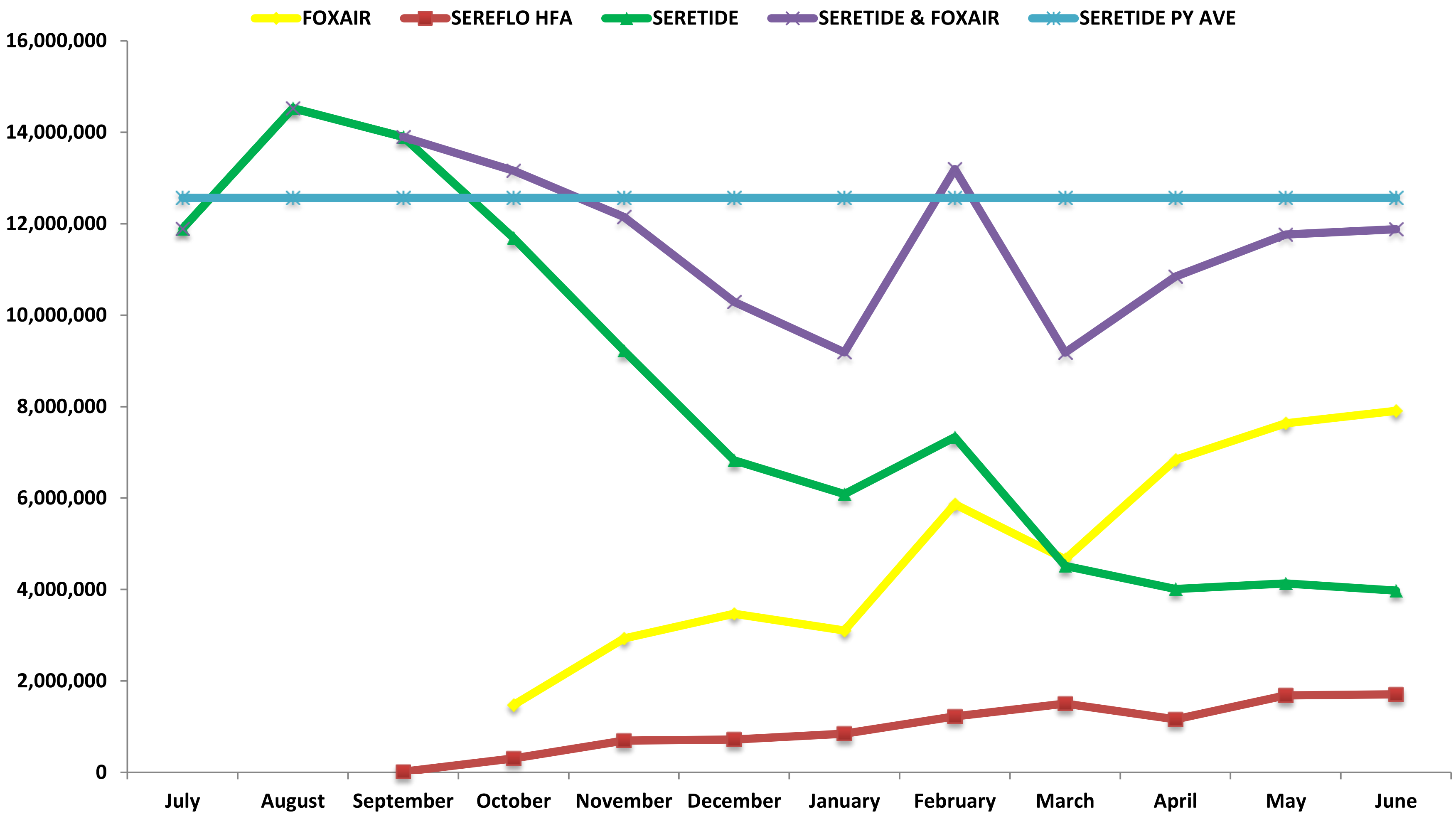
Unit share of Seretide post patent and Foxair **>** Seretide pre patent

Value also inclining, gap nearly closed

SERETIDE & FOXAIR UNIT PERFORMANCE



SERETIDE & FOXAIR VALUE PERFORMANCE



ANTIRETROVIRALS (ARVs)

- **How much do ARVs costs?**
  - Triple combinations cost R50 - R100 per person per month

- **The ARV cost for**
  - 1 million people on treatment therefore cost government about R1 billion
  - Estimated lives on treatment is 1.3 million with a intention to double
    - CD4 count now lowered
  - In last 4 months ARV turnover has slumped to 30% -50% of that anticipated
    - Significant receipts of donor funded stock
    - Last PEPFAR orders
    - Government intimated situation will normalise within a few months
  - Profits are slim and real value for Aspen is in the recovery of overheads in the manufacturing facility
    - Impact on sales material particularly H1
    - South African sales growth a challenge (H1 ↓ H2 ↑)
- **Key issues for Aspen is not margin loss, but facility structured for volumes forecast**
  - If volumes follow as promised – no issues
  - If not, restructure needed to take out about R3 million per month of volume related costs

Material negative impact on sales line – particularly H1
Potential operational disruption – greatest challenge

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IN DEFENCE OF OUR INFANT MILK FORMULA BUSINESS

- **Pfizer license lost**
  - Sales R250 million

- **Aspen has its own brand Infacare**
  - Infacare is larger than the Pfizer brand in South Africa
  - Infacare Gold range launched
    - Manufacturing / formulation expertise
    - Making strong in-roads into premium market

- **Aspen has much spare local capacity**
  - Capacity enhancement post the explosion
  - Elected not to make the Pfizer brand
  - Aspen opted rather to tender
    - Competitors Abbott / Nestle

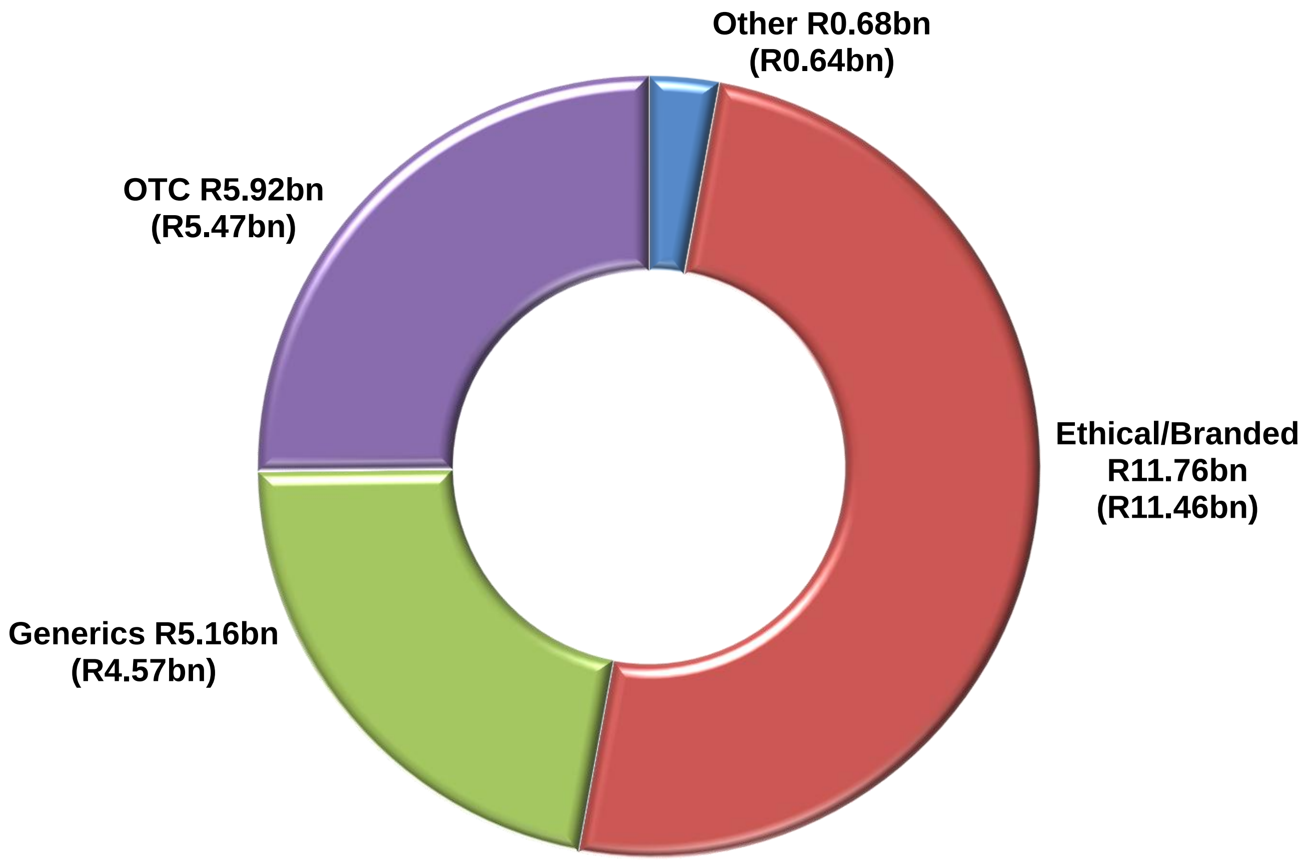
- **3 year tender was successful beyond all expectations**
  - Awarded 100% of 7 material tender items
  - Value being ascertained
    - Sales to start October
    - Annualised sales and margin anticipated to cover entire Pfizer gap
    - Largest impact H2

Succeeded beyond expectations – next step – going global!

ASPEN & THE SOUTH AFRICAN MARKET

Market Performance

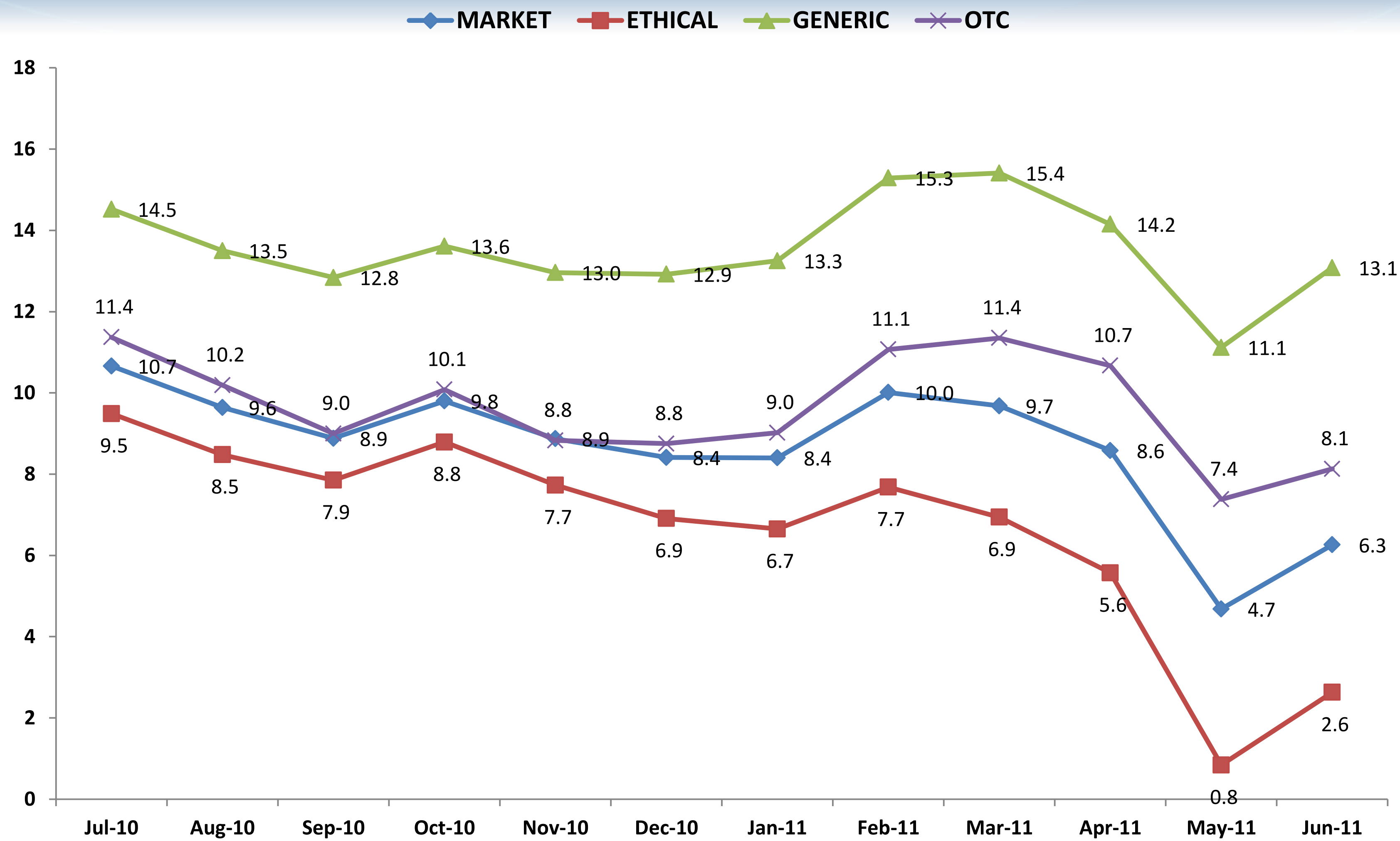
Total Private Market as at June 2011 R23.52bn (June 2010: R22.14bn)



Units growth 2.44% (7.08%) – driven by generic volume growth

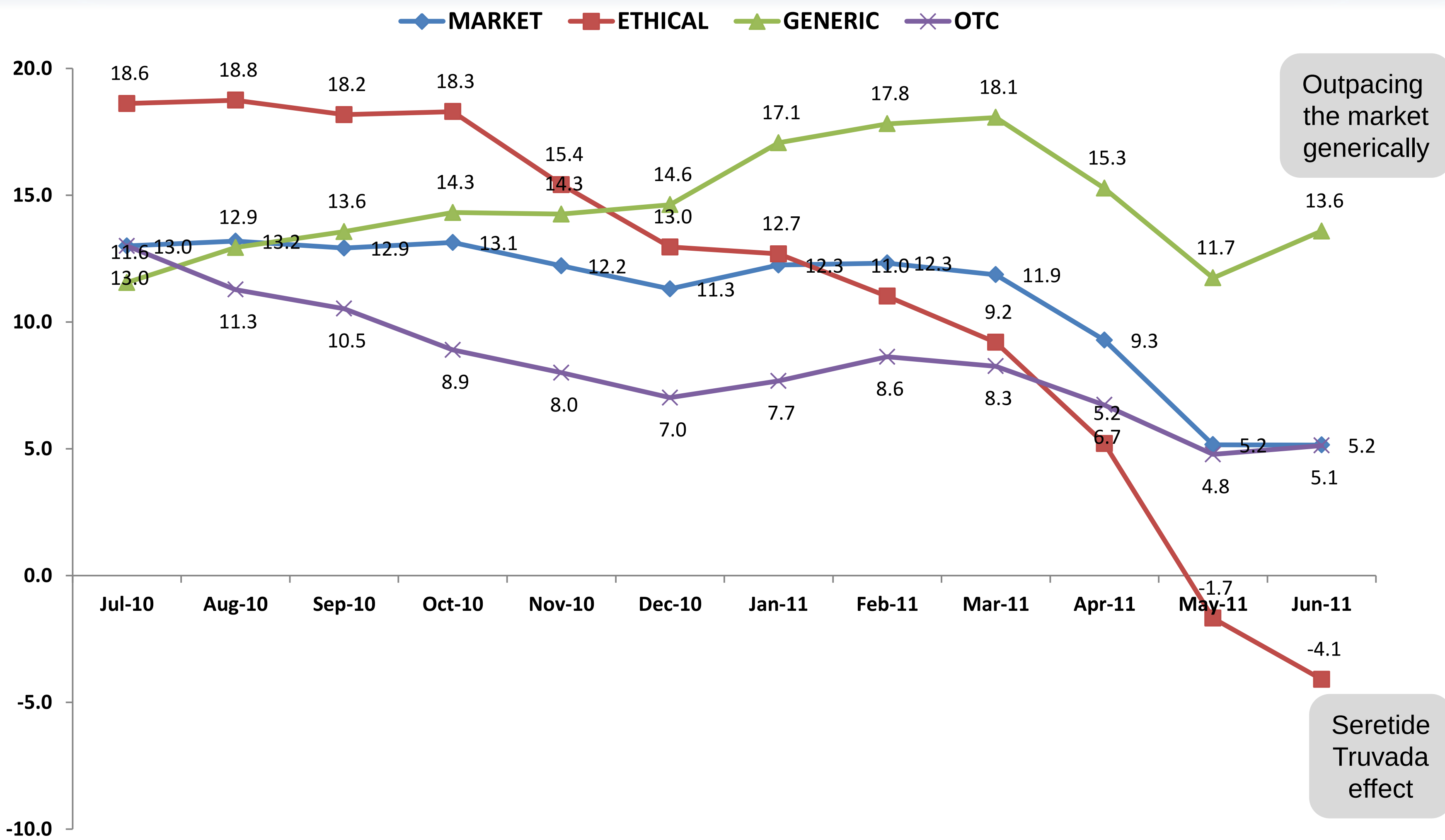
ASPEN & THE SOUTH AFRICAN MARKET

MAT Market Growth – July 2010 – June 2011



ASPEN & THE SOUTH AFRICAN MARKET

Total Aspen & Portfolio MAT Growth - July 2010 – June 2011



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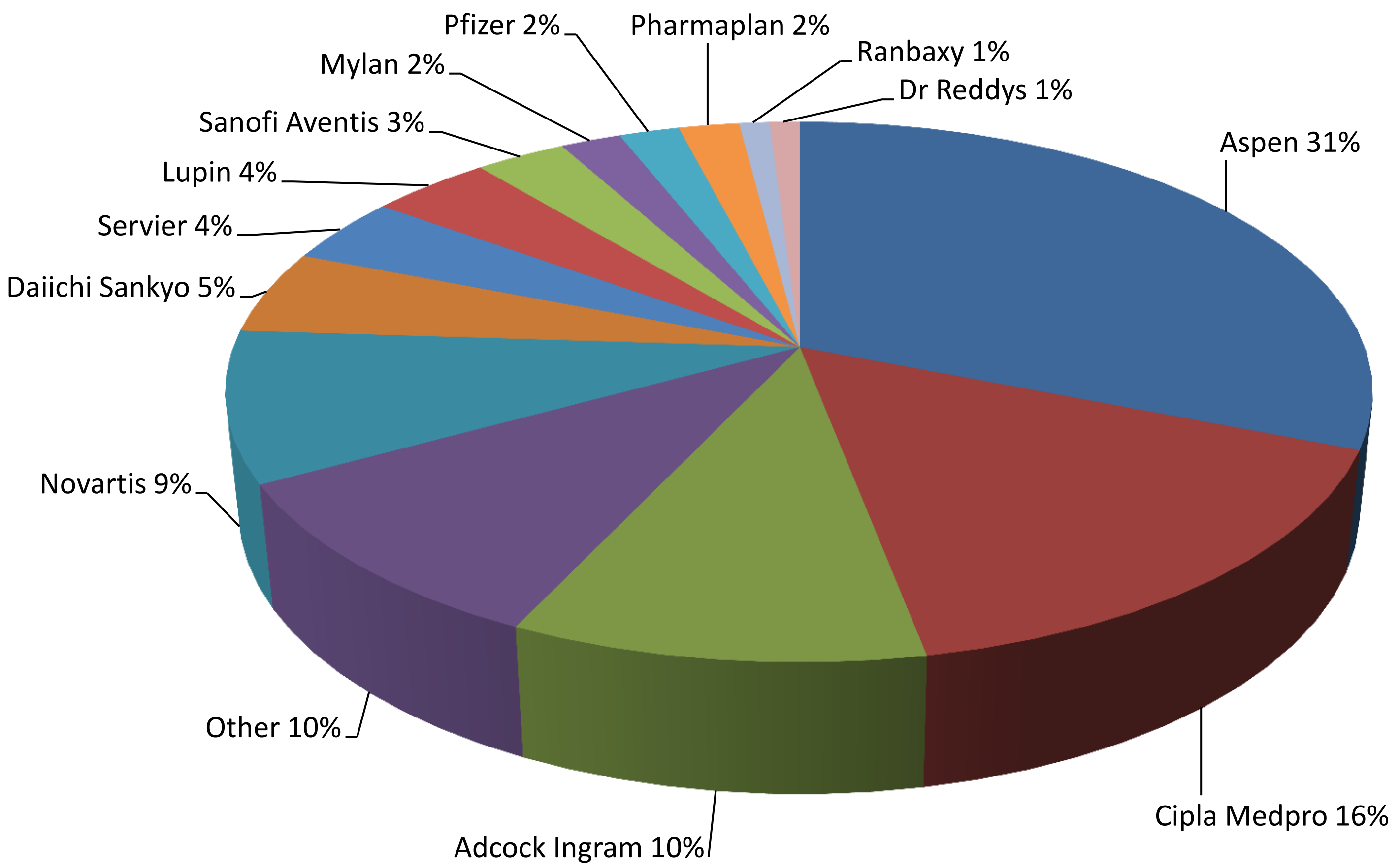
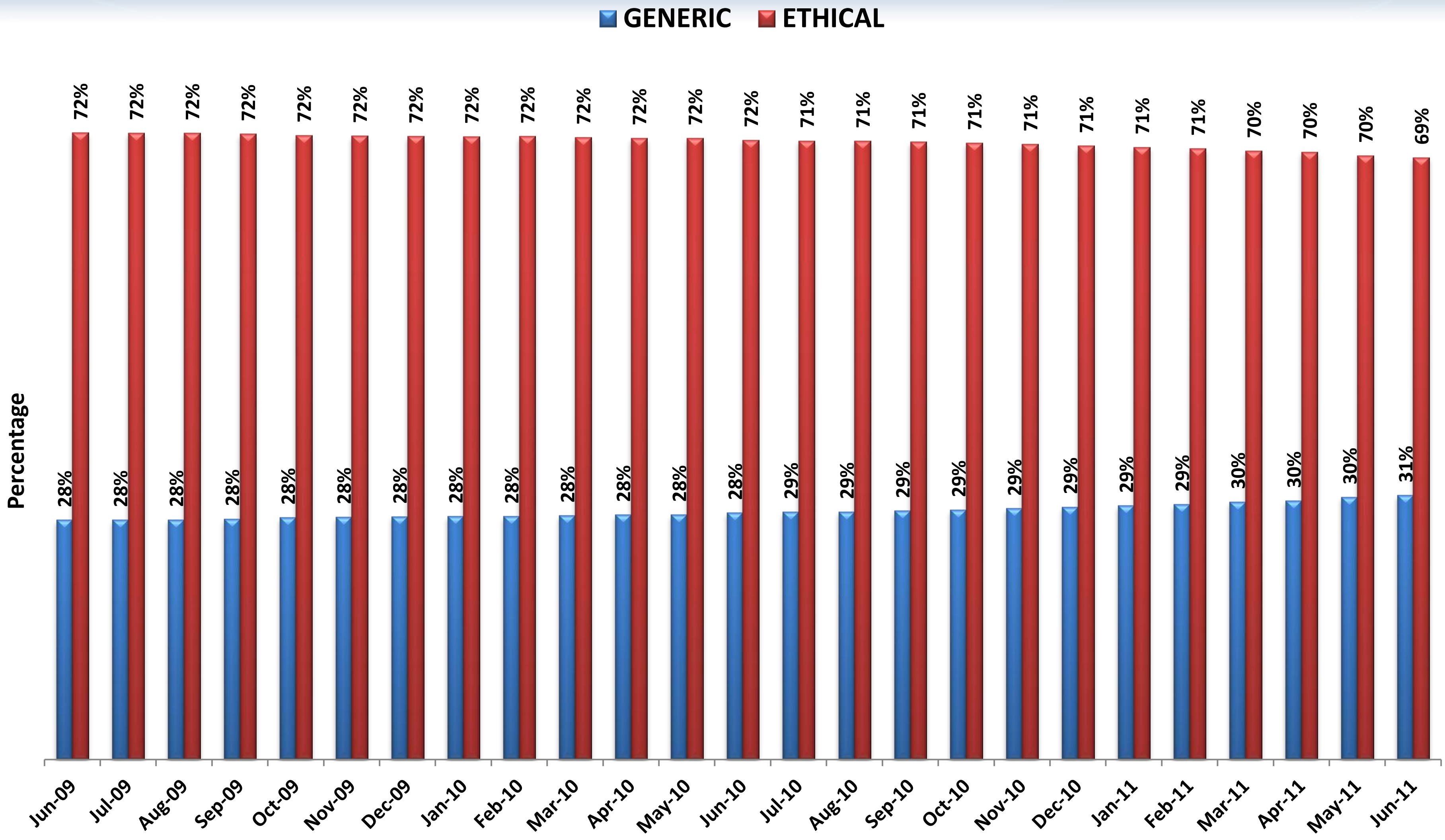
ASPEN & THE SOUTH AFRICAN MARKET

MAT Value Share of the Generics Market
June 2011 : R5.16bn (June 2010 : R4.57bn)



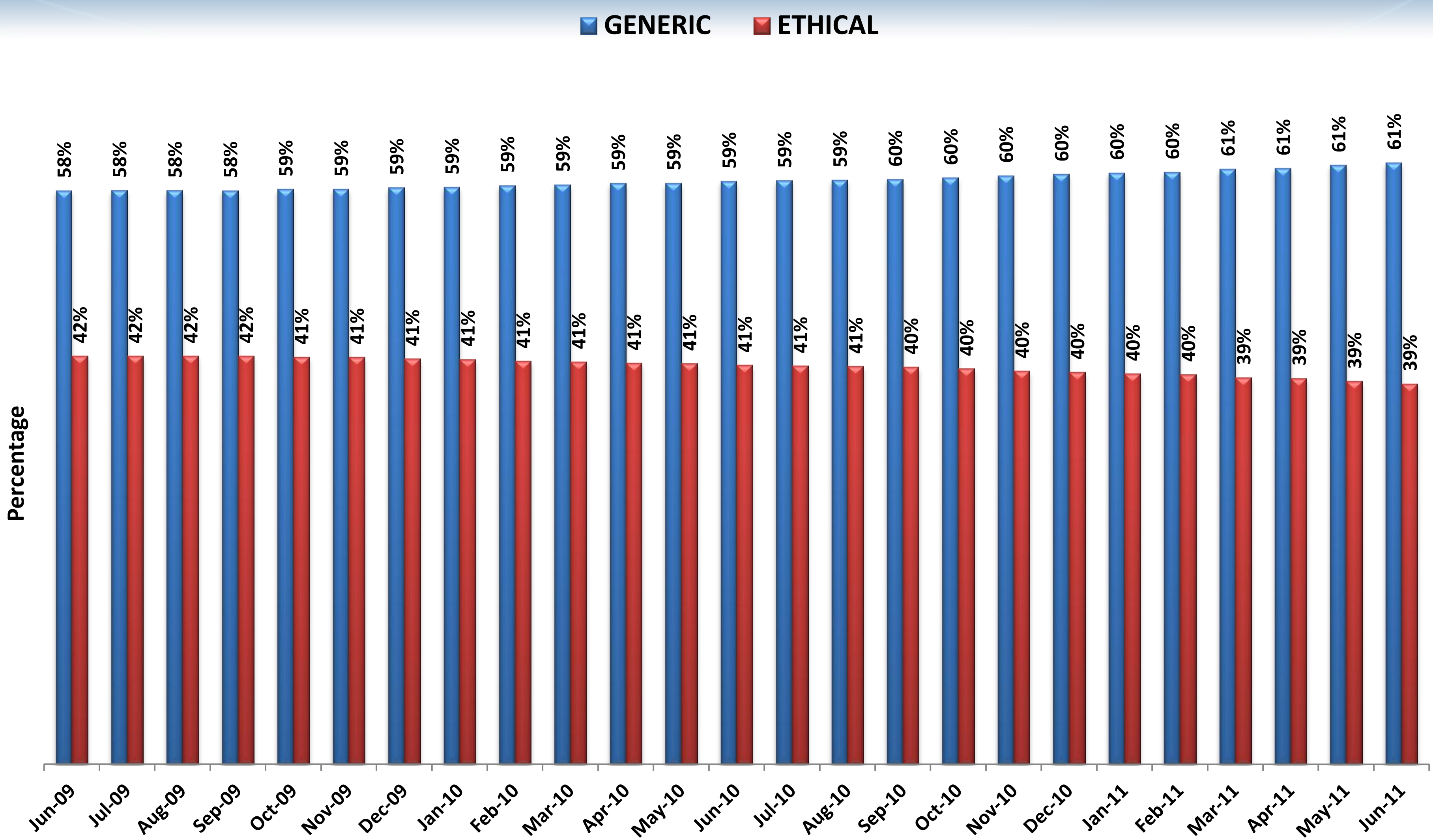
ASPEN & THE SOUTH AFRICAN MARKET

Ethical vs Generic Split – MAT Value Share



ASPEN & THE SOUTH AFRICAN MARKET

Ethical vs Generic Split – MAT Counting Unit Share



Generics have a 61% volume share but 31% value share

IMS ~ BRAND CLASSIFICATION CRITERIA

Ethicals / Branded	Products that are / were patent protected
Generics	Schedule 3-7 products that were never patent protected Dual / second brands also included here
OTC	Schedule 0-2 products Unscheduled and proprietary brands
Nutritionals	Infant milk formula
Vaccines	Vaccines
Excluded	Diagnostics / Devices / Hospital solutions

Reclassification can effect individual market sectors.
However the total shares are not effected and trends in the individual market sector have been adjusted retrospectively.

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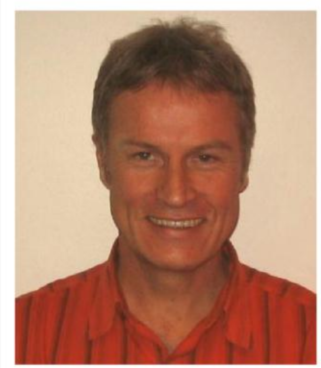
FURTHER FACTORS FOR CONSIDERATION IN SOUTH AFRICA

- **Patent losses aside, Aspen's base private pharma business has grown 16% by value**
  - Organic and new product launches

- **Trust in the Aspen brand**
  - Aspen highly rated by Managed Healthcare Funders and Providers as well as GP's
  - Target market getting focus
  - Aspen has the best people

- **Preferential procurement legislation favours local manufacturers**
  - Pharmaceuticals sector designed for local procurement with effect December 2011
  - Alignment to BBBEE



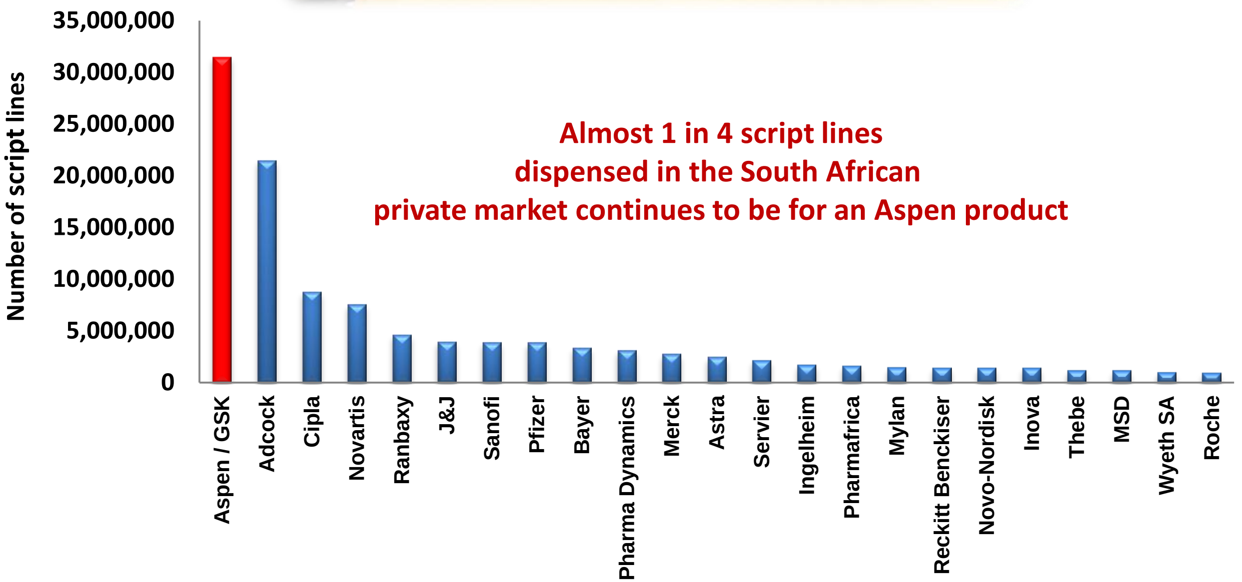
- **Cost competitiveness due to manufacturing efficiencies**
  - Global volumes drive down local costs
  - Improved public sector opportunities

- **Value and relevance of product pipeline**
  - Serial launch mentality

TRUST IN THE ASPEN BRAND

Scripted products in the South African Private Sector

Manufacturer	Scripts	% Share
Aspen / GSK	31,462,970	24%
Adcock	21,485,810	16%
Cipla	8,794,958	7%
Novartis	7,563,649	6%
Ranbaxy	4,619,830	4%
J&J	3,968,696	3%
Sanofi	3,892,056	3%
Pfizer	3,852,996	3%
Bayer	3,372,742	3%
Pharma Dynamics	3,133,191	2%
Merck	2,745,816	2%
Astra	2,462,438	2%
Servier	2,140,213	2%
Ingelheim	1,725,160	1%
Pharmafrica	1,618,238	1%
Mylan	1,439,291	1%
Reckitt Benckiser	1,437,179	1%
Novo-Nordisk	1,436,791	1%
Inova	1,421,763	1%
Thebe	1,164,618	1%
MSD	1,161,063	1%
Wyeth SA	997,472	1%
Roche	923,059	1%



PREFERENTIAL PROCUREMENT (PP)

- **Current PP legislation has little or no alignment to BEE or local production**
- **This has often benefited imports over local production**
- **Public listed companies enjoyed no procurement benefit or empowerment credentials**
- **Regulations amended on 8 June 2011 and become effective on 7 December 2011**
  - Certain sectors and products designated to local procurement
  - Pharmaceuticals will be designated
  - Designated tenders / products will be set aside for local production according to local content
  - Public procurement will be aligned to BEE scorecard

This will improve the quantum of local procurement, level playing fields for listed entities, reward those companies with superior BEE credentials and provide greater certainty on tender volumes

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ASPEN'S MANUFACTURING COMPETITIVE ADVANTAGES

Manufacturing Capacity & Capability is aligned to the Group's Growth Strategy

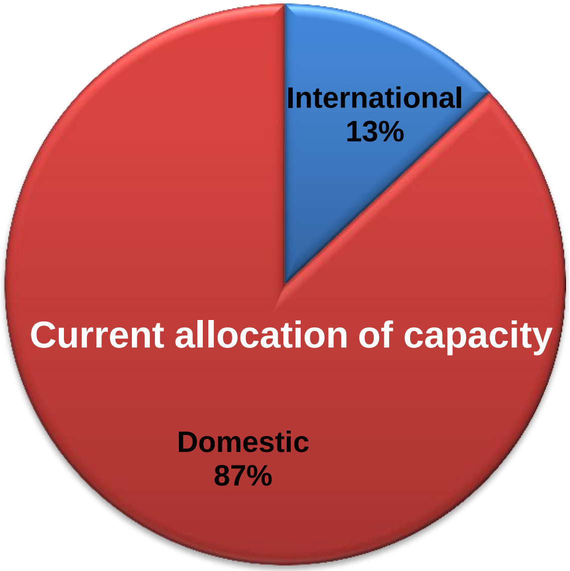
- **Aspen's strength lies in its ability to supply complexity and high volumes of products reliably and cost competitively**
- **Manufacturing capabilities at the Port Elizabeth and East London facilities have been rationalised**
- **Homogenous products types are produced at designated facilities**
- **Manufacturing capacity in the tabletting can be nearly trebled with only a small increase in incremental variable costs**
- **Sufficient manufacturing capacity exists to produce required volumes for the domestic and international market as well as to accommodate the introduction of international brands**

PROSPECTS IN SOLIDS MANUFACTURING

Port Elizabeth

- **Approximately 4 billion tablets have been identified for transfer into Port Elizabeth over time**

- **Transfer of these products to Port Elizabeth will mean**
  - Economies of scale will be further improved
  - Savings on conversion 50% - 90% versus existing sources



- **Global product cost savings for 2012 alone budgeted at over $10 million**
  - Sustained savings stream expected until 2015

- **Cost efficiencies through economies of scale benefits expected over the next 5 -7 years**
  - Off shore volumes > domestic volumes

Globally competitive manufacture and procurement is facilitating acquisitive opportunities e.g. Sigma and global brands

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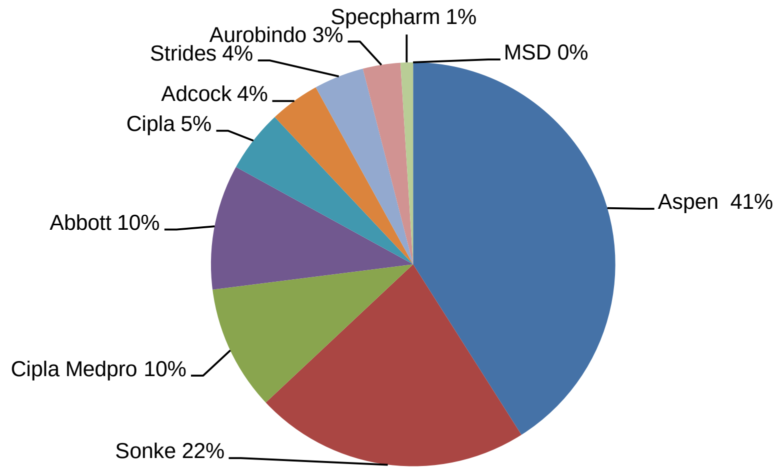
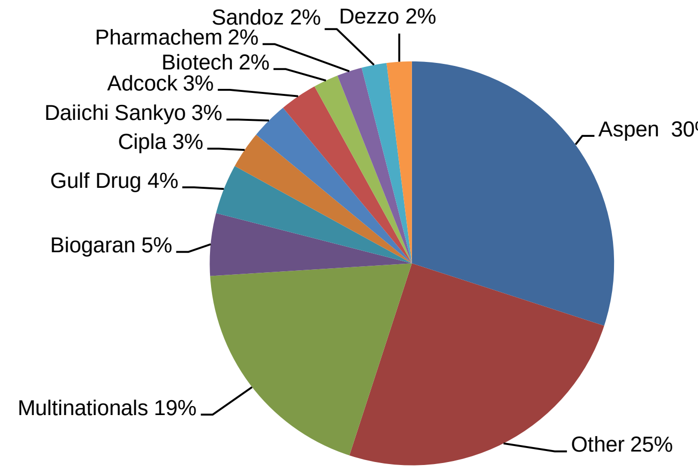
COST COMPETITIVENESS

Aspen in the South African Public Sector

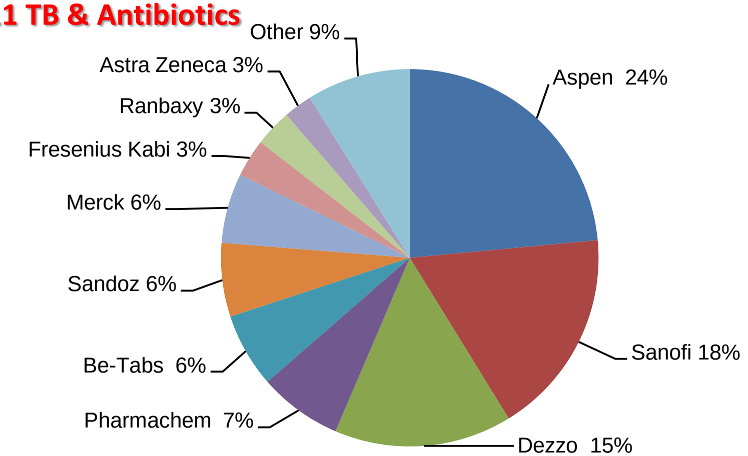
2010 ARV Tender



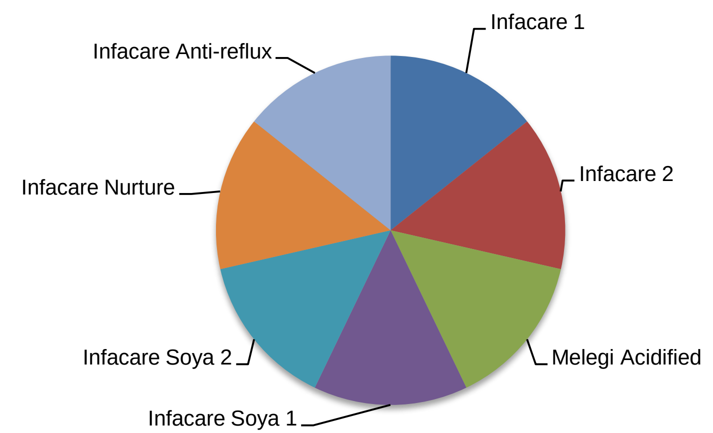
2009 Solid Dosage Tender



2011 TB & Antibiotics



2011 Infant Nutritionals Tender – RT 9/01

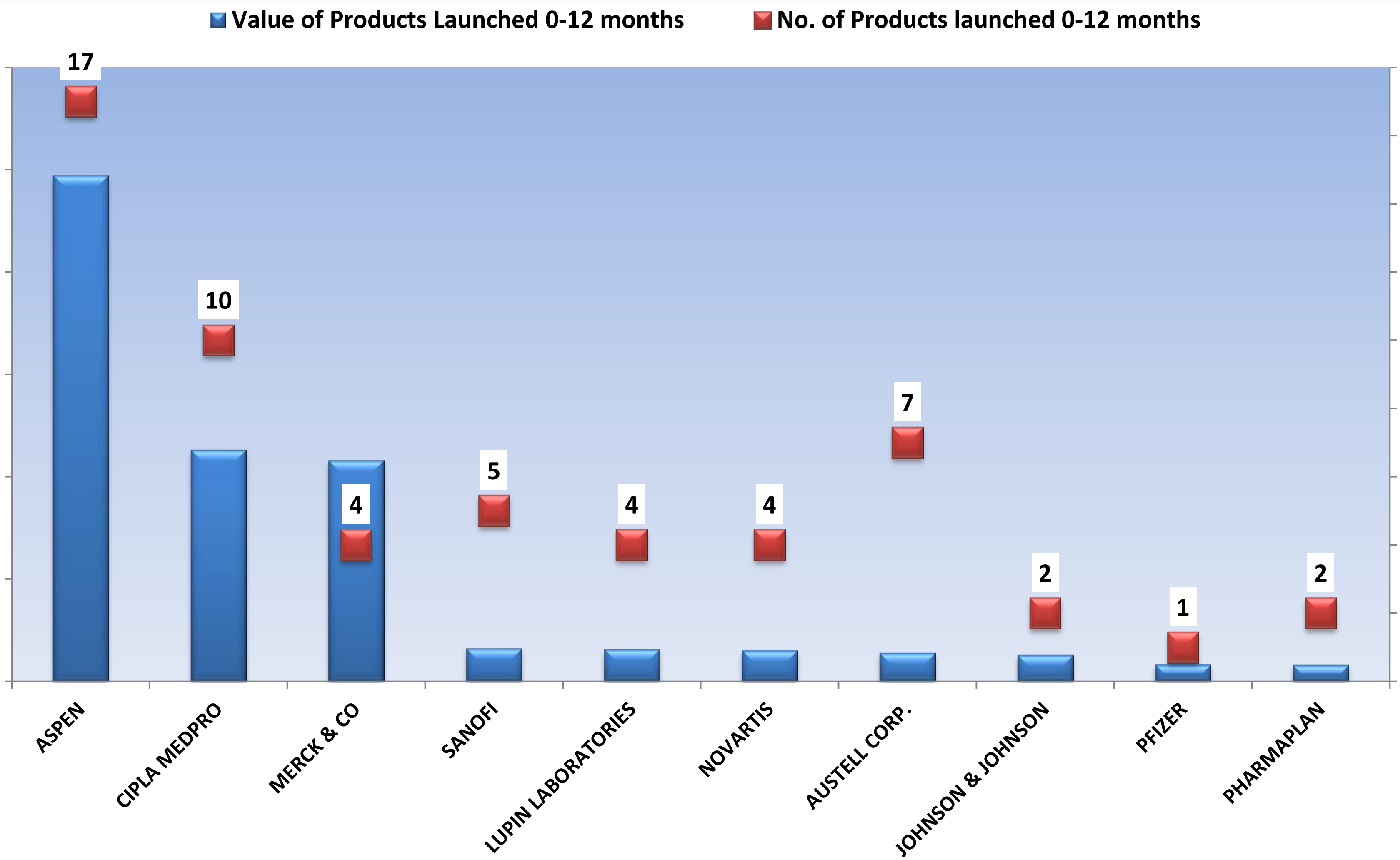


Aspen won 100% of all powdered formulations on all tender categories in which Aspen participated. Gauteng still needs to be awarded

A decade of Public Sector service leadership

NEW PRODUCT LAUNCHES – JUNE 2011

Value and Number of New Product Launches per Company



SUB-SAHARAN AFRICA

GSK Aspen Healthcare for Africa

- **Robust demand**
- **Rolling out more representation**
  - Support growing generic business
  - Reps into Nigeria
- **Dossier progress**
  - Dispatched 334 of 813
    - 73 of the above for Nigeria, Kenya and Ghana
- **Started receiving registrations - launches expected from January 2012 include**
  - Carvedilol and Rosuvastatin – Nigeria
  - Metformin ER in Ghana

Sales for the region R1.3bn and operating income at R178m. Nearly 80% of sales through the Collaboration

Shelys

- **Restructuring paying dividends**
- **Reliance on the public sector has been reduced significantly**
  - Tender business from 41% to 24% in 2011
  - Growth in the private sector business through focussed promotional efforts and new product launches
    - Private market sales increased by 37% in 2011
  - Export business has grown to represent approximately 10% of Shelys Africa revenue

Africa is growing and pioneering now paying dividends
Now the leading pharma company in Sub-Saharan Africa

THE ASPEN DNA - TO REST IS TO RUST

The Aspen DNA per our Australian Team

“Every morning in Africa a gazelle wakes up. It knows it must move faster than the lion or it will not survive. Every morning a lion wakes up and it knows it must move faster than the slowest gazelle or it will starve. It does not matter if you are the lion or the gazelle, when the sun comes up, you better be moving!

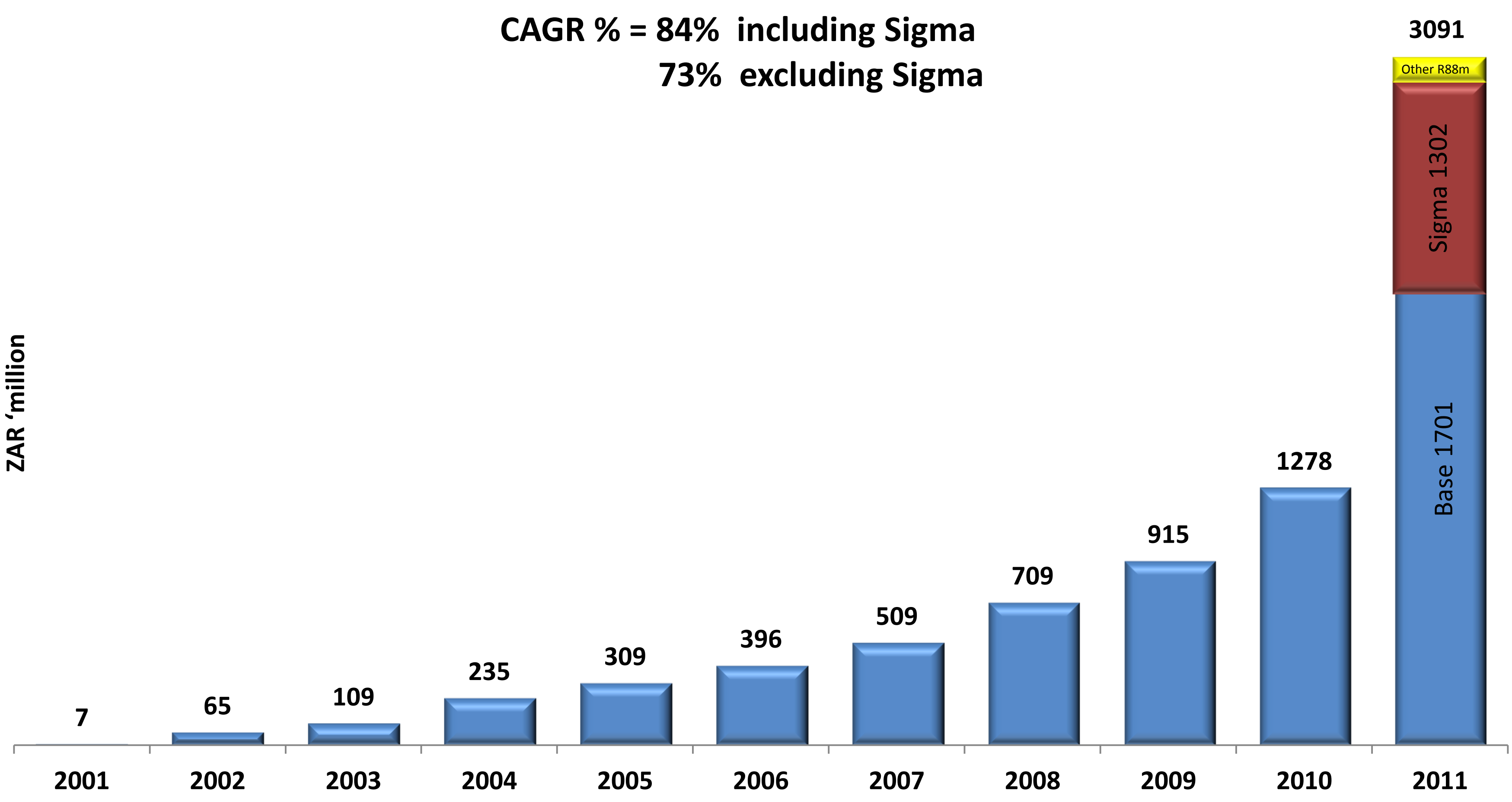
Correction on Aspen DNA from South Africa

Not only are time zones different, but lions are mainly nocturnal – so you need to keep moving night and day. Stay vigilant and be wary of anything that eats while you sleep!

Growing our international business has taken a supreme effort and much sacrifice, but the contribution is now here for you all to see

ASPEN IN ASIA PACIFIC

Growth in Australian Base Business Revenue



ASPEN IN ASIA PACIFIC

Highlights in Australia

- **2001 start up**
- **2011** ➔ 1 in 7 scripts for Aspen product
  ➔ Number 1 by sales volume ex-pharmacy
  ➔ Number 1 by prescriptions written
  ➔ Number 7 by sales value
- **Aspen field force rated most effective and highly regarded – independent survey by Cegedim**
- **Anticipated annualised sales over $700 million**
- **800 employees**
- **Asian growth strategy central to region**
- **Herron brand voted by Readers Digest readers as one of the pharma industry's most trusted brands**
  - Part of our regional infant milk strategy
- **Sigma integration is progressing well**

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ASPEN IN ASIA PACIFIC (includes Sigma)

Source IMS December 2010

Rank	Manufacturer	No. of scripts	% Share
1	Aspen Australia	17,947,615	13.92
2	Generic*	15,515,883	12.04
3	GlaxoSmithKline	13,284,020	10.30
4	Sanofi-Aventis	11,662,125	9.05
5	Alphapharm	8,932,342	6.93
6	Pfizer	8,535,945	6.62
7	AstraZeneca	8,085,928	6.27
8	MSD	4,449,315	3.45
9	Boehringer Ingelheim	3,513,038	2.73
10	Servier	3,010,859	2.34
11	Bristolmyer/Squibb	2,639,561	2.05
12	CSL	2,602,198	2.02
13	Mundipharma	2,591,439	2.01
14	Bayer Schering	2,352,647	1.82
15	Roche	2,216,925	1.72
16	Novartis	2,009,080	1.56
17	Wyeth	1,749,989	1.36
18	Janssen Cilag	1,582,680	1.23
19	Solvay Pharm	1,362,457	1.06
20	Others	14,873,294	11.54
Total		128,917,340	100.00

Aspen base business continues to perform. Growth in sales of 33% to R1.7 billion

Currently Australia represents majority of Asia Pacific sales

Our team that leads >$700 million was the same team that led a $7 million in 2001

The "A Team"

INTEGRATION PROCESS

- **Key work streams for integration include**
  - Operations
  - Information Technology
  - Sales and Administration
  - Procurement

All going according to plan

Operational consolidation includes

Manufacturing Sites

- ➔ **Tennyson – Brisbane – closed and sold**
- ➔ **Croydon Research Drive – Melbourne – to be closed in H1 2012**
- ➔ **Noble Park – Melbourne – phased closure – bulk in 2012**

Distribution Sites

- ➔ **Distribution outsourced / transferred or closed**
- ➔ **Mansfield / Merrindale in Croydon – transferred to third party**

INTEGRATION PROCESS

Quality Assurance & Quality Compliance	Croydon QA Noble Park QA Dandenong QA Dandenong Quality Compliance	To be consolidated into single entity
Quality Control	Croydon Noble Park Dandenong	Also to be consolidated
Other	Croydon Head Office 55000m^2 site	To be closed and sold

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CONSOLIDATION / INTEGRATION PROCESS

- **Leaner business**
  - Shaped for future competitiveness
- **Manufacture concentrated at Dandenong in Melbourne**
- **Will meet all stringent regulatory requirements**
- **Central to strategy for roll out of quality product into Asia Pacific**
  - Japanese requirements challenging

- **Improved focus to the business**
  - Outsource manufacture / distribution options means business now focussed on harnessing commercial strengths
- **Local manufacturing opportunities include**
  - Liquids / creams
  - Consumer / OTC
    - Made in Australia
  - Local packing
  - Manufacture for Asia including Japan

Sustainable business model

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ASPEN IN ASIA PACIFIC

- **Australia has outperformed the expectations guidance given at the half year results**
  - 5 months included in 2011
- **Basketing strategy to drive sales growth**
  - One stop shop
- **Integration process addressing costs**
  - Aspen has global leverage
- **Aggressive reduction in COG's**

Selected individual product cost breakdown R000's	South Africa	Sigma Std	Savings	Variance %
Total Ex works	5 522	46 184	-40 662	-88%

- **We acquired $75 million of EBIT**
  - Target to double this in 2 years
  - May get there sooner

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ASPEN IN ASIA PACIFIC

Asian Roll Out Begins

- **Australia launch pad for growth into Asia**
  - Quality well accepted
- **Intention is to convert third party structures into Aspen controlled and managed representation**
  - Needs critical mass

- **A CEO has been appointed for the Philippines**
  - Marcelina T. Itchon
- **80 - 100 representatives will be employed**
  - Expect to be online by Q1 2012
- **Additional regional territorial roll out to be expected**

SAD vs SIGMA

The Parallels

SAD

Comments

"When the mouse swallows the elephant it tends to get indigestion"
There can only be one result.
"They have overpaid. There are no obvious synergies."

Results

We acquired R123 million of profit.
We doubled it the following year.
We had neither scale nor global manufacturing skills

Sigma

Comments

"South African companies fail in Australia".
"This one will be a bridge too far for Aspen"

Results

We are also on track to double.
Given our relative base in Australia and global manufacturing skills, the task is easier and the numbers are just that much larger!

Great teams – superior results
Go you good things!

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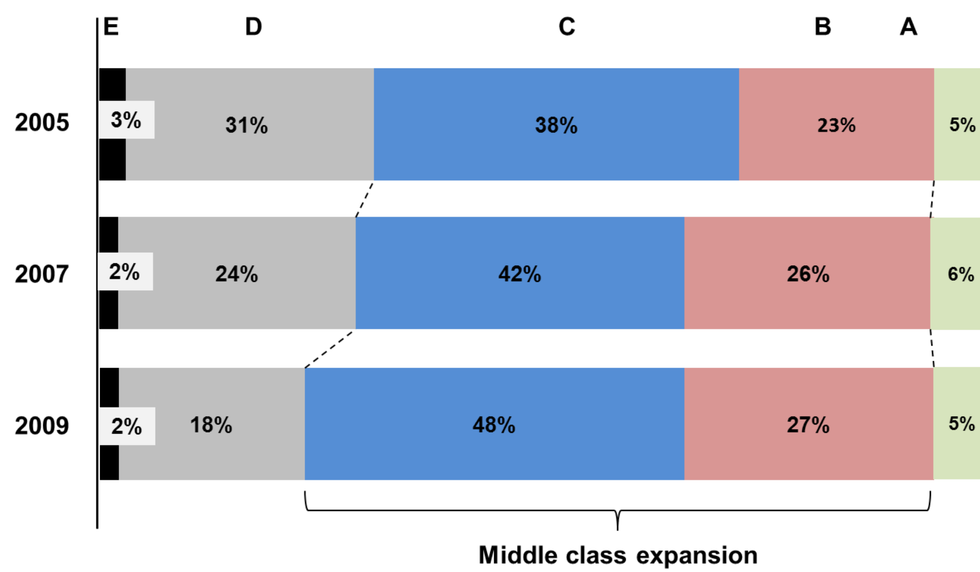
LATIN AMERICA

Brazil

- **Market size R$33 billion ($21 billion)**
  - 7 times the size of South Africa
- **Fragmented**
  - 60 000 pharmacies and 400 wholesalers
- **Market growing at 19%**
  - High priced market
- **Social pyramid shifting annually!**

Evolution of the social pyramid in Brazil (% of total households)



Source : IMS

Aspen rated number 67 by Sales in IMS

LATIN AMERICA

Brazil

- **Foundations finally in place on which to build an Aspen style business**

- **Appointed highly energetic CEO for Brazil**
  - Alexandre Franca
  - Ex-BMS Executive : Sales & Marketing
  - Has Aspen DNA
  - Passionate, focussed, decisive and driven

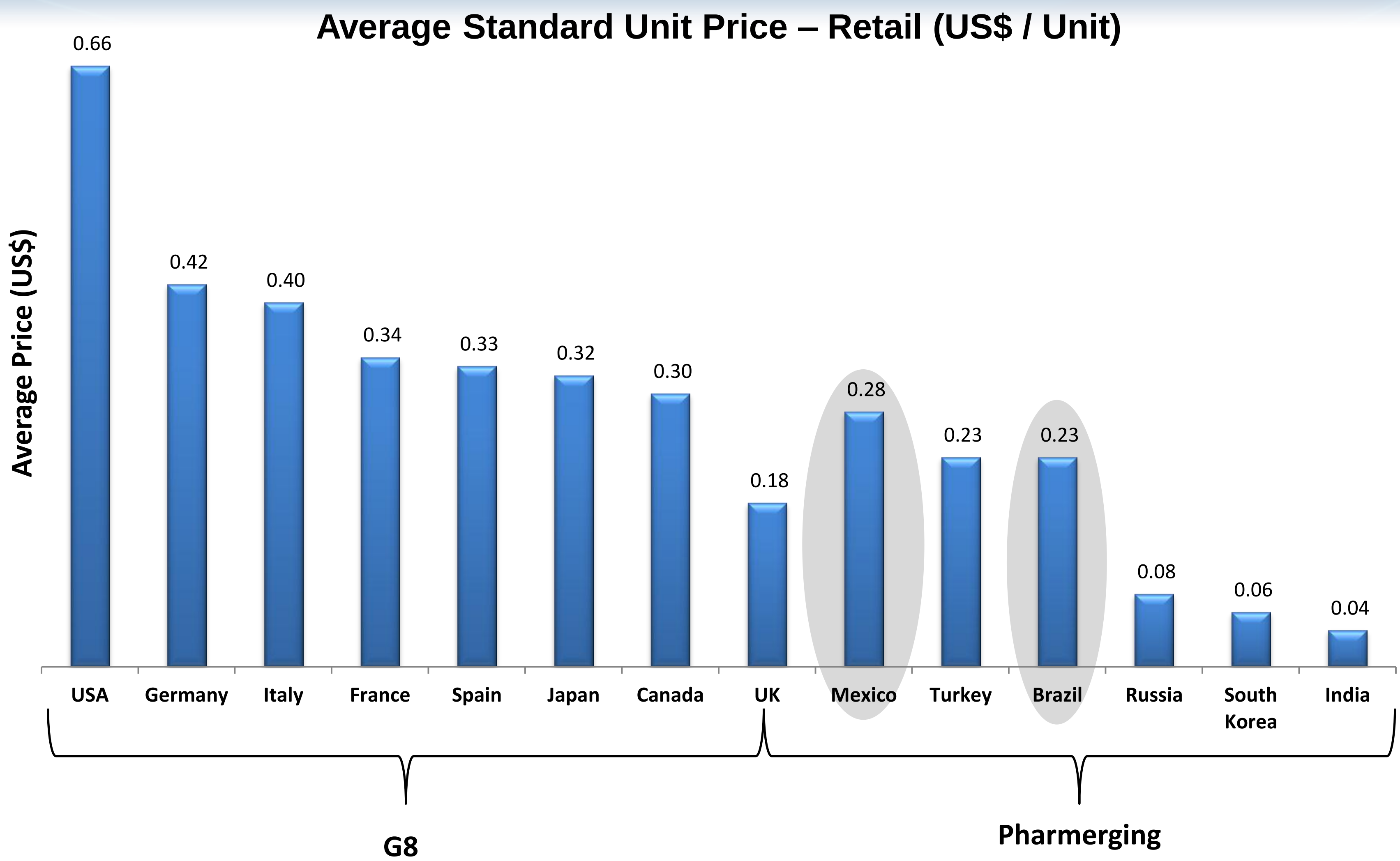
- **Cellofarm renamed Aspen**

- **Business transformed**
  - 100% Public sector → 20% commodities
    - Zylpen / Heptron sold to Strides
  - Emphasis on brand building and organic pipeline
  - Sales growth of 25% achieved

- **Acquisitive / partnering opportunities being explored**
  - Local brands R$12 million acquired

LATIN AMERICA

Average price level in Brazil & Mexico higher than in other Pharmerging Markets

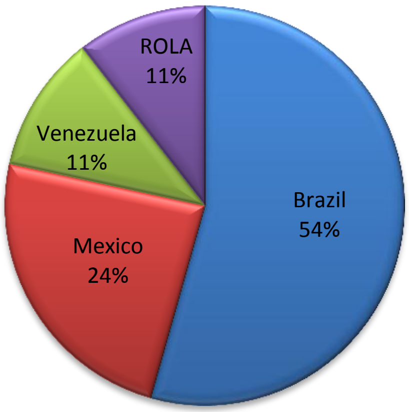


Source : IMS / MIDAS – QTR April 2009

Spanish Latam

- **Mexico market size US$ 7.7 billion ➔ Aspen ranked 50th**
- **Venezuela market size US$ 6.2 billion ➔ Aspen ranked 78th**
- **Consolidated the geography under Mexico**
  - Simplified supply chain
  - Rationalise pack presentations
  - Assisted with MOQ
- **Markets generally have high prices**
  - Prefer brands / branded generics
- **Opportunities being actively explored for products and partnering**
  - Organic pipeline sales flow from 2012

Latam Sales R925m



SUMMARY & PROSPECTS

- **Expect another year of solid growth for Aspen**
  - Growth drivers largely offshore
  - Primarily the Asia Pacific region
- **South African business has performed and shown resilience**
  - Challenges raised at interims blunted
  - Patented products and infant milks aggressively defended
  - Strong volume growth
- **South African prospects**
  - Relative performance to improve throughout the year
- **H1**
  - Sales negatively impacted by ARV off takes
    - Donor effect
  - Last year still had full IMF, ARVs and patented products
  - Strike
  - Organic volume growth from base business
- **H2**
  - ARVs to “normalise”
    - Donor stock washout
  - Lesser impact on IMF, ARVs and patented products
  - Full effect of the IMF tender
  - No strike!
  - Organic volume growth from base business
  - Potential SEP price impact (0% - 4%)

SUMMARY & PROSPECTS

South African Prospects (continued)

- **Organic pipeline to retain our leadership position and drive growth**
- **Opportunity for additional collaborations with multinationals**
- **Focus on maintaining the underlying pharma base growth rates at the 16% achieved last year**

Asia Pacific

- **Growth of this region to drive Group sales numbers through**
  - Leveraging basket of products
  - Roll out of pipeline
- **Sigma included for 12 months**
- **Synergetic savings**
  - Cost of goods and integration cost savings
  - Expect savings over 3 years
- **Anticipated aggressive regional roll out**
  - Philippines to have Aspen representation before financial year end

Latam & Sub-Saharan Africa

- **Both regions now on track**
  - Anticipate both organic and inorganic growth
- **Markets enjoy strong underlying growth fundamentals**
  - Classic emerging market make up

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SUMMARY & PROSPECTS

Aspen Operations

- **Competitive edge that often underpins deal success**
- **Anticipate increased economies of scale in South African facilities**
  - Drive improved COGs
  - 5- 7 year opportunity

Other Aspen Growth Considerations

- **Organic pipeline strong in all regions**
- **Strong cash generation**
- **Reducing debt, scope for additional gearing**
- **Strong probability of further corporate activity and / or alliances**
  - Aspen's expanding regional platform makes us a compelling partnership option for both multinationals and exporters
- **Relative exchange rates – effect local versus offshore component**
  - Regardless believe offshore component will be larger in 2012
- **Anticipate another year of real growth**
  - Primary drivers are organic
  - South African growth blunted by slow ARV off takes
  - Sigma to contribute for 12 months
  - Inorganic opportunities

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